IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
NNN 3500 Maple 26, LLC, *et al.*,	§	Case No. 13-30402-hdh-11
Debtors.	§	(Jointly Administered)

AMENDED DISCLOSURE STATEMENT IN SUPPORT OF AMENDED PLAN OF REORGANIZATION OF STRATEGIC ACQUISITION PARTNERS, LLC

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Dated: JANUARY 24, 2014.

INTRODUCTORY DISCLOSURES

THIS AMENDED DISCLOSURE STATEMENT IN SUPPORT OF AMENDED PLAN OF REORGANIZATION OF STRATEGIC ACQUISITION PARTNERS, LLC (THE "DISCLOSURE STATEMENT"), FILED BY STRATEGIC ACQUISITION PARTNERS, LLC, SUMMARIZES CERTAIN PROVISIONS OF THE AMENDED PLAN OF REORGANIZATION OF STRATEGIC ACQUISITION PARTNERS, LLC (THE "PLAN"), INCLUDING PROVISIONS RELATING TO THE PLAN'S TREATMENT OF CLAIMS AGAINST THE DEBTORS. THE DISCLOSURE STATEMENT ALSO SUMMARIZES CERTAIN FINANCIAL INFORMATION CONCERNING THE DEBTORS AND THE CLAIMS ASSERTED AGAINST THE DEBTORS IN THE BANKRUPTCY CASE. WHILE STRATEGIC ACQUISITION PARTNERS, LLC BELIEVES THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION WITH RESPECT TO THE INFORMATION SUMMARIZED, CREDITORS SHOULD REVIEW THE ENTIRE PLAN AND EACH OF THE DOCUMENTS REFERENCED HEREIN, AND SHOULD SEEK THE ADVICE OF THEIR OWN COUNSEL BEFORE CASTING THEIR BALLOTS.

EXCEPT FOR THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS, OR IN ANY OTHER DISCLOSURE STATEMENT APPROVED BY THE BANKRUPTCY COURT, NO REPRESENTATIONS CONCERNING THE DEBTORS, THE DEBTORS' ASSETS AND LIABILITIES, THE PAST OR FUTURE OPERATION OF THE DEBTORS, THE PLAN, OR ALTERNATIVES TO THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN, OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS, ARE UNAUTHORIZED AND SHOULD BE REPORTED TO STRATEGIC ACQUISITION PARTNERS, LLC'S COUNSEL.

THE APPROVAL OF THE DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTY OF THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT, EXPRESS OR IMPLIED, IS INTENDED TO GIVE RISE TO ANY COMMITMENT OR OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED AS CONFERRING UPON ANY PERSON ANY RIGHTS, BENEFITS OR REMEDIES OF ANY NATURE WHATSOEVER. THE DISCLOSURE STATEMENT IS INFORMATIONAL ONLY. ADDITIONALLY, CREDITORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH CREDITOR SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY MATTER CONCERNING THE PLAN, INCLUDING THE TREATMENT OF CLAIMS UNDER THE PLAN, THE RELEASES PROVIDED BY AND PROPOSED UNDER THE PLAN, THE TRANSACTIONS AND INJUNCTIONS PROVIDED UNDER THE PLAN, AND THE VOTING PROCEDURES AND ELECTIONS APPLICABLE TO THE PLAN.

THE PLAN CONTAINS STRONG INJUNCTIONS THAT MAY AFFECT YOUR RIGHTS PERMANENTLY OR TEMPORARILY AGAINST THE DEBTORS OR OTHERS. STUDY THIS DISCLOSURE STATEMENT AND THE PLAN CLOSELY AND CONSULT WITH LEGAL COUNSEL.

DEFINITIONS

In addition to the defined terms listed above and defined elsewhere in this Disclosure Statement, the following terms, as used in this Disclosure Statement, shall have the following meanings, and such meanings shall be equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires. Further, terms which are used in this Disclosure Statement which are defined in the Plan shall have the meaning ascribed to them in the Plan.

"Administrative Claim" means a Claim for any cost or expense of administration of the Bankruptcy Case under section 503(b) of the Bankruptcy Code, including, without limitation, any fees or charges assessed against the Consolidated Estate pursuant to 28 U.S.C. § 1930, and further including a Professional Claim.

"Administrative Claims Bar Date" means the day that is thirty (30) days after the Effective Date.

"Administrative Tax Claim" means any *ad valorem* tax claim assessed against, or payable by, the Debtors or the Estates or their property for or on account of tax year 2014, specifically excluding Secured Tax Claims.

"Allowed" as it relates to any type of Claim provided for under the Plan, means a Claim: (i) which has been scheduled as undisputed, noncontingent and liquidated in the Schedules in an amount other than zero or unknown, and as to which: (a) no proof of Claim has been timely filed, and (b) no objection has been timely filed (as determined by applicable deadlines contained in the Plan, including the Claims Objection Deadline); (ii) as to which a proof of Claim has been timely filed and either: (a) no objection thereto has been timely filed (as determined by applicable deadlines contained in the Plan, including the Claims Objection Deadline), or (b) such Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court; (iii) which has been expressly allowed under the provisions of the Plan; or (iv) which has been expressly allowed by Final Order of the Bankruptcy Court.

"Allowed Administrative Claim" means: (i) an Administrative Claim that has been Allowed (but only to the extent Allowed), if approval from the Bankruptcy Court is required in order to Allow the same; and (ii) an Administrative Claim which: (a) is incurred by the Debtors after the Petition Date in the ordinary course of business operations or pursuant to an order entered by the Bankruptcy Court granting automatic Administrative Claim status; (b) is not disputed by the Debtors or the Reorganized Debtors; and (c) does not require approval from the Bankruptcy Court to become Allowed.

"Allowed Priority Claim" means a Priority Claim that has been Allowed (but only to the extent Allowed).

"Allowed Secured Claim" means a Secured Claim that has been Allowed (but only to the extent Allowed).

"Allowed Unsecured Claim" means an Unsecured Claim that has been Allowed (but only to the extent Allowed).

"Avoidance Actions" means any and all rights, claims, or actions which the Debtors may assert on behalf of the Estates under Chapter 5 of the Bankruptcy Code, including actions under one or more provisions of sections 542, 544, 545, 546, 547, 548, 549, 550, 551 and/or 553 of the Bankruptcy Code, except to the extent that any such rights, claims, or actions are released or waived in the Plan.

"Ballot" means the ballot, the form of which has been approved by the Bankruptcy Court, accompanying the Disclosure Statement provided to each holder of a Claim or Equity Interest entitled to vote to accept or reject the Plan.

"Bankruptcy Case" means the jointly administered bankruptcy case of the Debtors, pending in the Bankruptcy Court under jointly administered Case Number 13-30402, and includes, as necessary, each member case of the Debtors that is jointly administered under the above case number.

"Bankruptcy Code" means 11 U.S.C. §§ 101, *et. seq.*, in effect as of the Petition Date and as may have been or may be amended or supplemented since, to the extent that any such amendment or supplement is automatically applicable to the Bankruptcy Case by operation of law and not by operation of any election or choice.

"Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, Dallas Division or, if such court ceases to exercise jurisdiction, the court or adjunct thereof that exercises jurisdiction over the Bankruptcy Case.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, together with the local bankruptcy rules for the Bankruptcy Court as now in effect or as the same may from time to time hereafter be amended.

"Bar Date" means the applicable deadlines for filing (i) claims of Persons other than Governmental Units, and (ii) claims of Governmental Units, as established by the Bankruptcy Court in each of the Debtors' individual bankruptcy cases.

"Business Day" means any day which is not a Saturday, a Sunday, or a "legal holiday" within the meaning of Bankruptcy Rule 9006(a).

"Call Option" shall have the meaning ascribed to such term as set forth in Section 5.3(i) of the Plan.

"Claim" means a claim against one or more of the Debtors, one or more of the Estates, and/or property of one or more of the Debtors or the Estates, as such term is otherwise defined in section 101(5) of the Bankruptcy Code, arising prior to the Effective Date.

"Claims Objection Deadline" means the date by which parties authorized by the Plan may file any objection to a Claim, which date shall be sixty (60) days after the Effective Date, except with respect to Administrative Claims as otherwise provided for herein.

"Class" means one of the categories of Claims and Interests established under Article II of the Plan.

"Confirmation Date" means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on its docket.

"Confirmation Hearing" means the hearing(s) before the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of the Plan, as such hearing(s) may be continued, rescheduled or delayed.

"Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, as such order may be amended, modified, or supplemented.

"Creditor" means the holder of any Claim entitled to distributions with respect to such Claim.

"Cure and Reinstatement" shall have the meaning ascribed to such term as set forth in Section 4.3.5 of the Plan.

"Debtors" means NNN 3500 Maple 1, LLC, NNN 3500 Maple 2, LLC, NNN 3500 Maple 3, LLC, NNN 3500 Maple 4, LLC, NNN 3500 Maple 5, LLC, NNN 3500 Maple 6, LLC, NNN 3500 Maple 7, LLC, NNN 3500 Maple 10, LLC, NNN 3500 Maple 12, LLC, NNN 3500 Maple 13, LLC, NNN 3500 Maple 14, LLC, NNN 3500 Maple 15, LLC, NNN 3500 Maple 16, LLC, NNN 3500 Maple 17, LLC, NNN 3500 Maple 18, LLC, NNN 3500 Maple 20, LLC, NNN 3500 Maple 22, LLC, NNN 3500 Maple 23, LLC, NNN 3500 Maple 24, LLC, NNN 3500 Maple 26, LLC, NNN 3500 Maple 27, LLC, NNN 3500 Maple 28, LLC, NNN 3500 Maple 29, LLC, NNN 3500 Maple 30, LLC, NNN 3500 Maple 31, LLC, NNN 3500 Maple 32, LLC, and NNN 3500 Maple 34, LLC, in their capacities as debtors and debtors in possession under sections 1107 and 1108 of the Bankruptcy Code, and including any other Person who is a debtor in the Bankruptcy Case at present or in the future, or who holds a TIC Interest and files a petition for relief under the Bankruptcy Code at any time prior to the Effective Date.

"Disallowed Claim" means, as it relates to any type of Claim provided for under the Plan, a Claim or portion thereof that: (i) has been disallowed by a Final Order of the Bankruptcy Court; (ii) is identified in the Schedules in an amount of zero dollars, unknown dollars, or as contingent, unliquidated, and/or disputed, and as to which a proof of Claim was not filed by the Bar Date; or (iii) is not identified in the Schedules and as to which no proof of Claim has been filed or deemed filed by the Bar Date, if the filing of such proof of Claim is otherwise required.

