

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLUMBIA**

In re:

*

MWM CARVER TERRACE, LLC,

*

Case No: 11-00168

Debtor.

*

(Chapter 11)

* * * * *

DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION, [AS MODIFIED](#)

MWM Carver Terrace, LLC, the debtor and debtor-in-possession herein, by counsel, hereby proposes this First Amended Plan of Reorganization, [as Modified](#), pursuant to the provisions of chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq.

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ARTICLE I
DEFINITIONS AND TERMS OF CONSTRUCTION

For purposes of this Plan (as hereinafter defined), the following terms shall have the respective meanings set forth below:

A. Definitions.

1.1 “Administrative Expense Claim(s)” shall mean any cost or expense of administration of the Chapter 11 Case under § 503(b) of the Bankruptcy Code and entitled to priority in payment under § 507(a)(1) of the Bankruptcy Code, including any actual and necessary expenses of preserving the estate of the Debtor, any actual and necessary expenses of operating the business of the Debtor, any indebtedness or obligations incurred or assumed by the Debtor during the pendency of the Chapter 11 Case in connection with the conduct of the business of, the lease of property by, or the rendition of services to the Debtor, all fees and expenses of Professional Persons, and U.S. Trustee Fees.

1.2 “Allowed” or “Allowed Claim(s)” shall mean: (a) the amount of a Claim or an Administrative Expense Claim that has been allowed in accordance with § 502 of the Bankruptcy Code by a Final Order; or (b) the amount of a Claim or an Administrative Expense Claim, proof of which has been timely filed with the Clerk of the Bankruptcy Court or that is listed in the Schedules as undisputed, noncontingent and liquidated, and as to which Claim or Administrative Expense Claim (i) no objection to the allowance thereof has been interposed within any period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, this Plan or orders of the Bankruptcy Court, or (ii) an objection has been interposed, which objection has been determined by a Final Order, to the extent such objection is determined in favor of the

claimant, or (iii) with respect to fees and expenses of Professional Persons, the amount of such fees and expenses allowed by the Bankruptcy Court.

1.3 “Asset Purchase Price” shall mean the purchase price for the Property and the Operation Assets as set forth in the Sale Agreement.

1.4 “Asset Sale” shall mean the sale of the Property and the Operation Assets to the Purchaser pursuant to the Sale Agreement.

1.5 “Assigned Executory Contracts and Unexpired Leases” shall mean the executory contracts and unexpired leases listed on the Schedule of Assigned Executory Contracts and Unexpired Leases, attached as Exhibit B to this Plan, and that the Purchaser elects to take an assignment of, pursuant to the Sale Agreement, § 365 of the Bankruptcy Code, and this Plan.

1.6 “Avoidance Actions” shall mean claims for the avoidance of any transfer by or obligation of the Debtor under chapter 5 of the Bankruptcy Code or the recovery of the value of such transfer.

1.7 “Bankruptcy Code” shall mean the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq.

1.8 “Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Columbia, or any court or tribunal subsequently constituted to adjudicate matters arising under the Bankruptcy Code or any successor bankruptcy laws promulgated by the Congress of the United States and which assumes jurisdiction over this Chapter 11 Case.

1.9 “Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, or as amended from time to time, applicable to this case as of the Petition Date.

1.10 “Bar Date” shall mean the deadline established by the Bankruptcy Court or the Bankruptcy Rules for filing proofs of Claim in this Chapter 11 Case.

1.11 “Business Day” shall mean a day other than a Saturday, a Sunday, or a holiday when the Bankruptcy Court is closed for ordinary business.

1.12 “Carver Terrace Member” shall mean the holder of Carver Terrace Membership Interests under the Carver Terrace Operating Agreement.

1.13 “Carver Terrace Membership Interests” shall mean all of the limited liability company membership interests in MWM Carver Terrace, LLC.

1.14 “Carver Terrace Operating Agreement” shall mean the Operating Agreement of MWM Carver Terrace, LLC, dated July 19, 2007, as amended.

1.15 “Case Closing Date” shall mean the date the Bankruptcy Court enters an order closing the Debtor’s Chapter 11 Case.

1.16 “Cash” shall mean cash and cash equivalents.

1.17 “Cause of Action” shall mean without limitation, any and all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, whether known or unknown, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Case, including through the Effective Date.

1.18 “Chapter 11” shall mean chapter 11 of the Bankruptcy Code.

1.19 “Chapter 11 Case” shall mean the chapter 11 case of the Debtor styled, *In re MWM Carver Terrace, LLC*, commenced on March 3, 2011, pending in the Bankruptcy Court under Case No. 11-00168.

1.20 “Claim(s)” shall mean: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.21 “Class” shall mean a Claim or Interest or a group of Claims or Interests consisting of those Claims or Interests which are substantially similar to each other, as classified under this Plan, or a Claim or Interest or a group of Claims or Interests classified by amount as may be reasonable and necessary as administrative convenience claims, or a group of Claims or Interests which are otherwise separately classified in accordance with this Plan and the Bankruptcy Code.

1.22 “Closing” shall mean consummation of the sale of the Property and the Operation Assets to the Purchaser pursuant to the Sale Order and this Plan.

1.23 “Collateral” shall mean any property or interest in property of the Estate subject to a lien, security interest, or other encumbrance to secure the payment or performance of a Claim, which lien, security interest, or other encumbrance is not subject to avoidance under the Bankruptcy Code.

1.24 “Confirmation Date” shall mean the date of entry of the Confirmation Order.

1.25 “Confirmation Hearing” shall mean the hearing to be held by the Bankruptcy Court regarding the confirmation of this Plan, as may be amended, modified or supplemented, as such hearing may be adjourned or continued from time to time.

1.26 “Confirmation Order” shall mean the order of the Bankruptcy Court confirming this Plan under § 1129 of the Bankruptcy Code.

1.27 “Creditor” shall mean any person who asserts a Claim against the Debtor.

1.28 “Debtor” and “Debtor-in-Possession” shall mean MWM Carver Terrace, LLC.

1.29 “Disallowed Amount” shall mean, with respect to a particular Disputed Claim, that amount which is equal to the difference, if any, between the Face Amount of such Disputed Claim and the Allowed Amount thereof.

1.30 “Disclosure Statement” means the Disclosure Statement that relates to this Plan and is approved by the Bankruptcy Court pursuant to § 1125 of the Bankruptcy Code, as such Disclosure Statement may be amended, modified, or supplemented (and all exhibits and schedules annexed thereto or referred to therein).