"Disclosure Statement" means the Disclosure Statement with respect to the Plan, approved by the Bankruptcy Court as containing adequate information for the purpose of dissemination and solicitation of votes on confirmation of the Plan, either in its present form or as it may be altered, amended or modified from time to time.

"Disputed Claim" means any Claim or any portion thereof which is neither Allowed nor is a Disallowed Claim as of the close of the Claims Objection Deadline. In the event that

any part of a Claim is a Disputed Claim, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under the Plan unless the party responsible for the payment thereof, the objecting party, and the holder thereof agree otherwise or unless otherwise ordered by the Bankruptcy Court; *provided*, *however*, that nothing in this definition of "Disputed Claim" is intended to or does impair the rights of any holder of a Disputed Claim to pursue its rights under section 502(c) of the Bankruptcy Code. Without limiting any of the foregoing, but subject to the provisions of the Plan, a Claim that is the subject of a pending application, motion, complaint, objection, or any other legal proceeding seeking to disallow, limit, subordinate, or estimate such Claim, as of the Claims Objection Deadline, shall be a Disputed Claim unless and until the entry of a Final Order providing otherwise.

"Equity Interests" means any ownership of any equity in the Debtors, including, as may be applicable, any membership interest, stock, share, general partnership interest, limited partnership interest, or other equity ownership.

"Estates" means the estates created for the Debtors pursuant to section 541 of the Bankruptcy Code and any other applicable provision thereof.

"Executory Contract" means, collectively, "executory contracts" and "unexpired leases" of the Debtors as of the Petition Date as such terms are used within section 365 of the Bankruptcy Code.

"Final Decree" means the final decree entered by the Bankruptcy Court on or after the Effective Date pursuant to Bankruptcy Rule 3022.

"Final Order" means a judgment, order, ruling, or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other tribunal having jurisdiction over the subject matter thereof which judgment, order, ruling, or other decree has not been reversed, stayed, modified, or amended and as to which: (i) the time to appeal or petition for review, rehearing or certiorari has expired and as to which no appeal or petition for review, rehearing or certiorari is pending; or (ii) any appeal or petition for review, rehearing or certiorari has been finally decided and no further appeal or petition for review, rehearing or certiorari can be taken or granted.

"Governmental Unit" means a governmental unit as such term is defined in section 101(27) of the Bankruptcy Code.

"Lender" means U.S. Bank National Association, as Trustee, successor-in-interest to Bank of America, N.A., as Trustee for the Registered Holders of Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-C23, acting by and through CWCapital Asset Management LLC in its capacity as Special Servicer.

"Lender Claims" means any and all Claims, liens, security interests, and rights held by the Lenders against any and all of the Debtors and the Estates, and their property, including as asserted by the Lenders in proofs of claim filed by the Lenders against the Debtors.

"Lender Cure Claim" shall have the meaning ascribed to such term as set forth in Section 4.3.6 of the Plan.

"Lender Loan Documents" means, collectively, all loan and security documents executed in connection with that certain loan made by Wachovia Bank, National Association, to NNN 3500 Maple LLC, and NNN 3500 Maple VF 2003, LLC, on or about December 27, 2005, in the original principal amount of $47,000,000.

"Lender Secured Claim" shall have the meaning ascribed to such term as set forth in Section 4.3.1 of the Plan.

"Merger and Consolidation" shall have the meaning ascribed to such term as set forth in Section 5.4(i) of the Plan.

"NewCo" means 3500 Uptown, LLC, a Texas limited liability company, whose membership interests shall be separated into Class A interests and Class B interests.

"Non-Debtors" means NNN 3500 Maple 0, LLC, NNN 3500 Maple 8, LLC, NNN 3500 Maple 9, LLC, NNN 3500 Maple 11, LLC, NNN 3500 Maple 25, LLC, and NNN 3500 Maple 35, LLC, and any other person holding a TIC Interest in and to the Property.

"Original Debtor" means NNN 3500 Maple 26, LLC.

"**Person**" means and includes natural persons, corporations, limited partnerships, general partnerships, joint ventures, trusts, land trusts, business trusts, unincorporated organizations, or other legal entities, irrespective of whether they are governments, agencies or political subdivisions thereof.

"Petition Date" means the date on which each of the Debtors commenced its individual bankruptcy case.

"Plan" means *Strategic Acquisition Partners, LLC's Plan of Reorganization*, either in its present form or as it may be altered, amended or modified from time to time.

"Plan Funding" shall have the meaning ascribed to such term as set forth in Section 5.1 of the Plan.

"Plan Proponent" means Strategic Acquisition Partners, LLC.

"Priority Claim" means any Claim entitled to priority in payment under section 507(a) of the Bankruptcy Code, excluding any Claim that is an Administrative Claim or that is a Secured Tax Claim.

"Professional" means any Person employed or to be compensated pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

"Professional Claim" means a Claim by a Professional for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Bankruptcy Case.

"Property" means the land, building(s), improvements, and fixtures commonly known as 3500 Maple Avenue, Dallas, Texas 75219 in which each Debtor holds an ownership interest as a tenant in common.

"Property Manager" means Triple Net Properties Realty, Inc., and any of its successors or assigns.

"Rejection Claim" means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any Executory Contract.

"Reorganized Debtors" means the Debtors on and after the Effective Date, as merged into and consolidated with NewCo.

"Schedules" means the *Schedules of Assets and Liabilities* and the *Statements of Financial Affairs* filed by the Debtors with the clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

"Secured Claim" means a Claim that is alleged to be secured, in whole or in part, (i) by a lien against an asset of the Debtors or the Estates to the extent such lien is valid, perfected and enforceable under applicable non-bankruptcy law and is not subject to avoidance or subordination under the Bankruptcy Code or applicable non-bankruptcy law, but only to the extent that such Claim is secured within the meaning of section 506(a) of the Bankruptcy Code; or (ii) as a result of rights of setoff under section 553 of the Bankruptcy Code.

"Secured Tax Claim" means a Claim of a Governmental Unit for the payment of *ad valorem* real property and business personal property taxes that is secured by property of the Debtors or the Estates.

"Substantial Consummation" means the earliest day on or after the Effective Date on which any of the following occurs: (i) the Reorganized Debtors make any payment required by the Plan; (ii) the Reorganized Debtors execute new loan documents with the Lender regarding the modification of the Lender's claims under the Plan; (iii) the Court enters a Final Order on the Professional Claim of the Debtors' general bankruptcy counsel; or (iv) the Court otherwise finds that Substantial Consummation within the meaning and understanding of the Bankruptcy Code has occurred.

"TIC" means a "tenant in common", as such term is defined in the TIC Agreement.

"TIC Agreement" means that certain *Tenants in Common Agreement* effective as of February 15, 2006 (including any alterations, amendments or modifications thereof), which was recorded in the official records of Dallas County, Texas, on February 15, 2006, as instrument number 200600057022.

"TIC Interest" means the TIC interest that each Debtor and Non-Debtor has in the Property, expressed as a percentage of 100 percent. For example, if a Debtor holds a 2.5 percent TIC ownership interest in the Property, then that Debtor's TIC Interest is 2.5%.

By way of further example, if a Debtor owns 1/40th of the Property as a TIC, then that Debtor's TIC Interest is 2.5%.

"TIC Interest Value" means, for each 1% of TIC Interest, the amount of $22,000.00, resulting from $2,200,000.00 divided by the total number of TIC Interests.

"Unsecured Claim" means any alleged Claim against one or more of the Debtors that is not secured by a valid, enforceable, and unavoidable lien against any asset of the Debtors or the Estates, but excluding any Administrative Claim, Priority Claim, Secured Claim, but including a Secured Claim to the extent not an Allowed Secured Claim but otherwise an Allowed Claim.

"Voting Deadline" means the period established by the Bankruptcy Court within which Ballots may be cast on the Plan.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
NNN 3500 Maple 26, LLC, *et al.*,	§	Case No. 13-30402-hdh-11
Debtors.	§	(Jointly Administered)

AMENDED DISCLOSURE STATEMENT IN SUPPORT OF AMENDED PLAN OF REORGANIZATION OF STRATEGIC ACQUISITION PARTNERS, LLC

Strategic Acquisition Partners, LLC, hereby submits this *Disclosure Statement* (the "Disclosure Statement") in support of its *Amended Plan of Reorganization*, a copy of which is attached hereto as **Exhibit "A"**, which it submits for the Debtors.

ALL CREDITORS AND PARTIES RECEIVING THIS DISCLOSURE STATEMENT ARE CAUTIONED AS FOLLOWS. THE PLAN PROPONENT IS NOT ONE OF THE DEBTORS AND DOES NOT HAVE FULL KNOWLEDGE OF THE DEBTORS' POSTPETITION PERFORMANCE OR FINANCES. SOME OF THE INFORMATION IN THIS DISCLOSURE STATEMENT COMES FROM THE DEBTORS' OWN DISCLOSURE STATEMENT AND HAS NOT BEEN VERIFIED BY THE PLAN PROPONENT. NEVERTHELESS, THE DEBTORS HAVE REPRESENTED THAT SUCH INFORMATION IS ACCURATE, AND THE PLAN PROPONENT BELIEVES THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS ACCURATE.

ARTICLE I
INTRODUCTION

On December 21, 2013, as subsequently amended on January 14, 2014 with the current version, the Plan Proponent filed the Plan with the Bankruptcy Court. The Plan proposes, among other things, the means by which all Claims and Equity Interests against the Debtors will be finally resolved and treated for distribution purposes, consistent with the provisions and priorities mandated by the Bankruptcy Code. The Plan is essentially a new contract between the Debtors and its Creditors and Equity Interest holders, proposed by the Plan Proponent (itself a Creditor) to Creditors and Equity Interest holders for approval. Creditors and Equity Interest holders approve or disapprove of the Plan by voting their Ballots on the Plan, if they are in a Class entitled to vote, and, if appropriate, by objecting to the confirmation of the Plan. However, the Plan can be confirmed by the Bankruptcy Court even if less than all Creditors, Equity Interest holders or Classes accept the Plan and, in such an instance, the Plan will still be binding on those Creditors, Equity Interest holders or Classes that rejected the Plan. Approval and consummation of the Plan will enable the Bankruptcy Case to be finally concluded.

The Plan Proponent hereby submits this Disclosure Statement in connection with the solicitation of votes on, and providing information regarding, the Plan. On January 24, 2014, after notice and a hearing, the Bankruptcy Court approved the Disclosure Statement as containing information of a kind and in sufficient detail to enable Creditors and Equity Interest holders whose votes on the Plan are being solicited to make an informed judgment on whether to accept or reject the Plan. The Bankruptcy Court's approval of the Disclosure Statement does not constitute the Bankruptcy Court's approval or disapproval of the Plan.

This Disclosure Statement, which includes the Plan as **Exhibit "A"**, is being mailed to each holder of a Claim (or potential Claim) and Equity Interest holder against the Debtors that has not been disallowed (in addition to other persons entitled to notice thereof). However, the Plan Proponent is only seeking votes on the Plan from Classes of Creditors and Equity Interest holders who are entitled to vote. Only those Creditors and Equity Interest holders who have received a Ballot may vote to accept or reject the Plan. All Creditors, Equity Interest holders and parties-in-interest may object to the confirmation of the Plan even if they do not necessarily vote on the Plan.

With respect to voting on the Plan, pursuant to the Bankruptcy Code, only those Creditors and Equity Interest holders holding Claims within impaired Classes under the Plan are entitled to vote. The purpose of this Disclosure Statement is to enable Creditors and Equity Interest holders to make an informed decision in exercising their right to vote to accept or reject the Plan.

The Plan Proponent has promulgated the Plan consistent with the provisions of the Bankruptcy Code. The Plan Proponent believes that the Plan provides the best means for maximizing recovery to each of the Classes of Claims and Equity Interest holders under the Plan, in the most expedient manner, and in light of the assets available for distribution. The Plan Proponent believes that the Plan enables affected Creditors to receive a distribution on account of their Claims that is substantially greater than what they would receive if the Bankruptcy Case was converted to a chapter 7 liquidation and assets of the Debtors were liquidated within the parameters of chapter 7 of the Bankruptcy Code.

The Bankruptcy Court may have approved one or more additional disclosure statements, submitted by other parties in support of their competing plans. Thus, you may receive disclosure statements, proposed plans, and ballots in addition to this Disclosure Statement. You are entitled to review each independently, to make a separate decision with respect to each, and to support or contest one or more plans as you determine appropriate. In other words, you may vote in favor of more than one plan, vote in favor of all plans, or vote to reject all plans. If more than one plan goes to confirmation, the Bankruptcy Court may confirm only one plan and, if more than one plan is confirmable, the Bankruptcy Court will determine, from those plans that are confirmable, which plan to confirm based in part on the preferences of Creditors and Equity Interest holders. Thus, expressing your views regarding not only the Plan Proponent's Plan, but all other proposed plans, is important not only for purposes of whether a plan can be confirmed, but which plan among those that are confirmable will be confirmed.

This Disclosure Statement is not intended to replace careful review and analysis of the Plan. Rather, it is submitted as an aid and supplement in your review of the Plan, and attempts to explain the terms and implications of the Plan. Every effort has been made to fully explain the various aspects of the Plan as it may affect Creditors and Equity Interest holders. All Persons

receiving this Disclosure Statement are urged to review all of the provisions of the Plan, which is attached to the Disclosure Statement as **Exhibit "A"**, in addition to reviewing the text of this Disclosure Statement. If you have any questions, you may contact the Plan Proponent's counsel, and every effort will be made to assist you. However, the Plan Proponent's counsel will not provide you with any legal advice, and you are encouraged to seek the advice of separate legal counsel regarding the Plan and your rights thereunder.

Creditors and Equity Interest holders should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes on the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. No other party has been authorized to utilize any information concerning the Debtors, their operations, and their assets and liabilities, other than the information contained in this Disclosure Statement, to solicit votes on the Plan (although one or more other parties may have been authorized to solicit votes on their separate proposed plans). Parties should not rely on any information relating to the Debtors, their operations, or their assets and liabilities, other than the information contained in this Disclosure Statement or in any other disclosure statement approved by the Bankruptcy Court. However, you are entitled to rely on your own information, analyses, and opinions even if that information is not contained in this Disclosure Statement.

After carefully reviewing this Disclosure Statement and the Plan, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed Ballot (if you have been provided with one) and returning the same to the address set forth on the Ballot, in the enclosed return envelope, so that it will be received by the Balloting Agent no later than 5**:00 p.m., Central Time, on February 20, 2014**.

> Please note that, while the votes of only Equity Interest holders will count for voting purposes with respect to the Plan, the Plan Proponent may transmit ballots to creditors as well, depending on what happens in the Bankruptcy Case. This is because, if the Bankruptcy Court concludes that more than one proposed plan is confirmable, the Bankruptcy Court will determine which plan to confirm based in part on the preferences of Creditors and Equity Interest holders. Thus, even though a vote on the Plan may not count, it may be important to assist the Bankruptcy Court in determining which of more than one confirmable plans is preferred by the Creditors and the Equity Interest holders.

If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim, you may be bound by the Plan if it is accepted by the requisite holders of Claims and Equity Interest holders. See **Article V** of this Disclosure Statement for a discussion of voting procedures and requirements.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., CENTRAL TIME, ON FEBRUARY 20, 2014. For detailed voting instructions and the name and address of the person you may contact if you have questions, see **Article V** of this Disclosure Statement.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan on **February 25, 2014, at 9:00 a.m., Central Time**. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed

and served on or before **February 20, 2014**, in the manner described in **Article VI** of this Disclosure Statement.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

THE PLAN PROPONENT SUPPORTS CONFIRMATION OF THE PLAN AND URGES ALL HOLDERS OF IMPAIRED CLAIMS AND EQUITY INTEREST HOLDERS TO VOTE TO ACCEPT THE PLAN.

ARTICLE II
DEBTORS' BACKGROUND AND SIGNIFICANT EVENTS OCCURRING DURING THE BANKRUPTCY CASE

The Debtors, all limited liability companies, constitute twenty-seven of thirty-three TICs that own an 18-story commercial office building situated at and commonly known as 3500 Maple Avenue, Dallas, Texas 75219. The Property was acquired as a part of a real estate syndication in or about October 2006. The nature of the TICs' relationship with one another and their rights and responsibilities with respect to the Property are set forth in the TIC Agreement.

The Property is leased to commercial tenants. The Debtors and the other TICs do not directly manage the Property; it is managed by a property manager, TIC Properties Management, LLC ("TICPM").

The Debtors and other TIC's acquired their ownership interests in the Property through a syndication sponsored by Triple Net Properties, Inc. ("Triple Net"). Daymark Realty Advisors, Inc. ("Daymark") claims to be Triple Net's successor in interest. Prior to the acquisition of the Property by all of the TICs, on or about November 23, 2005, Triple Net entered in to that certain *Management Agreement* ("Management Agreement") with certain TICs whereby Triple Net was made the manager of the Property. In September 2006, certain of the other TICs, including various of the Debtors (the "Assignees") executed that certain *Assignment and Assumption of Tenants in Common Agreement and Management Agreement* (the "Assignment Agreement"), whereby NNN 3500 Maple, LLC ("3500 Maple") assigned, and the Assignees assumed, any and all of 3500 Maple's rights and obligations under the TIC Agreement and the Management Agreement with respect to its ownership interest in the Property.

Subsequently, in December 2010, Triple Net entered into that certain *Asset and Property Management Subcontract* (the "Subcontract") with TICPM. Pursuant to the Subcontract, TICPM currently serves as the property manager of the property.

The Property is subject to a mortgage loan that closed before the TIC syndication. Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-C23 (the "Trust") is the holder of a Promissory note (the "Trust Note") which is secured by, *inter alia*, a *Deed of Trust, Security Agreement, and Fixture Filing* dated December 27, 2005 (the "Deed of Trust") granting the holder of the Trust Note a first priority security interest in the Property. The Trust Note was originated on or around December 27, 2005, when

Wachovia Bank National Association (the "Original Lender") made a loan in the original principal amount of $47,000,000 (the "Loan") to 3500 Maple and NNN 3500 Maple VF, 2003 LLC (collectively with 3500 Maple, the "Original Borrowers"). Pursuant to the Deed of Trust, repayment of the Trust Note is secured by the Property. CWCapital Asset Management, LLC ("CWCAM") is the Special Servicer for U.S. Bank National Association ("Trustee"), which, as successor in interest to Bank of America, N.A., is the Trustee of the Trust. The TICs are jointly and severally liable for the satisfaction of the indebtedness evidenced by the Trust Note.

A. FACTORS LEADING TO THE ORIGINAL DEBTOR'S CHAPTER 11 FILING

At the insistence of the Trust, after or about December 31, 2010, all income from the Property has been deposited under the terms of a cash management agreement into a "lock box" account controlled by CWCAM. CWCAM is in complete control of the revenues generated by the Property and is responsible for paying the expenses associated with the management and operation thereof, including, *inter alia*, the payment of all fees and expenses owed to TICPM, as Daymark's subcontractor, pursuant to the Management Agreement.

Pursuant to a letter dated October 12, 2012, CWCAM notified the TICs that they were in default and that the Trust had exercised its right to accelerate the Trust Note. The Trust subsequently commenced foreclosure proceedings, and a foreclosure sale was scheduled for December 4, 2012.

B. COMMENCEMENT OF THE ORIGINAL CHAPTER 11 CASE

On November 30, 2012, the Original Debtor, a single TIC, commenced its chapter 11 bankruptcy case by filing a voluntary petition for protection under the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California (the "California Bankruptcy Court"). The case was originally assigned to U.S. Bankruptcy Judge Scott C. Clarkson. On January 17, 2013, Judge Clarkson conducted a status conference on the Original Debtor's case. Following the status conference, Judge Clarkson determined that venue of the Original Debtor's case should be transferred to the United States Bankruptcy Court for the Northern District of Texas, and on January 23, 2013, the Court signed an order effectuating the venue transfer (the "Transfer Order").

Based upon the Bankruptcy Court's rulings in the Original Debtor's chapter 11 case, it was determined that additional TICs needed to seek bankruptcy protection in order to reorganize the Property and its related indebtedness.

C. POST-PETITION OPERATIONS AND EVENTS

On January 31, 2013, following the transfer of venue from the California Bankruptcy Court to the Bankruptcy Court, CWCAM filed a *Motion to Dismiss Case Pursuant to 11 U.S.C. § 1112(b)* (the "Motion to Dismiss"). Contemporaneously therewith, CWCAM filed a *Motion for Relief from Automatic Stay* (the "Lift-Stay Motion"), whereby it sought relief from the automatic stay with respect to the Property under sections 362(d)(1) and (2) of the Bankruptcy Code to allow the Trust to exercise its rights and remedies with respect to the Property under the Deed of Trust and related loan documents. Both the Motion to dismiss and the Lift-Stay Motion sought relief based primarily on CWCAM's allegations that the Original Debtor's bankruptcy

case was filed in bad faith. In addition, in the Lift-Stay Motion, CWCAM sought relief from the automatic stay under section 362(d)(2) of the Bankruptcy Code on the grounds that the Original Debtor lacked equity in the Property and the Property was not necessary to an effective reorganization of the Original Debtor.