1.31 “Disputed Claim(s)” shall mean any Claim for which an Allowed Claim has not yet been determined, and with respect to which (i) an objection has been interposed on or prior to the Effective Date or such other date as may be fixed by the Bankruptcy Court or this Plan and has not been resolved by agreement or Final Order, (ii) the Debtor has scheduled as disputed, contingent or unliquidated, or (iii) the Claim is set forth in an improper proof of Claim or a proof of Claim untimely filed. To the extent an objection relates to the allowance of only a part of a Claim, such claim shall be a Disputed Claim only to the extent of the objection.

1.32 “Distribution” shall mean any distribution made under this Plan to the holders of Allowed Claims or Allowed Interests.

1.33 “Distribution Account” shall mean the account maintained by the Reorganized Debtor from which distributions shall be made to holders of Allowed Claims and Allowed Interests, pursuant to this Plan.

1.34 “District Electrical” shall mean District Electrical Services, Inc.

1.35 “Effective Date” shall mean the day on which all the conditions set forth in Article X to this Plan have been satisfied or waived.

1.36 “Estate” shall mean the chapter 11 bankruptcy estate of the Debtor.

1.37 “Estate Assets” shall mean all of the Debtor’s property, rights or interests existing as of the Confirmation Date.

1.38 “Face Amount” shall mean, with respect to a particular Claim, (a) if the holder of such Claim has not filed a proof of Claim with the Bankruptcy Court on or before the Bar Date, which is the time period of limitation fixed by the Bankruptcy Court pursuant to Bankruptcy Rule 3003(c)(3) for the filing of proofs of Claim, the amount of such Claim if it is listed in the Schedules as not disputed, not contingent or unliquidated, or (b) if the holder of such Claim has filed a proof of claim with the Bankruptcy Court prior to the Bar Date, which is the time period of limitation fixed by the Bankruptcy Court pursuant to Bankruptcy Rule 3003(c)(3) for the filing of proofs of claim, the amount stated in such proof of Claim.

1.39 “Fannie Mae” shall mean Federal National Mortgage Association.

1.40 “Fannie Mae Loan Documents” shall mean all loan documents in effect between Fannie Mae and the Debtor relating to the Property.

1.41 “Final Order” shall mean an order of the Bankruptcy Court which is not the subject of a pending appeal, which has not been reversed, stayed, modified or amended, and

respecting which the time to appeal from or to seek review or rehearing shall have expired, as a result of which such order shall have become final in accordance with Bankruptcy Rule 8002.

1.42 “General Unsecured Claim(s)” shall mean an unsecured Prepetition Claim against the Debtor that is not entitled to Priority Status.

1.43 “Interests” shall mean the rights of the equity holder as owner and holder of any and all issued and outstanding general or limited partnership interests in MWM Carver Terrace, LLC.

1.44 “Operation Assets” shall mean all tangible and intangible assets used in the operation of the Property as an apartment complex, including the Assigned Executory Contracts and Unexpired Leases.

1.45 “Other Secured Claims” means an Allowed Secured Claim against the Debtor other than the Secured Claims of Fannie Mae, SiteTec, and District Electrical.

1.46 “Petition Date” shall mean March 3, 2011, the date the Debtor commenced its voluntary Chapter 11 Case.

1.47 “Plan” shall mean this Debtor’s First Amended Plan of Reorganization, as Modified, and any amendments hereto, modifications hereof or supplements hereto.

1.48 “Plan Documents” shall mean the documents (other than this Plan), if any, and instruments to be issued, executed, delivered, assumed and/or performed in conjunction with consummation of this Plan as of, or as soon as reasonably practicable after, the Effective Date.

1.49 “Plan Objection Deadline” shall mean the deadline by which parties shall be required to file an objection to this Plan.

1.50 “Plan Supplement” shall mean the supplemental appendix to this Plan, if any, filed at least ten (10) calendar days before the date of the hearing on confirmation of this

Plan that will contain the Plan Documents and draft forms of such other documents as may be necessary or appropriate to implement the terms and provisions of this Plan.

1.51 “Prepetition Claim(s)” shall mean any Claim(s) against the Debtor arising or accruing prior to the Petition Date.

1.52 “Priority Claim(s)” shall mean all Claim(s) as defined in § 507 of the Bankruptcy Code, except Claims as defined in §§ 507(a)(1), (a)(2) and (a)(8) of the Bankruptcy Code.

1.53 “Priority Status” shall mean the priority in distribution which is afforded to certain Claims against the Debtor pursuant to § 507(a) of the Bankruptcy Code.

1.54 “Priority Tax Claims” shall mean all Claims entitled to priority treatment pursuant to § 507(a)(8) of the Bankruptcy Code.

1.55 “Professional Persons” shall mean (i) persons retained by order of the Bankruptcy Court pursuant to §§ 327, 328, 330 or 1103 of the Bankruptcy Code and (ii) persons retained by the holder of an Allowed Secured Claim entitled to reasonable fees, costs and charges provided for under its agreement with the Debtor and pursuant to § 506(b) of the Bankruptcy Code.

1.56 “Property” shall mean the 407 unit multi-family residential community owned by the Debtor and located at 901 21st Street NE, Washington, DC 20002, and comprised of the following parcels: (i) 2100-2102 Maryland Avenue and 1100 21st Place, NE; (ii) 1111-1115 21st Street, NE; (iii) 1104-1108 21st Place, NE; (iv) 2106-2114 Maryland Avenue, NE; (v) 1109 21st Place, NE; (vi) 900-904 22nd Street, NE; (vii) 2110-2114 I Street, NE; (viii) 2104-2108 I Street, NE; (ix) 901-905 21st Street, NE; (x) 2105-2109 Maryland Avenue, NE; and (xi) 2111-2115 Maryland Avenue, NE, Washington, DC 2002.

1.57 “Pro Rata” shall mean the proportion that the amount of an Allowed Claim or Interest in a particular Class or Classes bears to the aggregate amount of all Allowed Claims or Interests in such Class or Classes.

1.58 “Purchaser” shall mean William C. Smith & Co., Inc. or its affiliate WCS Carver Terrace Limited Partnership, the buyer of the Property and the Operation Assets, who is approved by the Bankruptcy Court pursuant to the Sale Order.

1.59 “Reorganized Debtor” shall mean the Debtor, as reorganized and reconstituted by this Plan.

1.60 “Representative(s)” shall mean (i) any and all officers, directors, attorneys, consultants and advisors of the Debtor, in each case, solely in their respective capacities as such, serving or holding interests immediately prior to the occurrence of the Effective Date.