On February 4, 2013, the Original Debtor filed its *Motion for Entry of an Order Enforcing the Automatic Stay and Granting Related Relief* (the "Stay Enforcement Motion"), whereby the Original Debtor sought to nullify CWCAM's purported unilateral post-petition termination of TICPM as the property manager for the Property. The Bankruptcy Court held a hearing on the Stay Enforcement Motion on February 19, 2013, and on February 28, 2013, entered an order granting the motion in part and holding that CWCAM could not terminate TICPM as property manager for the Property without first obtaining relief from the automatic stay.

On February 28, 2013, the Original Debtor timely filed its *Plan of Reorganization Proposed by NNN 3500 Maple 26, LLC* (the "Original Plan"). On April 10 and 11, 2013, the Court conducted a hearing on the Motion to Dismiss and the Lift-Stay Motion. On May 20, 2013, the Court issued its *Order on Motion to Dismiss Case Pursuant to 11 U.S.C. § 1112(b) and Motion for Relief From the Automatic Stay* (the "Lift-Stay Order"). In the Lift-Stay Order, the Court held, among other things, that the Original Debtor lacked equity in the Property and that the Plan contained impermissible nonconsensual releases for non-Debtor TICs. On June 3, 2013, the Original Debtor filed its *Motion to Alter or Amend, or Alternatively, for Relief From the Court's Lift-Stay Order* (the "Motion to Reconsider"). Concurrently with the Motion to Reconsider, the Original Debtor filed the *First Amended Plan of Reorganization Proposed by NNN 3500 Maple 26, LLC* (the "Amended Plan"). The Amended Plan sought to address concerns raised by the Court in its Lift-Stay Order by, among other things, removing the provision establishing a nonconsensual injunction of CWCAM's claims against non-debtor TIC Owners.

By order dated July 19, 2013, the Court denied the Motion to Reconsider (the "Reconsideration Order") and thereby affirmed its ruling that the Original Debtor lacked equity in the Property. Among other things, the Court stated in the Reconsideration Order that "[non-debtors] should not be permitted to get the benefits of bankruptcy without subjecting themselves to the risks and restrictions bankruptcy imposes." On August 2, 2013, the Original Debtor filed a notice of appeal of the Lift-Stay Order and the Reconsideration Order (the "Appeal"). The Property was re-posted for foreclosure sale by CWCAM, with a sale scheduled on September 3, 2013. The foreclosure sale was stayed when the New Debtors (defined below) filed voluntary petitions for relief under chapter 11 on August 29, 2013, and was not completed. On October 2, 2013, the Original Debtor filed a motion to dismiss the Appeal. The Appeal was dismissed by order dated November 16, 2013

D. SUBSEQUENT BANKRUPTCY CASES

On August 29, 2013, NNN 3500 Maple 1, LLC, NNN 3500 Maple 2, LLC, NNN 3500 Maple 3, LLC, NNN 3500 Maple 4, LLC, NNN 3500 Maple 5, LLC, NNN 3500 Maple 6, LLC, NNN 3500 Maple 7, LLC, NNN 3500 Maple 10, LLC, NNN 3500 Maple 12, LLC, NNN 3500 Maple 13, LLC, NNN 3500 Maple 14, LLC, NNN 3500 Maple 15, LLC, NNN 3500 Maple 16, LLC, NNN 3500 Maple 17, LLC, NNN 3500 Maple 18, LLC, NNN 3500 Maple 20, LLC, NNN

3500 Maple 22, LLC, NNN 3500 Maple 23, LLC, NNN 3500 Maple 24, LLC, NNN 3500 Maple 27, LLC, NNN 3500 Maple 28, LLC, NNN 3500 Maple 29, LLC, NNN 3500 Maple 30, LLC, NNN 3500 Maple 31, LLC, NNN 3500 Maple 32, LLC, and NNN 3500 Maple 34 (collectively, the "New Debtors") each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court.

E. BAR DATES

The Bar Date for filing proofs of claims with respect to the Original Debtor for creditors (other than Governmental Units) was May 29, 2013. The Bar Date for filing proofs of claims against the New Debtors (other than Governmental Units) is January 6, 2014.

F. TERMINATION OF EXCLUSIVITY

On November 15, 2013, the Plan Proponent filed a motion to terminate the Debtor's exclusivity on grounds of delay, proposing a non-confirmable plan, recalcitrance by creditors, and acrimonious relations between the Debtors and the Lender which continue to delay progress in the Bankruptcy Case. On December 11, 2013, the Bankruptcy Court entered its *Order on Expedited Motion to Terminate Debtor's Exclusivity Period*, through which the Bankruptcy Court authorized the Plan Proponent, among others, to file proposed plans in the Bankruptcy Case.

ARTICLE III
OVERVIEW OF THE PLAN

Parties are cautioned to read the Plan carefully in order to fully understand its terms. This Article offers a summary of the Plan only, given in lay and non-technical terms, and it is not to be construed as conclusive.

A. WHAT IS THE PLAN?

The Plan is a legal document which, if confirmed by the Bankruptcy Court, will be binding on all Creditors and parties-in-interest in the Bankruptcy Case, regardless of whether they vote to accept the Plan. The Plan is in the nature of a contract which, if confirmed by the Bankruptcy Court, will set forth the procedures and substance for the reorganization of the Debtors and the Estates' property, and for the satisfaction of Claims against the Debtors and the Estates. However, the Plan will be binding only if the Bankruptcy Court confirms the Plan.

B. WHO IS THE PLAN PROPONENT?

Strategic Acquisition Partners, LLC, a Creditor of the Debtors.

C. WHO ARE THE DEBTORS?

The Debtors, all limited liability companies, constitute twenty-seven of thirty-four TICs who own an 18-story commercial office building situated at and commonly known as 3500 Maple Avenue in Dallas, Texas.

D. WHAT IS NEWCO?

NewCo, actually 3500 Uptown, LLC, is a Texas limited liability company which, if the Plan is confirmed and becomes effective, will end up owning all assets of the Debtors and the Estates, including the whole of the Property (including the interests of Non-Debtors in the Property).

NewCo will have two class of membership interests: Class A and Class B. Class A will be majority owned by Artemis Real Estate Partners Fund 1 Acquisition, LLC, and minority owned by 3500 PRG Uptown, LLC, which together shall own one-hundred percent (100%) of the Class A membership interests in NewCo. Additionally, NewCo may have Class B membership interests, offered to Equity Interest holders in the Debtors and to the Non-Debtors, if they so chose. Class B membership interests shall be non-voting, carried interests only, which shall entitle the holders thereof to a profit sharing with Class A members only after Class A members in NewCo receive a twelve percent (12%) internal rate of return (including a return of and on all capital contributions, including the amount of the Plan Funding used to make payments under this Plan, and including any tenant improvements or other additions or improvements to the Property).

As of the Effective Date, NewCo shall be capitalized with $500,000.00 in funds (over and above the Plan Funding) and will thereafter fund itself through operations, although the Class A members intend to invest additional funds and to make additional capital available to NewCo, in their discretion, as may become necessary or advisable to make capital improvements to the Property.

On the Effective Date, the managers and officers of NewCo shall be: (i) Vance Detwiler, president of Prescott Realty Group, Inc.; (ii) Judson Pankey, CEO of Prescott Realty Group, Inc.; and (iii) a person to be designated by Artemis Real Estate Partners Fund 1 Acquisition, LLC. None of the foregoing shall be paid for their services by NewCo directly. There are no plans at present to change the foregoing. However, after the Effective Date, the management of NewCo and any compensation shall be as is otherwise appropriate under applicable corporate governance documents and law, with no restriction on the same under the Plan.

Parties wishing to learn more about Prescott Realty Group, Vance Detwiler, and Judson Pankey are invited to visit Prescott's Internet site at http://www.prescottrealtygroup.com.

As of the Effective Date, the managing members of NewCo shall be Artemis Real Estate Partners Fund 1 Acquisition, LLC and 3500 PRG Uptown, LLC. Neither shall be paid for their services as managing members by NewCo directly or from the Property. The Property shall be managed by Prescott Realty Group, Inc., which shall be compensated on a monthly basis at the amount of 3.5% of the gross revenue of the Property, pursuant to a management contact to be entered into by and between NewCo and Prescott Realty Group, Inc. There are no plans at present to change any of the foregoing. However, after the Effective Date, the management of NewCo and the Property, and any compensation related to the same, shall be as is otherwise appropriate under applicable corporate governance documents and law, with no restriction on the same under the Plan.

As of the Effective Date and thereafter, the business of NewCo shall be owning, managing, and operating the Property, including by servicing such tenants whose leases are

assumed, marketing the Property to new tenants, entering into new leases, making capital improvements as advisable, and potentially selling the Property in the futur.

Attached to this Disclosure Statement as Exhibit "B" are the Plan Proponent's five year projections, if the Plan is confirmed and becomes effective, and assuming that the Property will be fully leased up by the end of 2016. In order to increase tenancy at the Property, the Plan Proponent believes that significant capital improvements and expenditures will be necessary, mainly for tenant improvements, in order to attract new tenants. The Class A members of NewCo will have the financial resources to make such improvements on an as needed and as economically advisable basis. However, there is no assurance that the projections will be met.

E. WHAT IS THE PLAN PROPONENT'S PLAN, AND HOW WILL IT BE IMPLEMENTED?

The Plan Proponent's Plan is, using the Plan Funding, to pay in full on the Effective Date all Allowed Claims, except possibly the holders of Class 6 Equity Interests. The Plan is implemented as follows: The Plan triggers the Call Option in the TIC Agreement, causing Non-Debtor TICs to sell their interests to the Debtors. This provides that the entire interest in the Property is subject to the Plan. Next, the Debtors shall become the Reorganized Debtors under the exclusive ownership of the Plan Proponent, and any and all property of the Debtors and the Estates, including property acquired as a result of the Call Option, shall transfer to and vest in the Reorganized Debtors free and clear of all liens, claims, interests, and encumbrances. At the same time, the Reorganized Debtors shall be merged and consolidated into NewCo, which merger, per Texas law, shall not constitute a default under the Lender Loan Documents. The Cure and Reinstatement will occur, curing any default under the Lender Loan Documents, and all property of the Reorganized Debtors shall be vested in NewCo under the full and sole control of the Plan Proponent.

The result and intent of the foregoing shall be that, upon the Effective Date, NewCo shall own all right, title, and interest of the Debtors, the Estates, and the Non-Debtor TICs in and to the Property and all other assets of the Debtors and the Estates, subject only to such liens and security interests as survive the confirmation of the Plan, the discharge of the Debtors, and the vesting of property as provided for in Section 9.7 of the Plan. In other words, NewCo shall own the whole of the Property subject only to the liens and security interests of the Lender on account of the Lender Secured Claim, as cured and reinstated pursuant to section 1124(2) of the Bankruptcy Code (and potentially superior *ad valorem* claims and liens), and there shall be, as of the moment of the Effective Date, no existing default under the Lender Loan Documents or otherwise on account of the Lender Secured Claim, with the Lender being compensated for any default by the Cure and Reinstatement Claim and with the Lender entitled to all prospective rights, after the Effective Date, under the Lender Loan Documents, but not entitled to any default enforcement or foreclosure rights as a result of any *retrospective* action, default, or issue that occurred prior to the Effective Date, including anything provided for in Section 5.2 of the Plan. The Bankruptcy Court and any other court with appropriate jurisdiction shall liberally construe and interpret the Plan, including any potential ambiguity in the Plan, with the foregoing result and intent foremost in mind and additionally with the principles that this is why the Plan Proponent is providing the consideration under the Plan that it is, and that any retrospective damages of the Lender as a result of any of the foregoing will be cured as part of the Cure and Reinstatement and shall not give rise to any continuing or future defaults.

For the avoidance of doubt, and notwithstanding the Merger and Consolidation, NewCo shall be liable for all liabilities of the Reorganized Debtors, as discharged under the Plan, and shall own all property and assets of the Reorganized Debtors, including property acquired pursuant to the Call Option, and any property of the Reorganized Debtors shall remain subject to liens and security interests that survive the confirmation of the Plan as against the Reorganized Debtors and their property.

F. HOW ARE CLAIMS TREATED UNDER THE PLAN?

All Claims are paid in full under the Plan, to the extent that they are Allowed. The timing and treatment of payment depends on the type of Claim at issue.

Administrative Claims, Priority Claims, Secured Tax Claims, and General Unsecured Claims are paid in full, in cash, including with interest, if and as appropriate, shortly after the Effective Date and shortly after the Claim is Allowed.

Administrative Tax Claims retain all liens securing the Claim, and will be paid as and when due under applicable non-bankruptcy law.

Other Secured Claims (not including the Secured Claim of the Lender) are either: (i) paid in full in cash, including interest, as applicable, if the Plan Proponent decides to retain the collateral securing the Claim; or (ii) if the Plan Proponent decides not to retain such collateral, the collateral is returned to the Creditor, and the Claim, after application of an appropriate credit for the return of collateral, is treated as a General Unsecured Claim and is paid in full in cash.

The Secured Claim of the Lender, labeled the Lender Secured Claim in the Plan, is treated in different ways. The Lender Secured Claim is cured and reinstated under the Bankruptcy Code. All defaults of the Debtors prior to the Effective Date are paid in full in cash, including all applicable interest, default interest, attorney's fees, and damages resulting from any provision of the Plan that is compensable under section. However, the Plan specifically requires that the Lender's prepayment penalty not be Allowed or paid. With respect to the balance of the Lender Secured Claim, meaning principal and interest, the Reorganized Debtors and NewCo will pay the same under the terms of the Lender Loan Documents, without modification or alteration.

There is no new or replacement guarantor of the Lender's Secured Claim under the Plan. Any current guarantor of the Lender's Secured Claim will remain liable to the Lender as is otherwise appropriate. Any such guarantor may or may not have a defense based on the Cure and Reinstatement of the Lender Secured Claim, and any such guarantor should consult legal counsel regarding the same. However, nothing in the Plan, and nothing as a result of the confirmation of the Plan, will discharge any liability of any present guarantor of the Lender Secured Claim. Nor will the Plan and its confirmation discharge any liability of any Non-Debtor on account of any liability to the Lender.

G. HOW ARE EQUITY INTERESTS TREATED UNDER THE PLAN?

If the Plan becomes effective, all equity interests in the Debtors are cancelled. The Plan proposes options to Equity Interest holders to compensate them for their Equity Interests. Section 4.6 of the Plan has the New Equity Option, which is the default option for any Equity Interest holder, and the Cash Payout Option, which must be specifically selected by the Equity

Interest holder by filing a notice of said selection with the Bankruptcy Court prior to the Confirmation Hearing. An Equity Interest holder may file such an election and still vote against the Plan, or object to the confirmation of the Plan. The election applies only in the event that the Plan is confirmed, even if over the dissent or objection of an Equity Interest holder.

Under the New Equity Option, the holder of an Equity Interest, or a Non-Debtor, who becomes a Consenting Tenant In Common, would receive a Class B membership interest in NewCo. Class B membership interests shall be non-voting, carried interests only, which shall entitle the holders thereof to a profit sharing with Class A members only after Class A members in NewCo receive a twelve percent (12%) internal rate of return (including a return of and on all capital contributions, including the amount of the Plan Funding used to make payments under this Plan, and including any tenant improvements or other additions or improvements to the Property). If all TIC Interests are treated under the New Equity Option, including those of the Non-Debtors, then the aggregate Class A profit interest is eighty percent (80%) while the aggregate Class B profit interest is twenty percent (20%) (after payment of the 12% internal rate of return to Class A described above). If fewer than all TIC Interests are treated by the New Equity Option, the percentages shall be automatically adjusted based on the percentage of TIC Interests entitles to Class B membership interests (by way of example, if seventy-five percent (75%) of TIC Interests are subject to the New Equity Option, whether on account of Equity Interests in the Debtors or on account of becoming a Consenting Non-Debtor, the Class B profit interest shall be 15% (representing 75% of 20%), and the Class A profit interest shall be 85%).

Under the Cash Payout Option, the Plan values all of the TIC Interests in the Property at $2.2 million. Each Debtor and Non-Debtor, who becomes a Consenting Tenant In Common (see section 5.3 of the Plan, may elect to receive each proportionate share of the $2.2 million, which would be paid in cash shortly after the Effective Date. For example, if an Equity Interest holder owns an Equity Interest in a Debtor with a 2.2% TIC Interest, the cash payment to such Equity Interest holder, if the Cash Payout Option is selected, would be $48,400.00 (2.2 x 22,000). If the TIC Interest is 5%, then the cash payment would be $110,000.00. Any portion of the $2.2 million that is not used to make payments for the Cash Payout Option would be returned to the Plan Proponent and would not increase the size of the payments to Equity Interest holders electing the Cash Payout Option.

Equity Interest holders, and the owners of Non-Debtors, should review Article IX of this Disclosure Statement for a general discussion of potential federal income tax consequences as a result of the Plan, and should discuss the same with their tax professionals or advisors. As discussed in Article IX, electing the Cash Payout Option will likely result in tax consequences and potential taxes. Under the New Equity Option, the Plan Proponent believes that potential taxes will not be incurred. However, nothing in this Disclosure Statement is intended to provide tax advice, it is impossible to know or to analyze each Equity Interest holder's particularized circumstances, and nothing can replace a detailed discussion of potential tax consequences with one's tax professional or advisor.

H. WHAT ASSURANCE IS THERE THAT FUNDS WILL BE PAID UNDER THE PLAN?

The Plan, if it becomes effective, requires payments to be made to Creditors and potentially Equity Interest holders. These payments are to be made from the Plan Funding. The Plan Proponent has committed to not proceeding with the confirmation of the Plan unless it has

the Plan Funding by the time of the Confirmation Hearing. Thus, unless the Plan Funding is secured by the Confirmation Hearing, the Plan Proponent will not proceed with the Plan. What this means is that, if the Plan is confirmed, it means that the Plan Proponent has funds on hand to make Plan payments, and the risk of non-payment is minimal. Alternatively, if the Plan Proponent does not have the Plan Funding on hand, the Plan will not proceed and there is no risk of non-payment under the Plan. The foregoing applies to all payments to be made under the Plan except for future payments to be made on the Lender Secured Claim, as cured and reinstated under the Plan. Those future payments would be made from the operations of the Property and from the capitalization of NewCo.

The Plan is contingent in the Plan Proponent securing up to $9 million in Plan Funding to fund obligations under the Plan. As of the filing of this Disclosure Statement, the Plan Proponent has not secured the Plan Funding. The Plan Proponent believes that its due diligence will be completed prior to the Confirmation Hearing, and that it will have secured the Plan Funding prior to that date.

The Plan caps the amount of the Plan Funding at $9 million, although the Plan Proponent may increase this amount in its sole discretion. What this means is that, if the Bankruptcy Court determines that more than $9 million in payments is needed to satisfy all up-front payments under the Plan, the Plan will not go effective, unless the Plan Proponent agrees to increase the $9 million cap. This is a safety mechanism to protect the Plan Proponent for becoming obligated to pay an amount higher than it is willing to pay under the Plan, and to protect all Creditors and Equity Interest holders by avoiding the possibility that a plan is confirmed which cannot be funded in full and as promised.

I. WHAT ABOUT THE NON-DEBTOR TICS?

The Plan will become effective only if the Reorganized Debtors and NewCo end up owning the whole of the Property. The Debtors own approximately 82.5% of the TIC Interests in the Property, with the remainder of the TIC Interests owned by the Non-Debtors. The Plan Proponent believes that the Bankruptcy Court can compel the Non-Debtors to transfer their TIC Interests to the Reorganized Debtors under the Plan and under the Call Option, as provided for in section 5.3 of the Plan. To this end, the Plan Proponent intends to file an adversary proceeding against the Non-Debtors to compel the same, although the Plan provides a mechanism whereby the Non-Debtors can consent to the transfer of their TIC Interests under the Plan in exchange for the same treatment as offered to the Equity Interest holders (either a cash payment or Class B membership interests in NewCo. The Plan Proponent reserves the right to enter into one or more settlements with the Non-Debtors to obtain their consent to such transfer.

Non-Debtors are cautioned that they will not receive a discharge of their obligations to the Lender even if the Plan is confirmed and becomes effective. Thus, the Non-Debtors will continue to be liable to the Lender under applicable non-bankruptcy law notwithstanding the transfer of their TIC Interests under the Plan. Affected Non-Debtors may wish to seek legal advice regarding any possible impact on their liability to the Lender as a result of the confirmation of the Plan, but they are cautioned that the Plan explicitly preserves their liability to the Lender. This is so even if they become Consenting Non-Debtors.