1.61 “Sale” shall mean the sale of the Property and the Operation Assets pursuant to the Sale Agreement, the Sale Order, and this Plan.

1.62 “Sale Agreement” shall mean the Purchase and Sale Agreement, by and between the Debtor and the Purchaser, dated May 23, 2011, attached to this Plan as **Exhibit A**.

1.63 “Sale Hearing” shall collectively mean the hearings held by the Bankruptcy Court for approval of the Sale Motion.

1.64 “Sale Motion” shall mean the Motion for Approval of (I) Sale of Real Property and Related Assets Free and Clear of Liens and Encumbrances, (II) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Related Relief, filed by the Debtor on March 30, 2011.

1.65 “Sale Order” shall mean the order granting the Sale Motion.

1.66 “Schedule of Assigned Executory Contracts and Unexpired Leases” shall mean the schedule of executory contracts and unexpired leases to be assumed and assigned to the Purchaser, pursuant to § 365 of the Bankruptcy Code, consistent with the terms and conditions of Article IX of this Plan, the Sale Agreement, and the Sale Order. The Schedule of Assigned Executory Contracts and Unexpired Leases is attached to this Plan as **Exhibit B**.

1.67 “Schedules” shall mean the Schedules of Assets and Liabilities, and any amendments thereto, filed by the Debtor with the Bankruptcy Court.

1.68 “Secured Claim” shall mean (a) a Claim that is secured by a lien on property in which the Estate has an interest, which lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or that is subject to setoff under § 553 of the Bankruptcy Code to the extent of the value of the Creditor’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to § 506(a) of the Bankruptcy Code, or (b) a Claim Allowed under this Plan as a Secured Claim.

1.69 “SiteTec” shall mean SiteTec Construction Co.

1.70 “Unsecured Claim” shall mean a Claim against the Debtor other than a Secured Claim, an Administrative Expense Claim, a Priority Claim or a Priority Tax Claim.

1.71 “U.S. Trustee Fees” shall mean any fees payable by the Debtor pursuant to 28 U.S.C. § 1930.

B. Terms of Construction:

1.72 Capitalized Terms: The capitalized terms of this Plan shall have the meanings set forth in this Plan. In the event a capitalized term of this Plan is not defined in this Plan, then it shall have the meaning given in the Bankruptcy Code or the Bankruptcy Rules. In

the event a capitalized term of this Plan is not defined in this Plan, the Bankruptcy Code, or the Bankruptcy Rules, then it shall have the meaning such term has in ordinary usage and if one or more meaning for such term exists in ordinary usage, then it shall have the meaning which is most consistent with the purposes of this Plan and the Bankruptcy Code.

1.73 Reasonable Construction: The terms of this Plan shall not be construed against any person but shall be given a reasonable construction, consistent with the purposes of this Plan and the Bankruptcy Code.

1.74 Herein, Hereof, Hereto, and Hereunder: The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained in this Plan.

1.75 Plural: Unless otherwise specified, the plural shall include the singular and the singular shall include the plural.

1.76 Gender: Unless otherwise specified, the references to the masculine shall include the feminine and reference to the feminine shall include the masculine.

1.77 Including: The term “including” shall not be deemed to be exclusive and shall be deemed to mean “including without limitation.”

1.78 Headings. Headings are for convenience of reference only and shall not limit or otherwise affect the provisions hereof.

ARTICLE II

PROVISION FOR PAYMENT OF ADMINISTRATIVE CLAIMS, PRIORITY CLAIMS AND PRIORITY TAX CLAIMS

2.1 Allowed Administrative Expense Claims: Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, holders of Allowed Administrative Expense Claims will receive Cash equal to the unpaid portion of such

Allowed Administrative Expense Claim on the later of (a) the Effective Date, (b) the date on which such entity becomes a holder of such Allowed Administrative Expense Claim, or (c) such date as such entity may agree to with the Debtor, provided however, that Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtor, as debtor-in-possession, or liabilities arising under other obligations incurred by the Debtor, as debtor-in-possession, whether or not incurred in the ordinary course of business, shall be paid by the Reorganized Debtor in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to, such transactions. Notwithstanding § 503(a) of the Bankruptcy Code, any person seeking payment of an Administrative Expense Claim under § 503 of the Bankruptcy Code that was incurred on or before the Effective Date but which has not been paid by the Debtor, shall be required to file an application for the allowance of final payment of said Claim on or before sixty (60) days after the Effective Date, and any such Claim not filed by that date shall be forever barred and discharged. Objections to any such application shall be filed within thirty (30) days after the filing of the application. Notwithstanding the foregoing, Professional Persons with Administrative Expense Claims shall comply with the provisions of Section 7.7 of this Plan.

2.2 Allowed Priority Claims: The holders of Allowed Priority Claims will receive Cash equal to the unpaid portion of such Allowed Priority Claim, on the later of (a) the Effective Date, (b) the date on which said entity becomes a holder of such Allowed Priority Claim, or (c) such date as such entity may agree to with the Debtor.

2.3 Allowed Priority Tax Claims: Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, at the sole option of the Reorganized Debtor, each holder of an Allowed Priority Tax Claim shall receive, in full and complete

settlement, satisfaction and discharge of its Allowed Priority Tax Claim: (a) Cash in an amount equal to such Allowed Priority Tax Claim on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) calendar days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or (b) equal annual Cash payments in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at a fixed annual rate, which is consistent with applicable laws or as set by order of the Bankruptcy Court, over a period not exceeding five (5) years after the Petition Date, which shall begin on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) calendar days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim. Notwithstanding the foregoing, payment terms for Allowed Priority Tax Claims shall not be less favorable than the treatment of General Unsecured Claims. All Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as such obligations become due.

ARTICLE III

DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

For purposes of this Plan, Claims and Interests are classified as follows:

3.1 “Class 1 Claim” shall consist of the Allowed Secured Claim of the District of Columbia Office of Tax and Revenue, Real Property Tax Administration.

3.2 “Class 2 Claim” shall consist of the Allowed Secured Claim of Fannie Mae.

3.3 “Class 3 Claim” shall consist of the Allowed Secured Claim of SiteTec.

3.4 “Class 4 Claim” shall consist of the Allowed Secured Claim of District Electrical.

3.5 “Class 5 Claims” shall consist of the Allowed Other Secured Claims.

3.6 “Class 6 Claims” shall consist of the General Unsecured Claims.

3.7 “Class 7 Interests” shall consist of any Interests held in the Debtor, including without limitation, any and all issued and outstanding membership interests in MWM Carver Terrace, LLC.

ARTICLE IV **TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

Claims and Interests shall receive the following treatment under this Plan:

4.1 Class 1 Claim (District of Columbia Office of Tax and Revenue, Real Property Tax Administration)

A. Impairment: Class 1 is impaired by this Plan.

B. Treatment: In full and complete satisfaction, discharge and release of the Class 1 Claim, the holder of the Allowed Class 1 Claim shall receive Cash equal to one hundred percent (100%) of its Allowed Secured Claim, plus interest as provided by applicable law, paid pursuant to this Plan and at Closing on the sale of the Property.

C. Lien Retention: The holder of the Allowed Class 1 Claim shall continue to retain its lien on and security interest in, if any, the Property until Closing on the sale of the Property, at which time the Allowed Class 1 Claim will be paid in full.

4.2 Class 2 Claim (Fannie Mae Secured Claim)

A. Impairment: Class 2 is impaired by this Plan.

B. Treatment: In full and complete satisfaction, discharge and release of the Class 2 Claim, the holder of the Allowed Class 2 Claim shall receive cash equal to one hundred percent (100%) of its Allowed Secured Claim, paid pursuant to this Plan and at Closing on the sale of the Property, including payment of unpaid principal balance, non-default and default interest, yield maintenance, and other charges required under the loan documents, including Fannie Mae's costs and expenses, including reasonable attorneys' fees incurred prior to the Petition Date and during this Chapter 11 Case in enforcing its rights under the loan documents; provided, however, that any disputed amounts claimed by Fannie Mae shall be paid into escrow at Closing and released only upon agreement of the Debtor and Fannie Mae or upon Final Order of the Court.

C. Retention of Liens: The holder of the Allowed Class 2 Claim shall continue to retain its lien on and security interest in the Property until Closing on the sale of the Property, at which time the Allowed Class 2 Claim will be paid in full, except as provided in § 4.2 B. of this Plan.

4.3 Class 3 Claim (SiteTec Secured Claim)

A. Impairment: Class 3 is impaired by this Plan.

B. Treatment: In full and complete satisfaction, discharge and release of the Class 3 Claim, the holder of the Allowed Class 3 Claim shall receive cash equal to one hundred percent (100%) of its Allowed Secured Claim ~~plus interest as provided by applicable law, including, pursuant to § 506(b) of the Bankruptcy Code, any interest, reasonable fees, costs, or charges provided for under the Promissory Note, dated November 24, 2009, under which the Class 3 Claim arose,~~ paid pursuant to this Plan and at Closing on the sale of the Property.

C. Retention of Liens: The holder of the Allowed Class 3 Claim shall continue to retain its lien on and security interest in, if any, the Property until Closing on the sale of the Property, at which time the Allowed Class 3 Claim will be paid in full.

4.4 Class 4 Claim (District Electrical Secured Claim)

A. Impairment: Class 4 is impaired by this Plan.

B. Treatment: In full and complete satisfaction, discharge and release of the Class 4 Claim, the holder of the Allowed Class 4 Claim shall receive cash equal to one hundred percent (100%) of its Allowed Secured Claim plus interest as provided by applicable law, paid pursuant to this Plan and at Closing on the sale of the Property.

C. Retention of Liens: The holder of the Allowed Class 4 Claim shall continue to retain its lien on and security interest in, if any, the Property until Closing on the sale of the Property, at which time the Allowed Class 4 Claim will be paid in full.

4.5 Class 5 Claims (Other Secured Claims)

A. Impairment: Class 5 is impaired by this Plan.

B. Treatment: In full and complete satisfaction, discharge and release of the Class 5 Claims, ~~on or as soon as reasonably practicable after the later of the Effective Date or an Other Secured Claim is Allowed,~~ each holder of an Allowed Other Secured Claim shall receive, ~~at the option of the Debtor, either (i) Cash in an amount equal to one hundred percent (100%) of the Allowed Other Secured Claim, (ii) the proceeds of the sale or disposition of the Collateral securing such,~~ Any Allowed Other Secured Claim ~~to the extent of the value of the holder's secured interest in such Collateral, net of the costs of disposition of such Collateral, (iii) such other distribution as necessary to satisfy the requirements of the Bankruptcy Code, including the surrender of any such Collateral; or (iv) such other treatment as the Debtor~~

~~and such holder of an Other Secured Claim may agree~~ that constitutes a lien on the Property shall be paid at Closing.

C. Retention of Liens: The holders of Allowed Class 5 Claims shall continue to retain any liens on the Collateral which secured such claims on the Petition Date to the extent said Collateral has not been sold or otherwise liquidated prior to the date of the Confirmation Order.

4.6 Class 6 Claims (General Unsecured Claims)

A. Impairment: Class 6 is impaired by this Plan.

B. Treatment: In full and complete satisfaction, discharge and release of the Class 6 Claims, the holders of the Allowed Class 6 Claims shall receive cash equal to one hundred percent (100%) of their Allowed Claims, plus interest at the federal judgment rate in effect as of the Petition Date from the later of the Petition Date or the date that the Claim became liquidated, through the date on which the Claim is paid in full, paid pursuant to this Plan and at Closing on the sale of the Property.

4.7 Class 7 Interests (MWM Carver Terrace Membership Interests)

A. Impairment: Class 7 is impaired by this Plan.

B. Treatment: The holder of the Class 7 Interests shall retain her 100% ownership interests in the Reorganized Debtor. Upon the payment in full of all Allowed Class 6 Claims, any remaining Cash on hand shall be distributed to the Reorganized Debtor.

ARTICLE V
LIQUIDATION OF THE DEBTOR'S ESTATE

5.1 Distribution Account: The proceeds of the Sale, the Reorganized Debtor's Cash and the Reorganized Debtor's accounts receivable will fund the Distribution Account. The

Distribution Account will be used by the Reorganized Debtor to make payments required under this Plan in accordance with the priorities set forth in Article IV hereof.

ARTICLE VI
MEANS OF EXECUTION OF THE PLAN

6.1 Authority of Reorganized Debtor: By confirmation of this Plan, the Reorganized Debtor is authorized to carry out its duties under this Plan. In carrying out such duties, the Reorganized Debtor shall comply with all applicable laws.

6.2 Rights, Duties and Obligations of Reorganized Debtor: On the Effective Date, the Reorganized Debtor alone shall have the following rights, duties and obligations, inter alia:

- a. to use, sell or lease any or all of the property of the Estate;
- b. to distribute funds to holders of Allowed Claims and Allowed Interests consistent with the terms of this Plan;
- c. to maintain the Distribution Account created pursuant to this Plan;
- d. to file a final report and move to close the Debtor's Chapter 11 Case; and
- e. any other duties of a debtor consistent with the Bankruptcy Code, payment to holders of Claims, and to implement this Plan.