ARTICLE IV
SUMMARY OF TREATMENT UNDER THE PLAN

A. CLASSES AND DISTRIBUTIONS

Upon confirmation of the Plan, the assets of the Debtors are vested in the Reorganized Debtors and contemporaneously merged into NewCo. NewCo is obligated and liable to make all payments required by the Plan. The Plan separates Claims against the Debtors, the Estates, and their property into unclassified Claims and classified Claims.

Unclassified Claims are generally post-petition Claims which must be paid in full and which do not vote on the Plan, and consist of Administrative Claims, including Professional Claims.

Claims and Equity Interests are classified in the Plan, pursuant to the provisions of section 1122 of the Bankruptcy Code, into the following six (6) separate Classes:

Class 1: Priority Claims

Class 2: Secured Tax Claims

Class 3: Lender Secured Claim

Class 4: Other Secured Claims

Class 5: Unsecured Claims

Class 6: Equity Interests

The chart below graphically demonstrates the classification and treatment of classified and unclassified Claims under the Plan. In preparing and submitting this chart, the Plan Proponent makes clear the following considerations:

- The chart is an estimate only, based on reasonable assumptions. As an estimate, it is subject to change and uncertainty based on future events.

- The possibility remains that a prepetition Creditor may file a Claim, which, if Allowed, could change the Plan Proponent's ability to fund the Plan, aver after the expiration of a Bar Date.

- The chart is calculated on the basis of Claims believed may be Allowed.

- The chart shall not be used to prejudice the Plan Proponent in any way, or as any evidence concerning the Allowed amount of any Claim. The Plan Proponent does not have detail on the amount of potential Administrative Claims, for example, or on all charges, fees, interest, and costs claimed by the Lender. All Claims, except any Claim specifically Allowed in the Plan, remain subject to potential objection and to allowance.

Category	Class	Impaired	Estimated Claims in Category	Estimated Recovery
Administrative Claims	Unclassified	No	$1,000,000	100%
Allowed Priority Claims	1	No	$43,988	100%
Secured Tax Claims	2	No	$1,065,000	100%
Lender Secured Claim	3	No	$46,037,546*	100%
Other Secured Claims	4	No	$56,665	100%
General Unsecured Claims	5	No	$347,000	100%
Equity Interests	6	Yes	n/a	Cancelled will share in $2.2 million of cash or will obtain Class B membership interests in NewCo

* Excludes alleged prepayment penalty and drawn from the Lender's motion to allow claim. The amount, as of the Effective Date, will be substantially higher in light of continuing interest and fees, which amount is estimated to be in excess of $48 million.

B. PLAN FUNDING

The Plan Proponent shall, prior to, during, or immediately after, the Confirmation Hearing, and as a condition precedent to the Effective Date, deposit in a separate, segregated account, cash in an amount to be specifically designated on a schedule to be filed and served prior to the commencement of the Confirmation Hearing, or such other amount as may be required by the Bankruptcy Court. The Plan Funding shall be held by the Plan Proponent in trust, for the benefit of all Creditors and Equity Interest holders entitled to any payment therefrom under the Plan. The Plan Funding may not be attached, seized, turned over, or in any way encumbered by any Person whatsoever, except by order of the Bankruptcy Court, and shall be deemed in the exclusive *custodia legis* of the Bankruptcy Court. The Plan Proponent shall have the duties of a trustee with respect to the Plan Funding and payment obligations therefrom under the Plan. The Plan Proponent shall have a contingent, fully vested interest in any surplus proceeds or funds remaining in the Plan Funding after payment of all obligations therefrom as provided for in the Plan, at which time the Plan Funding shall be released from any trust or obligation to be used by the Plan Proponent as it sees fit. The Plan will not become effective if the Plan Funding exceeds $9 million, unless the Plan Proponent, in its sole discretion, agrees to a higher amount.

C. DISCHARGE

If the Plan is confirmed by the Bankruptcy Court, the Debtors will receive a discharge under chapter 11 of the Bankruptcy Code. As part of that discharge, the Bankruptcy Code automatically imposes certain injunctions, which generally prohibit a Creditor from pursuing or collecting on a discharged Claim as against the Debtors, the Reorganized Debtors, or the Plan

Proponent, except as provided for in the Plan. All Creditors would be able to pursue Claims and seek recovery only under the terms of the Plan. Collection activities on account of discharged Claims could constitute serious violations of the law and could subject the violator to serious penalties, including contempt, money damages, and punitive damages.

THE PLAN CONTAINS PERMANENT INJUNCTIONS THAT MAY PREVENT YOU FROM SEEKING TO ASSERT OR COLLECT YOUR CLAIM EXCEPT THROUGH THE PLAN. YOUR RIGHTS MAY BE SEVERELY IMPACTED. STUDY THE PLAN CLOSELY AND CONSIDER CONSULTING WITH LEGAL COUNSEL REGARDING THE PLAN AND YOUR RIGHTS AND LIMITATIONS THEREUNDER.

Separate and apart from the discharge of the Debtors, the Plan contains injunctions and exculpation provisions which the Plan Proponent believes are standard and necessary for the confirmation of the Plan and future operations. These injunctions and exculpation provisions do not impact any personal, non-derivative Claim that a Creditor has against a non-Debtor party. However, to the extent that a Creditor holds a derivative Claim or a Claim that is otherwise property of the Estates, the future prosecution of those Claims may be barred or enjoined. No Claim that the Estates may have, or that Creditors may derivatively assert, arising from gross negligence or intentional wrongdoing is enjoined or prohibited.

D. CLASS TREATMENT UNDER THE PLAN

Treatment of a Claim under the Plan depends on the Class under the Plan that the Claim is classified under. What follows below is a summary of the treatment under the Plan of the various Classes created under the Plan. The following is a summary only, and the Plan controls in all events. Thus, close reference to the Plan is required to fully understand any Class's treatment under the Plan.

1. Unclassified Claims

Administrative Claim Applications and Deadline. Holders of Administrative Claims, including Professional Claims, other than: (a) Allowed Administrative Claims as of the Effective Date; (b) Administrative Claims that represent liabilities incurred on or after the Petition Date, but prior to the Effective Date, in the ordinary course of the Debtors' businesses which may be paid in the ordinary course of the Debtors' businesses without order of the Bankruptcy Court; and (c) Administrative Claims that constitute fees or charges assessed against the Estates under Chapter 123, Title 28, United States Code, must by no later than the Administrative Claims Bar Date: (x) file an application with the Bankruptcy Court for allowance of the Administrative Claim; and (y) serve a copy of such application on the Debtors, the Plan Proponent, the United States Trustee, and all other parties otherwise entitled to notice thereof. Failure to file and serve such application by the Administrative Claims Bar Date shall result in the Administrative Claim being forever barred and discharged as against the Debtors, the Estates, the Plan Proponent, the Plan Funding, and the property of any of the foregoing. Except as specifically provided in the Plan, nothing in the Plan alters the law applicable to, and governing, the allowance of Administrative Claims (including Professional Claims) under the Bankruptcy Code.

Treatment of Allowed Administrative Claims. Except with respect to Administrative Tax Claims (see below), and unless previously paid, each holder of an Allowed Administrative Claim, including a Professional Claim, shall receive in full satisfaction, release and discharge of, and in exchange for such Allowed Administrative Claim, from the Plan Funding: (i) the amount of such Allowed Administrative Claim, in cash, and without interest, attorneys' fees (except as Allowed by the Bankruptcy Court), or costs, on the earlier of: (a) ten (10) Business Days after the Effective Date; or (b) the date that is ten (10) Business Days after such Administrative Claim becomes an Allowed Administrative Claim; or (ii) such other treatment as may be agreed upon in writing by the holder of such Claim and the Plan Proponent; *provided*, *however*, that Allowed Administrative Claims that represent liabilities incurred on or after the Petition Date, but prior to the Effective Date, in the ordinary course of the Debtors' businesses which may be paid in the ordinary course of the Debtors' businesses without order of the Bankruptcy Court, shall be paid by the Debtors and/or the Plan Proponent, as appropriate, in accordance with the agreements related thereto, and subject to the Debtors' and/or the Plan Proponent's, as appropriate, right to contest the allowance or payment of same.

Treatment of Professional Claims. Professional Claims become Allowed the same as Administrative Claims and are treated the same as Administrative Claims, except that: (i) a Professional Claim that has been previously Allowed on a final (not interim) basis by Final Order of the Bankruptcy Court is not subject to the requirement for filing an application as provided for in Section 3.1 of the Plan; (ii) a Professional Claim that has been Allowed on an interim basis (not final) in whole or in part shall, with respect to being Allowed on a final basis, be subject to the filing of an application for its allowance as provided for in Section 3.1 of the Plan and shall be subject to such law, rules, and procedures as would be otherwise applicable to the same outside of the Plan; (iii) a Professional Claim that has been previously Allowed and paid on a final basis by Final Order of the Bankruptcy Court, but subject to disgorgement in the event of administrative insolvency, shall cease being subject to said disgorgement ten (10) days after the Administrative Claims Bar Date unless, upon motion and notice, the Bankruptcy Court extends such period; (iv) any interim payments on account of a Professional Claim shall be credited against the payment of the final Allowed amount of such Professional Claim; (v) any retainer provided on account of a Professional Claim may be credited and applied against the payment of the final Allowed amount of such Professional Claim once such Professional Claim is Allowed on a final basis; and (vi) any Professional Claim based on payment under section 328 of the Bankruptcy Code by commission or contingency shall be allowed and paid as provided for in the retention order of the Bankruptcy Code, without need for the filing of any application or other document with the Bankruptcy Court notwithstanding anything contained in the Plan to the contrary.

Administrative Tax Claims. Administrative Tax Claims, and any liens securing the same, are not affected by, prejudiced by, discharged by, or treated by the Plan, and shall survive the Plan without need for any action on the part of the holder thereof. Administrative Tax Claims, and the liens securing the same, shall be paid when and as otherwise appropriate, together with such interest and other charges as otherwise appropriate, as soon as possible after the Effective Date. Notwithstanding anything contained in the Plan to the contrary, nothing in the Plan transfers or vests any property of the Debtors or the Estates free and clear of any lien securing an Administrative Tax Claim. Any and all rights to contest any Administrative Tax Claim, including as may be appropriate under section 505 of the Bankruptcy Code, are preserved and transferred to the Reorganized Debtors as of the Effective Date.