6.3 Claim Objections: On the Effective Date, the Reorganized Debtor shall have the right, duty and obligation to review the Debtor's Schedules and any Claims or Interests filed in this Chapter 11 Case and to object to any such Claims or Interests.

6.4 Sale of Assets: The Confirmation Order shall incorporate by reference the Sale Order and authorize the Debtor to take all actions required to complete Closing

on the Property and the Operation Assets. The sale of the Property and the Operation Assets pursuant to the Sale Agreement and this Plan in all respects shall be deemed a sale pursuant to §§ 105 and 363 of the Bankruptcy Code and an assumption and assignment of executory contracts and unexpired leases pursuant to § 365 of the Bankruptcy Code, in accordance with and under the provisions of § 1123 of the Bankruptcy Code, as provided for in this Plan, confirmed pursuant to § 1129 of the Bankruptcy Code, effectuated pursuant to § 1141 of the Bankruptcy Code, and in accordance with § 1146 of the Bankruptcy Code, to sell the Property and the Operation Assets free and clear of all liens. If a person who (i) asserts a lien with respect to the Property or the Operation Assets or (ii) is a party to an Assigned Executory Contract or Unexpired Lease, does not object to this Plan, such person shall be deemed to have consented to the sale of the Property and the Operation Assets free and clear of such person's asserted lien, to the assignment of any such Assigned Executory Contract or Unexpired Lease, including the Debtor's proposed cure amount relating to the assumption and assignment of any executory contract or unexpired lease, and to have consented to the treatment provided for such person under this Plan.

6.5 Closing under the Sale Agreement and Consummation of the Plan: On and after the Confirmation Date, the Debtor shall take all reasonable actions necessary to consummate and implement this Plan, including the transactions provided for in the Sale Agreement and will execute and deliver any related agreements, documents or other instruments. Without limiting the generality of the foregoing, the Sale Agreement and any related documents, agreements or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Bankruptcy Court;

provided, that any such modification, amendment or supplement does not have a material adverse affect on the Estate or Creditors.

6.6 Failure to Achieve Effective Date: In the event that the Sale Agreement is terminated or the transactions contemplated in such Sale Agreement do not occur for any reason, or the Effective Date does not otherwise occur, the Debtor shall have the right to modify the Plan pursuant to § 1127 of the Bankruptcy Code and all creditors, including, but not limited to, Fannie Mae expressly reserve the right to support or oppose such Plan modification.

6.7 Vesting of Assets: On the Effective Date, by virtue of the Confirmation of this Plan, the assets of the Estate shall vest in the Reorganized Debtor, free and clear of all liens, claims or encumbrances except as set forth in this Plan, and no further order of court shall be required for the Reorganized Debtor to sell, convey, loan, or encumber the Property or the Operation Assets in any manner.

6.8 Plan Funding: The sources for funding of this Plan shall include, but shall not be limited to, the sale of the Property and the Operation Assets pursuant to the Sale Agreement and this Plan.

6.9 Transfer of Property: Holders of Claims and Interest holders shall be paid in accordance with their priorities set forth in the Bankruptcy Code and the terms set forth in this Plan. Upon confirmation of this Plan, the Debtor shall be designated pursuant to § 1142(b) of the Bankruptcy Code to execute or deliver any instrument required to effect a transfer of any property dealt with by this Plan and to perform any act that is necessary for the consummation of this Plan.

ARTICLE VII

PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Distributions. Commencing on the Effective Date or as otherwise provided in the Plan, the Reorganized Debtor shall make payments, in Cash, to the holders of all Allowed Claims and Interests in accordance with the terms and conditions of this Plan. The Reorganized Debtor may pre-pay, in full or in parts, any payments under this Plan without penalty. The Reorganized Debtor shall act as disbursing agent for the purpose of making those distributions provided under this Plan.

7.2 Distributions of Cash. At the option of the Reorganized Debtor, any Cash payment to be made by the Reorganized Debtor pursuant to this Plan may be made by check drawn on a domestic bank or by wire transfer.

7.3 Delivery of Distributions and Undeliverable Distributions. Distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address as set forth on the proofs of Claim filed by such holders or other writing notifying the Debtor (or, after the Effective Date, the Reorganized Debtor) of a change of address. If any holder's distribution is returned as undeliverable, the holder of any such Claim or Interest shall not be entitled to any other or further distribution under this Plan on account of such Claim or Interest unless the Debtor is notified of a new address within thirty (30) days of the Debtor's receipt of such returned distribution.

7.4 Withholding and Reporting Requirements. In connection with this Plan and all documents executed in connection therewith and distributed thereon, the Reorganized Debtor shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under this Plan shall be subject to any such withholding or reporting requirements.

7.5 Time Bar to Cash Payments. Checks issued by the Reorganized Debtor in respect of Allowed Claims or Interests shall be null and void if not negotiated within forty-five (45) days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Reorganized Debtor by the holder of the Allowed Claim or Interest to whom such check originally was issued. On the last distribution date, all distributions for which checks were not requested to be reissued shall be used to satisfy the costs of administering and fully consummating this Plan and the holder of any such Claim or Interest shall not be entitled to any other or further distribution under this Plan on account of such Claim or Interest.

7.6 Setoffs. The Reorganized Debtor may, in accordance with § 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to this Plan, on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Debtor or the Reorganized Debtor may hold against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor, the Debtor-in-Possession, or the Reorganized Debtor of any such claims, rights and causes of action that the Debtor, the Debtor-in-Possession, or the Reorganized Debtor may possess against such holder; and provided further, however, that any claims of the Debtor arising before the Petition Date shall first be setoff against Claims against the Debtor arising before the Petition Date. The Debtor does not assert any such claims against Fannie Mae.

7.7 Professional Persons with Administrative Expense Claims. Notwithstanding § 503(a) of the Bankruptcy Code, each Professional Person or firm retained with approval by order of the Bankruptcy Court requesting compensation in this Chapter 11 Case

pursuant to §§ 330 or 503(b) of the Bankruptcy Code for any fees for services rendered or reimbursement of expenses incurred on or before the Effective Date, shall be required to file an application for the allowance of final payment of said fees and expenses on or before sixty (60) days after the Effective Date, and any such claim not filed by that date shall be forever barred and discharged. Objections to any such application shall be filed within thirty (30) days after the filing of the application. The provisions of this paragraph are not intended to limit or expand the ability of Professional Persons to receive compensation for services performed or reimbursement for expenses incurred post-Effective Date to facilitate the consummation of this Plan and the performance by the Reorganized Debtor of its duties under this Plan. The Reorganized Debtor may pay any fees and expenses of Professional Persons incurred after the Effective Date without further order of the Bankruptcy Court. Each Secured Creditor seeking payment or reimbursement of fees for services rendered by a Professional Person in respect of this Chapter 11 Case and pursuant to § 506(b) of the Bankruptcy Code, shall be required to file an application for the allowance of final payment of said fees within thirty (30) days of its receipt of notice from the Debtor that the Debtor believes such fees to be unreasonable. In the event that the Debtor determines that such Professional Person's fees, incurred by a Secured Creditor and requested in accordance with § 506(b) of the Bankruptcy Code are not reasonable, the Debtor shall place such disputed funds into escrow upon Closing, pending agreement of the parties or the Bankruptcy Court's entry of a Final Order resolving the allowance or disallowance of such fees. Any remaining non-disputed amounts of an Allowed Secured Claim shall be paid at Closing as set forth in this Plan.

7.8 Transactions on Business Days. If the date on which a transaction is scheduled to occur under this Plan falls on a day that is not a Business Day, the transactions

contemplated by this Plan to occur on such day may instead occur on said day or the next Business Day.

ARTICLE VIII
PROCEDURES FOR RESOLVING AND TREATING DISPUTED
CLAIMS AND INTERESTS

8.1 No Distribution Pending Allowance. Notwithstanding any other provision of this Plan, the Reorganized Debtor is not required to distribute Cash or other property under this Plan on account of any Disputed Claim or Interest, unless and until such Claim or Interest becomes an Allowed Claim or Interest. Any non-disputed portions of such Claims or Interests shall be paid in accordance with this Plan.

8.2 Resolution of Disputed Claims or Interests. After the Confirmation Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Reorganized Debtor shall have the right to make and file objections to Claims or Interests and shall serve a copy of each objection upon the holder of the Claim or Interest to which the objection is made as soon as practicable, but in no event later than forty-five (45) days after the Effective Date. From and after the Confirmation Date, all objections shall be litigated to a Final Order except to the extent the Reorganized Debtor elects to withdraw any such objection or the Reorganized Debtor and the claimant elect to compromise, settle or otherwise resolve any such objection, in which event they may settle, compromise or otherwise resolve any Disputed Claim or Interest without the approval or order of the Bankruptcy Court.

8.3 Estimation. The Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate any Disputed Claim or Interest pursuant to § 502(c) of the Bankruptcy Code regardless of whether the Reorganized Debtor or the Debtor has previously objected to such Claim or Interest, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim

or Interest at any time, including during litigation concerning any objection to such Claim or Interest. In the event that the Bankruptcy Court estimates any Disputed Claim or Interest, that estimated amount may constitute either the Allowed amount of such Claim or Interest or a maximum limitation on such Claim or Interest, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claims or Interests, the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim or Interest. All of the aforementioned Claims or Interests objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. On and after the Confirmation Date, Claims or Interests which have been estimated subsequently may be compromised, settled, withdrawn or otherwise resolved without the approval or order of the Bankruptcy Court.

8.4 Allowance of Disputed Claims. If, on or after the Effective Date, any Disputed Claim becomes an Allowed Claim, the Reorganized Debtor shall, on or before the last Business Day of the first month following the month in which the Claim becomes an Allowed Claim, distribute to the holder of such Allowed Claim the amount of Cash that such holder would have been entitled to receive under this Plan if such Claim had been an Allowed Claim on the Effective Date.

ARTICLE IX
TREATMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES

9.1 Executory Contracts and Unexpired Leases. On the Effective Date, all executory contracts and unexpired leases that exist between the Reorganized Debtor and any person shall be deemed rejected as of the Effective Date, except for any executory contract or unexpired lease that (i) is the subject of a motion to assume or reject pending on the

Confirmation Date; (ii) was assumed or rejected before the Confirmation Date; (iii) is listed on the Schedule of Assigned Executory Contracts and Unexpired Leases; or (iv) becomes the subject of a dispute over the amount or manner of cure.

9.2 Approval of Assumption or Rejection. Entry of the Confirmation Order as of the Effective Date shall constitute: (i) the approval, pursuant to § 365(a) of the Bankruptcy Code, of the assumption by the Reorganized Debtor and assignment to the Purchaser of the executory contracts and unexpired leases listed on the Schedule of Assigned Executory Contracts and Unexpired Leases, pursuant to the terms and conditions of the Sale Agreement and this Plan; (ii) the approval of the assignment to the Purchaser of the executory contracts and unexpired leases assumed by the Debtor prior to the Confirmation Date pursuant to the terms and conditions of the Sale Agreement and this Plan; and (iii) the approval, pursuant to § 365(a) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to this Plan or otherwise during the Chapter 11 Case or not assigned pursuant to the terms and conditions of the Sale Agreement. Notwithstanding anything contained herein to the contrary, up to the Confirmation Date, the Debtor (with the concurrence of the Purchaser) shall have the right to add to or delete from the Schedule of Assigned Executory Contracts and Unexpired Leases, any executory contract or unexpired lease. The Schedule of Assigned Executory Contracts and Unexpired Leases is attached to this Plan as **Exhibit B**.

9.3 Cure of Defaults. The Reorganized Debtor shall cure any defaults respecting each executory contract or unexpired lease assumed pursuant to Section 9.2 of this Plan upon the latest of: (i) the Effective Date or as soon thereafter as practicable; (ii) such dates as may be fixed by the Bankruptcy Court or agreed upon by the parties including the Purchaser, or as soon thereafter as practicable; or (iii) the tenth (10th) Business Day after the entry of a Final

Order resolving any dispute regarding (a) a cure amount; (b) the ability of the Reorganized Debtor to provide (or to cause Purchaser to provide) “adequate assurance of future performance” under the executory contract or unexpired lease assumed pursuant to this Plan in accordance with § 365(b)(1) of the Bankruptcy Code, or (c) any matter pertaining to assumption or the cure of a particular executory contract or an unexpired lease; provided, that all such cure obligations shall be completed prior to or at or about the Closing of the transactions contemplated by the Sale Agreement unless Purchaser agrees otherwise. The Schedule of Assigned Executory Contracts and Unexpired Leases sets forth the Debtor’s proposed cure amounts for each of the Assigned Executory Contracts and Unexpired Leases.