Section 505. For the avoidance of doubt, and without limiting the generality of any similar provision of the Plan, the Debtors and the Estates reserve all rights under section 505 of the Bankruptcy Code, as otherwise applicable, to contest any tax Claim and to seek appropriate determinations under said section 505 with respect thereto, all of which rights are transferred under the Plan to the Reorganized Debtors.

2. Classified Claims

Class 1: Allowed Priority Claims. Each Priority Claim, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Allowed Priority Claim, by the Plan Proponent from the Plan Funding, the amount of such Allowed Priority Claim, in cash, and without interest, attorneys' fees, or costs, no later than ten (10) Business Days after becoming Allowed. Class 1 is not impaired under the Plan.

Class 2: Secured Tax Claims. Each holder of a Secured Tax Claim shall retain all liens securing the same, which liens shall survive confirmation of the Plan with the same priority, extent, and validity that otherwise exists. Each Secured Tax Claim, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Allowed Secured Tax Claim, by the Plan Proponent from the Plan Funding, the amount of such Secured Tax Priority Claim, in cash, and with interest at the applicable non-bankruptcy rate and all applicable penalties, no later than ten (10) Business Days after becoming Allowed. Class 2 is not impaired under the Plan.

Class 3: Lender Secured Claim. Class 3 consists of all Secured Claims, including underlying claims, liens, interests, encumbrances, and rights against the Debtors, the Estates, and their property, further including all principal, interest, prepayment penalties, and attorneys' fees claims and rights, held by the Lender (the "Lender Secured Claim"). The Lender Secured Claim, as of the moment immediately prior to the Cure and Reinstatement, will be Allowed as a fully Secured Claim. For the avoidance of doubt, no part of Lender's claims against the Debtors, the Estates, and their property shall be treated as an Unsecured Claim. Notwithstanding anything contained in the Plan to the contrary, any and all liens and security interests of the Lender securing the Lender Secured Claim, or provided for in the Lender Loan Documents, are preserved and shall remain attached against any property of the Debtors, the Estates, and the Reorganized Debtors as otherwise provided for.

Notwithstanding anything contained in the Plan to the contrary, any and all rights of the Lender against any non-Debtor on account of the Lender Secured Claim are preserved under the Plan. For the avoidance of doubt, however, the transfer by the Non-Debtors of their property as provided for in Section 5.3 of the Plan shall continue to be subject to all liens and security interests of the Lender, and shall subject the Non-Debtors to whatever liability to the Lender they may have as a result thereof, but no such liability shall be exercised against the Reorganized Debtors, NewCo, or any of their property so long as the Lender Secured Claim, as reinstated under the Plan, is not in default. At the precise moment in time as provided for in Section 5.2 of the Plan, the Lender Secured Claim shall be cured and reinstated pursuant to section 1124(2) of the Bankruptcy Code. As part of the same, the Lender shall be paid the Lender Cure Claim. The Lender Cure Claim consists of the following, to be paid by the Plan Proponent from the Plan Funding as follows:

(i) all unpaid interest and default interest accrued and unpaid as of the Effective Date, at the rates provided for in the Lender Loan Documents, shall be paid no later than three (3) Business Days after the Effective Date;

(ii) all late fees accrued and unpaid as of the Effective Date, at the rates provided for in the Lender Loan Documents, shall be paid to the Lender no later than three (3) Business Days after the Effective Date;

(iii) no prepayment penalty shall be paid, as the Lender Secured Claim shall be de-accelerated pursuant to the Cure and Reinstatement, but:

(a) the Lender shall retain any and all rights to any prepayment on account of anything that may occur after the restructuring provided for in Section 5.2 of the Plan; and

(b) the Lender may claim, as part of its claim under subsection (iv) below, any damages incurred as a result of any reasonable reliance on any prepayment penalty within the meaning of section 1124(2)(C) of the Bankruptcy Code;

and

(iv) with respect to attorneys' fees and expense claims, any property protection advances, any other fees and charges under the Lender Loan Documents, and any claims under section 1124(2)(C) of the Bankruptcy Code, all as arising prior to the Effective Date:

(a) the Lender may file an application with the Bankruptcy Court for the allowance of the same no later than fourteen (14) days after the Effective Date, which application must be served on the Debtors, the Plan Proponent, and such other parties as may be appropriate;

(b) such application shall be served with fourteen (14) day negative notice language and, if no objection thereto is filed with the Bankruptcy Court and served on the Lender by such time, the application shall be automatically allowed and the Lender may upload a proposed order providing for the same to the Bankruptcy Court;

(c) in the event of any such objection, the Bankruptcy Court shall adjudicate the dispute as is otherwise appropriate, but subject to section (iii) above; and

(d) the Plan Proponent shall pay the allowed amount of the Lender's claim under this section no later than five (5) Business Days after the allowance of the same, unless any order of the Bankruptcy Court providing for the same is stayed.

For the avoidance of doubt, none of the Lender Loan Documents or the Lender's legal, equitable, or contractual rights against any Person or any property are modified by the Plan, and the Lender may exercise the same as is otherwise appropriate after the Effective Date, but subject to the Cure and Reinstatement concerning any default of the Debtors or the Estates at any time prior to the Effective Date occurring, none of these defaults may be enforced against the Reorganized Debtors or their property on or after the Effective Date. Any default that may occur after the Effective Date shall be treated as provided for in the Lender Loan Documents. NewCo shall be entitled to all rights, notices, and remedies under the Lender Loan Documents, and NewCo shall be obligated and liable for all obligations to the Lender under the Lender Loan Documents on and after the Effective Date. To the extent that the Lender reasonably so requests, NewCo shall execute one or more documents or instruments, including as the same may modify or amend any of the Lender Loan Documents, evidencing any aspect of the Plan, so long as no substantive right, obligation, or issue is modified or affected, unless NewCo and the Lender agree to any substantive modification. Class 3 is not impaired under the Plan.

Class 4: Other Secured Claims. Class 4 consists of all Secured Claims against the Debtors, the Estates, and their property, but specifically excludes the Lender Secured Claim. For the avoidance of doubt, and pursuant to section 506(a) of the Bankruptcy Code, any Claim that is alleged to be a Secured Claim as against the Property but that is junior in priority to the Lender Secured Claim shall not be a Secured Claim and shall instead be wholly an Unsecured Claim, to be treated under Class 5 of the Plan. At the sole and exclusive discretion of the Plan Proponent, each Class 4 Secured Claim, to the extent Allowed, shall be treated as follows:

(i) the Allowed amount of such claim, including, as may be applicable, any interest, default interest, and other charge, shall be paid in full and in cash by the Plan Proponent from the Plan Funding no later than ten (10) Business Days after the allowance thereof, or as may otherwise be agreed to by the holder thereof and the Plan Proponent, whereafter any lien or security interest securing the same shall be discharged and released and, if the holder thereof fails to promptly execute, deliver, or file or record any appropriate release of lien or security interest document, the Plan Proponent may do so in the name of such holder with the same force and effect as though the holder thereof had done so; or

(ii) any property securing such claim shall be promptly surrendered and released to the holder of such claim in full satisfaction, discharge, and release of such Allowed Class 4 Secured Claim, with any amount that may be owing after the application of any credit or proceeds as may be appropriate under applicable nonbankruptcy law being treated and paid as a Class 5 Claim, to the extent Allowed.

Class 4 is not impaired under the Plan.

Class 5: General Unsecured Claims. Each Unsecured Claim, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Allowed Unsecured Claim, by the Plan Proponent from the Plan Funding, the amount of such Allowed

Unsecured Claim, in cash, no later than ten (10) Business Days after becoming Allowed. Class 5 is not impaired under the Plan.

Class 6: Equity Interests. All Equity Interests in the Debtors are cancelled.

Each holder of an Equity Interest may, at any time prior to the Confirmation Hearing, elect one of the following treatments as its sole treatment and recovery under this Plan on account of its Equity Interest, by filing a notice of the same with the Bankruptcy Court (and without prejudice to any and all rights, including to object to the confirmation of this Plan), with option (ii) (New Equity Option) below being the default option that any holder of an Equity Interest not filing such a notice shall be conclusively deemed to have elected:

(i) Cash Payout Option. No later than ten (10) Business Days after the Effective Date, the Plan Proponent, from the Plan Funding, shall pay the holder of such Equity Interest cash equal to the TIC Interest Value held by such Equity Interest, as measured by the amount of TIC Interest held by such Equity Interest holder. By way of example, if the Equity Interest holder holds a 1% TIC Interest, the cash payment would be $22,000.00 (1 x 22,000), if the Equity Interest holder holds a 2% TIC Interest, the cash payment would be $44,000.00 (2 x 22,000), and if the Equity Interest holder holds a 2.75% TIC Interest, the cash payment would be $60,500.00 (2.75 x 20,000). For the avoidance of doubt, the failure by one or more Equity Interest holders to elect the Cash Payout Option, thereby resulting in funds from the Plan Funding not being spent to make the Cash Payout Option payments, will not increase the amount of the Cash Payout Option payable on account of any Equity Interest or TIC Interest, and any funds remaining in the Plan Funding intended for this potential use which are not so used shall be immediately released to the Plan Proponent.

(ii) New Equity Option. New membership interests in NewCo shall be distributed to each holder of an Equity Interest that elects, or that is deemed to have elected, the New Equity Option, as follows, based on the TIC Interest held by said holder:

a. such Equity Interest holder shall receive a Class B non-certificated membership interest in NewCo;

b. such Class B membership interest shall be a non-voting, carried interest only;

c. such Class B membership interest shall receive no distribution, dividend, or other payment unless and until Class A members in NewCo receive a twelve percent (12%) internal rate of return (including a return of and on all capital contributions, including the amount of the Plan Funding used to make payments under this Plan, and including any tenant improvements or other additions or improvements to the Property);

d. thereafter (after receipt of the internal rate of return provided for above), such Class B membership interest shall receive a proportional profit interest based on the following formula: if all TIC Interests are treated by the New Equity Option, the aggregate Class A profit interest is eighty

percent (80%) while the aggregate Class B profit interest is twenty percent (20%); if fewer than all TIC Interests are treated by the New Equity Option, the percentages shall be automatically adjusted based on the percentage of TIC Interests entitles to Class B membership interests (by way of example, if seventy-five percent (75%) of TIC Interests are subject to the New Equity Option, whether on account of Equity Interests in the Debtors or on account of becoming a Consenting Non-Debtor, the Class B profit interest shall be 15% (representing 75% of 20%), and the Class A profit interest shall be 85%).