9.4 Objection to Proposed Cure Amount. Non-Debtor parties to the Assigned Executory Contracts and Unexpired Leases listed on the Schedule of Assigned Executory Contracts and Unexpired Leases, attached to this Plan as **Exhibit B**, that disagree with the Debtor’s proposed cure amount set forth on **Exhibit B**, shall file an objection to this Plan by the Plan Objection Deadline. If a non-Debtor party to an Assigned Executory Contract or Unexpired Lease fails to file an objection to this Plan by the Plan Objection Deadline, such non-Debtor party shall be deemed to consent to the Debtor’s assumption and assignment to the Purchaser and to the Debtor’s proposed cure amount, and shall be forever barred from objecting thereto.

9.5 Bar Date. All proofs of Claim with respect to Claims arising from the rejection of any executory contract or unexpired lease shall be filed with the Bankruptcy Court no later than thirty (30) days after the entry of the Confirmation Order. Any Claim not filed within such time shall be forever barred.

ARTICLE X
EFFECTIVENESS OF THE PLAN

10.1 Conditions Precedent to the Effective Date. The following are conditions precedent to the Effective Date of this Plan:

(a) The Bankruptcy Court shall have entered an order confirming this Plan in form and substance satisfactory to the Debtor;

(b) All documents, instruments and agreements, ~~in form and substance satisfactory to the Debtor,~~ provided for under or necessary to implement this Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby; and

(c) The Closing on the sale of the Property and the Operation Assets under the Sale Agreement, the Sale Order, and this Plan.

10.2 Within fourteen (14) days after the occurrence of the Effective Date, the Reorganized Debtor shall file a pleading entitled "Certification of Occurrence of Effective Date" with the Court in which it shall state the date upon which the Effective Date occurred.

ARTICLE XI
EFFECT OF CONFIRMATION

11.1 Release of Assets. Until the Effective Date, the Bankruptcy Court shall retain jurisdiction of the Debtor and the Estate Assets. Thereafter, jurisdiction of the Bankruptcy Court shall be limited to the subject matters set forth in Article XII of this Plan, and the Reorganized Debtor shall perform its affairs as provided in this Plan.

11.2 Binding Effect. Except as otherwise provided in § 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of this Plan shall bind any holder of a Claim against, or Interest in, the Debtor and its respective successors and assigns, whether or not the Claim or Interest of such holder is impaired under this Plan and whether or not such holder has accepted this Plan.

11.3 Term of Injunctions or Stays. Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Case pursuant to § 105 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until all obligations of the Reorganized Debtor under this Plan have been performed and the Chapter 11 Case has been closed.

11.4 ~~Discharge. Except as otherwise provided in this Plan or the Confirmation Order, effective on the Effective Date, this Plan shall discharge and terminate all liability for any debt of or Claim against the Debtor that arose before the Effective Date, and any debt or claim of a kind specified in §§ 502(g), 502(h), or 502(I) of the Bankruptcy Code, whether or not:~~ Intentionally Omitted.

~~(a) a proof of Claim based on such debt or Claim was filed, or deemed filed, under § 501 of the Bankruptcy Code;~~

~~(b) such Claims are Allowed or Disallowed under § 502 of the Bankruptcy Code;~~

~~(c) such Claim was properly scheduled, if such claim holder had notice of this Chapter 11 Case before the Effective Date; or~~

~~(d) the holder of such Claim has accepted or rejected this Plan.~~

11.5 Release and Injunction. On the Effective Date, the Debtor, in its individual capacity and as a debtor in possession, for and on behalf of the Estate, and the Reorganized Debtor ~~and each holder of a Claim against and Interest in the~~ Debtor hereby releases and discharges, absolutely, unconditionally, irrevocably and forever: ~~(a) any and all Causes of Action against any current or former officer, director, member or agent of the Debtor (“Representative”), in their capacity as such, from any Claim or Cause of Action (i) arising from the beginning of time through the Confirmation Date related to acts or omissions to act (including, but not limited to, any Claims or Causes of Action arising out of any alleged fiduciary or other duty), or (ii) which might at any time after the Confirmation Date arise out of or relate, directly or indirectly, to any pre Confirmation Date acts or omissions; and (b) any and all Causes of Action against any Representative arising from or related to such Representative’s acts or omissions to act in the Chapter 11 Case, except that Representatives shall not be released from any liability relating to acts or omissions to act of gross negligence or willful misconduct. To the fullest extent permitted by applicable law, Unless the holder of a Claim does not receive payment in full of such Claim under this Plan, each holder of a Claim (whether or not Allowed) against ~~or Interest in the Debtor,~~ the Estate or the Reorganized Debtor shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover and shall be deemed to release any Claim against ~~(i) any current or former officer,~~~~

~~director, member or agent of the Debtor arising from the beginning of time through the Confirmation Date or which might at any time after the Confirmation Date arise out of or relate, directly or indirectly, to any pre Confirmation Date acts or omissions related to his or her acts or omissions to act (including, but not limited to, any claims arising out of any alleged fiduciary or other duty), or (ii) any Representative arising from or related to such Representative's acts or omissions to act in the Chapter 11 Case~~any Representative. This provision is not intended, and shall not constitute, a release of any claims by Fannie Mae against the Carver Terrace Member, in her capacity as guarantor of the Debtor's obligations under the loan documents.

ARTICLE XII

RETENTION OF JURISDICTION

12.1 Jurisdiction of Bankruptcy Court. The Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Case and this Plan pursuant to, and for the purposes of, §§ 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine any motions for the assumption or rejection of executory contracts or unexpired leases, and the allowance of any rejection Claims resulting therefrom;
- (b) To determine any and all pending adversary proceedings, applications, and contested matters;
- (c) To hear and determine any objection to any Claims or Interests;
- (d) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(e) To issue such orders in aid of execution of this Plan to the extent authorized by § 1142 of the Bankruptcy Code;

(f) To consider any modifications of this Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of Professional Persons under §§ 330, 331, and 503(b) of the Bankruptcy Code;

(h) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation, or enforcement of this Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan, the Confirmation Order, any transactions or payments contemplated hereby, or any agreement, instrument, or other document governing or relating to any of the foregoing;

(j) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate this Plan, including any release or injunction provisions set forth herein, or to maintain the integrity of this Plan following consummation;

(k) To recover all assets of the Debtor and property of the Estate, wherever located;

(l) To hear and determine matters concerning state, local, and federal taxes in accordance with §§ 346, 505, and 1146 of the Bankruptcy Code (including any requests for

expedited determinations under § 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Petition Date through, and including, the last distribution date);

(m) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code, title 28 of the United States Code and other applicable law;

(n) To enter a final decree closing the Chapter 11 Case; and

(o) To determine such other matters and for such other purposes as may be provided in the Confirmation Order.

ARTICLE XIII

ACCEPTANCE OR REJECTION OF THE PLAN

13.1 Voting of Claims. Each holder of an Allowed Claim or Interest in an impaired Class of Claims or Interests shall be entitled to vote to accept or reject this Plan.

13.2 Acceptance by a Class of Creditors. Consistent with § 1126(c) of the Bankruptcy Code and except as provided for in § 1126(e) of the Bankruptcy Code, a Class of creditors shall have accepted this Plan if it is accepted by at least two-thirds in dollar amount and more than one-half in number of the holders of Allowed Claims or Interests of such Class that have timely and properly voted to accept or reject this Plan.

13.3 Cram Down. The Debtor shall utilize the provisions of § 1129(b) of the Bankruptcy Code to satisfy the requirements for confirmation of this Plan over the rejection, if any, of any Class entitled to vote to accept or reject this Plan.

ARTICLE XIV

MISCELLANEOUS PROVISIONS

14.1 Effectuating Documents and Further Transactions. The Reorganized Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases and other agreements or documents and take such actions on behalf of the Reorganized Debtor as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

14.2 Payment of U.S. Trustee Fees. All outstanding U.S. Trustee Fees, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid on or before the Effective Date. Any U.S. Trustee Fees accruing after the Confirmation Date shall be paid by the Reorganized Debtor.

14.3 Default. If the Reorganized Debtor substantially defaults on any payment of a tax or obligation due to any governmental unit under this Plan, then after written notice of such default and the failure of the Reorganized Debtor to cure such default, within thirty (30) days the entire tax debt still owed to such any governmental unit shall become due and payable immediately, and any such governmental unit may proceed with any remedies otherwise available to it under Federal and state law, including, but not limited to, the administrative collection provisions of the Internal Revenue Code and state tax collection procedures.

14.4 Exemption from Transfer Taxes. Pursuant to § 1146(a) of the Bankruptcy Code: (i) the issuance, distribution, transfer or exchange of Interests or other Estate property; (ii) the creation, modification, consolidation or recording of any deed of trust or other security interest, the securing of additional indebtedness by such means or by other means in furtherance of or in connection with this Plan, the Confirmation Order, and any related documents; (iii) the making, assignment, modification or recording of any lease or sublease; (iv) the sale or transfer of assets, including without limitation the Property or the Operation Assets, shall be deemed

exempt from all taxes arising from such sale or transfer which would otherwise be imposed at the time of transfer or sale, which are determined by consideration for or value of the property being transferred, or as a percentage thereof, including taxes imposed by the District of Columbia or other applicable law, or (v) the making, delivery or recording of a deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, the Confirmation Order, any related documents or any transaction contemplated above, or any transactions arising out of, contemplated by or in any way related to the foregoing, including without limitation the Property and the Operation Assets, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act or real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment and the appropriate state or local government officials or agents shall be, and hereby are, directed to forego the collection of any such tax or assessment and to accept for filing or recordation any of the foregoing instruments or other documents without the payment of any such tax or assessment.—~~Any subsequent transfer of the Property made by the Reorganized Debtor within two (2) years after the Effective Date shall be deemed a transfer by the Debtor for the purposes of this section of this Plan and shall enjoy the same exemption from taxation as otherwise provided by § 1146(a) of the Bankruptcy Code.~~

14.5 Modification of Plan. The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify this Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtor (and after the Effective Date, the Reorganized Debtor) may upon order of the Bankruptcy Court, amend or modify this Plan, in accordance with § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be

necessary to carry out the purpose and intent of this Plan. A holder of an Allowed Claim or Interest that is deemed to have accepted this Plan shall be deemed to have accepted this Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Interest of such holder.

14.6 Withdrawal or Revocation. The Debtor may withdraw or revoke this Plan at any time prior to the Confirmation Date. If the Debtor revokes or withdraws this Plan prior to the Confirmation Date, or if the Confirmation Date does not occur, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any other person in any further proceedings involving the Debtor.

14.7 Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

14.8 Notices. Any notices to or requests of the Reorganized Debtor by parties in interest under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage pre-paid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

The Reorganized Debtor:

901 21st Street, N.E., #J
Washington, D.C. 20002

Fax: (202) 399-1896
Attention: Corbett P. McClure, Jr.

With a copy to:

Brent C. Strickland, Esquire
Paul M. Nussbaum, Esquire
Whiteford, Taylor & Preston L.L.P.
Seven Saint Paul Street
Baltimore, Maryland 21202

The U.S. Trustee:

Office of the U.S. Trustee
~~101 W. Lombard Street, Suite 2625~~
~~Baltimore, Maryland 21201~~
115 S. Union Street, Room 210
Alexandria, Virginia 22314

14.9 Severability. In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of this Plan is invalid, void or unenforceable, the Bankruptcy Court shall, with the consent of the Debtor, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, 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.

14.10 Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the District of Columbia, without giving effect to the principles of conflicts of law thereof.

14.11 Other Documents. On or before ten (10) calendar days preceding the commencement of the hearing on the Confirmation of this Plan, unless the Bankruptcy Court orders otherwise, the Debtor and/or any party-in-interest, shall file with the Bankruptcy Court

such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan, including without limitation the Plan Supplement.

14.12 Withdrawal by Proponent. The Debtor reserves the right to withdraw the Plan at any time prior to the entry of the Confirmation Order.

14.13 Exculpation. ~~None of the Debtor, the Reorganized Debtor or any of their respective members, officers, directors, employees or Representatives shall have or incur any liability to any holder of a Claim or Interest for any act or omission in connection with, related 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 willful misconduct or gross negligence, and, in all respects, the Debtor, the Reorganized Debtor and each of their respective members, officers, directors, employees, advisors, professionals and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.~~ Intentionally Omitted.

14.14 Injunction Against Interference With Plan. Upon the entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former affiliates, employees, agents, professionals, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of this Plan.

14.15 Headings. Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

Dated: ~~May 24,~~ July 7, 2011

Respectfully Submitted by,

MWM CARVER TERRACE, LLC

By: /s/ Myrl Wire Mulligan
Sole Member

WHITEFORD, TAYLOR & PRESTON L.L.P.

/s/ Brent C. Strickland
Brent C. Strickland, D.C. Bar No. 452880
Paul M. Nussbaum, Esquire
Seven Saint Paul Street
Baltimore, Maryland 21202-1636
(410) 347-8700

Counsel for the Debtor,
MWM Carver Terrace, LLC

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