Class 6 is impaired under the Plan.

E. REJECTION OF EXECUTORY CONTRACTS

The Plan provides that, as of the Effective Date, all Executory Contracts to which any of the Debtors are parties will be rejected, except for an Executory Contract that (a) has previously been assumed or rejected pursuant to a Final Order of the Bankruptcy Court, (b) is specifically designated as a contract or lease to be assumed on a schedule of contracts and leases filed and served prior to the commencement of the Confirmation Hearing, (c) is the subject of a separate (i) assumption motion filed by the Debtors or (ii) rejection motion filed by the Debtors under section 365 of the Bankruptcy Code before the date of the Confirmation Hearing, or (d) is the subject of a pending objection regarding assumption, proposed cure amount, "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) or other issues related to assumption of the contract or lease (a "Cure Dispute"). **The Plan Proponent is presently reviewing leases at the Property and anticipates that it will move for the assumption of most if not all of those leases**.

ARTICLE V
VOTING PROCEDURES AND REQUIREMENTS

A. VOTING DEADLINE

Each Creditor holding a Claim which entitles the Creditor to vote on the Plan has been provided a Ballot along with this Disclosure Statement. If a Creditor holds Claims in more than one Class entitled to vote under the Plan, such Creditor has been provided a separate Ballot for each such Class. The Ballot is to be used by the Creditor to accept or reject the Plan and to make any elections which are available to the Creditor as indicated by the Ballot.

To ensure that a Ballot is deemed timely and considered by the Balloting Agent, which shall be the Plan Proponent's attorneys, Munsch Hardt Kopf & Harr, P.C., c/o Davor Rukavina, a Creditor must: (a) carefully review the Ballot and the instructions set forth thereon; (b) provide all of the information requested on the Ballot; (c) sign the Ballot; and (d) return the completed and signed Ballot to the Balloting Agent by the Voting Deadline. By order of the Bankruptcy Court, the "Voting Deadline" is **5:00 p.m. (Central Standard Time), on February 20, 2014**. Therefore, in order for a Ballot to be counted for voting purposes and any applicable election, the completed and signed Ballot must be received at the address specified below by no later than the Voting Deadline:

DEADLINE: Must Be **Received** By 5:00 p.m., Central Time,
on February 20, 2014.

Addressed To:
Munsch Hardt Kopf & Harr, P.C.
Attn: Davor Rukavina
3800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201
Facsimile: (214) 978-5359

B. CREDITORS AND EQUITY INTEREST HOLDERS SOLICITED TO VOTE

Each Creditor holding a Claim in a Class which is impaired under the Plan is being solicited to vote on the Plan, and all Equity Interest holders are entitled to vote on the Plan. As to any Claim for which a proof of claim was filed and as to which an objection has been lodged, however, if such objection is still pending as of the Voting Deadline, the Creditor's vote associated with such Claim will not be counted to the extent of the objection to the Claim, unless and to the extent that the Bankruptcy Court temporarily allows the Claim upon motion by such Creditor in an amount which the Bankruptcy Court deems proper for the purpose of voting on the Plan. Such motion must be heard and determined by the Bankruptcy Court prior to the date and time established by the Bankruptcy Court for determination of confirmation of the Plan. In addition, a Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection of the Plan was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

C. DEFINITION OF IMPAIRMENT

Pursuant to section 1124 of the Bankruptcy Code, a Class of Claims is impaired under a plan unless, with respect to each Claim of such Class, the Plan does one of the following:

(i) leaves unaltered the legal, equitable, and contractual rights to which such Claim entitles the holder of such Claim; or

(ii) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default:

(a) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code;

(b) reinstates the maturity of such Claim as it existed before the default;

(c) compensates the holder of such Claim for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and

(d) does not otherwise alter the legal, equitable, or contractual rights to which such claim entitles the holder of such Claim.

D. CLASSES IMPAIRED UNDER THE PLAN

Classes 1 through 5 are unimpaired. Class 6 Equity Interests may be impaired under the Plan.

E. VOTE REQUIRED FOR CLASS ACCEPTANCE

Pursuant to the Bankruptcy Code, a Class of Claims under the Plan shall be deemed to have accepted the Plan if the Plan is accepted by Creditors holding at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Claims within such Class who are entitled to vote and who actually vote using a properly completed and signed Ballot which is returned to the Balloting Agent by no later than the Voting Deadline. A Class of Equity Interests accepts the Plan if the Plan is accepted by holders of Equity Interests holding at least two-thirds (2/3) in amount of the Allowed Equity Interests.

F. VOTING IS ON A COMBINED BASIS

The Plan shall treat the votes of Classes under the Plan as combined and consolidated for purposes of confirmation of the Plan, meaning that Classes will not vote separately on the Plan on a Debtor-by-Debtor basis, but will instead vote on a consolidated basis. If the Bankruptcy Court rejects this treatment, the Plan Proponent will nevertheless handle the voting on the Plan in such a manner so as to enable the Bankruptcy Court and all interested persons to ascertain the results of voting on a Debtor-by-Debtor basis. In such a case, the Plan must be accepted separately for each Debtor or otherwise confirmed by the Bankruptcy Court for each Debtor. Notwithstanding the potential separate voting on the Plan, the Plan provides for unified distributions and for a single satisfaction of Claims, meaning that Creditors will not be able to aggregate Plan treatment and distributions so as to recover more than a single satisfaction of their otherwise Allowed Claims.

ARTICLE VI
CONFIRMATION OF THE PLAN

A. OVERVIEW OF CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11, a debtor-in-possession attempts to reorganize its business for the benefit of the debtor, its creditors, and other parties in interest. The present Bankruptcy Case commenced with the filing of voluntary chapter 11 petitions by the Debtors on the Petition Date. The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of the debtor in property as of the date the petition is filed. Thus, the Estates exist as the Bankruptcy Code estates of the Debtors and their property (and liabilities). Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor-in-possession" unless the bankruptcy court orders the appointment of a trustee. In the present Bankruptcy Case, the Debtors have remained in possession of their property and have continued to operate their businesses as debtors-in-possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic

stay of all attempts to collect prepetition claims from the debtor or otherwise interfere with its property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The Plan sets forth the means for satisfying the Claims against the Debtors. The purpose of this Disclosure Statement is to assist Creditors voting on the Plan with respect to their decision whether to accept (vote for) the Plan, or to reject (vote against) the Plan. Voting on the Plan is separate from objecting to the Plan by filed document in the Bankruptcy Court.

B. CONFIRMATION HEARING

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Plan. The Confirmation Hearing has been scheduled for **February 25, 2014**, before the Bankruptcy Court.

Any objection to confirmation of the Plan must made in writing, and such written objection must be filed with the Bankruptcy Court and served on each of the following parties by no later than **5:00 p.m. Central Standard Time on February 20, 2014**:

Counsel for the Plan Proponent:
Munsch Hardt Kopf & Harr, P.C.
Attn: Davor Rukavina
3800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201-6659

United States Trustee:
Office of the United States Trustee
1100 Commerce Street
Room 976
Dallas, Texas 75242

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED AND SERVED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND SHALL BE DEEMED WAIVED.

C. MODIFICATION OF THE PLAN

Section 1127 of the Bankruptcy Code generally permits the Plan Proponent to modify the Plan before or after the Confirmation Hearing, assuming that certain requirements are satisfied. The Plan Proponent reserves its rights to submit modifications of the Plan, as may be deemed advisable by the Plan Proponent, and under the provisions of section 1127 of the Bankruptcy Code.

D. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements of section 1129 of the Bankruptcy Code have been satisfied, and in the event that they have been and all other conditions to confirmation set forth in the Plan itself have been met, the Bankruptcy Court will enter an order confirming the Plan. The requirements of section 1129 of the Bankruptcy Code generally are as follows:

(i) The Plan complies with the applicable provisions of the Bankruptcy Code.

(ii) The Plan Proponent complies with the applicable provisions of the Bankruptcy Code.

(iii) The Plan has been proposed in good faith and not by any means forbidden by law.

(iv) Any payment made or to be made by the Plan Proponent, the Reorganized Debtors, or a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

(v) The Plan Proponent has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, an affiliate of the Debtors participating in a joint plan with the Debtors, or a successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and with public policy, and the Plan Proponent has disclosed the identity of any insider that will be employed or retained under the Plan, and the nature of any compensation of such insider.

(vi) Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtors has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval. The Plan Proponent does not believe this requirement is applicable to the Bankruptcy Case.

(vii) With respect to each impaired Class of Claims: (a) each holder of a Claim of such Class has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date; or (b) if section 1111(b)(2) of the Bankruptcy Code applies to the Claims of such Class, each holder of a Claim of such Class will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the Estates' interests in the property that secures such Claims.

(viii) With respect to each Class of Claims: (a) such Class has accepted the Plan; or (b) such Class is not impaired under the Plan.

(ix) Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides: (a) that with respect to a Claim of a kind specified in section 507(a)(1) or 507(a)(2) of the Bankruptcy Code, on the Effective Date of the Plan, the holder of such Claim will receive on account of such Claim cash equal to the Allowed amount of such Claim; (b) that with respect to a Class of Claims of a kind specified in sections 507(a)(3), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a Claim of such Class will receive (i) if such Class has accepted the Plan, deferred cash payment of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim, or (ii) if such Class has not accepted the Plan, cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and (c) with respect to a Claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such Claim will receive on account of such Claim deferred cash payments, over a period not exceeding four (4) years after the date of assessment of such Claim, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.

(x) If a Class of Claims is impaired under the Plan, at least one Class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.

(xi) Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.

(xii) All fees payable under section 1930 of Title 28 (United States Code), as determined by the Bankruptcy Court at the hearing on confirmation of the Plan, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

(xiii) The Plan provides for the continuation after its Effective Date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the Plan, for the duration of the period the Debtors have obligated themselves to provide such benefits. The Plan Proponent does not believe this requirement is applicable to the Bankruptcy Case.

There are various other provisions governing the confirmation of the Plan which, on their face, the Plan Proponent does not believe are applicable (and are related instead to the confirmation of an individual person's chapter 11 plan).

If a sufficient number of Creditors and amount of Claims in the impaired Classes under the Plan vote to accept the Plan, the Plan Proponent believes that the Bankruptcy Court will

approve confirmation of the Plan and that the Plan will satisfy all of the applicable statutory requirements of section 1129 of the Bankruptcy Code.

E. CRAMDOWN

The Bankruptcy Court may confirm the Plan at the request of the Plan Proponent if: (a) all of the requirements of section 1129(a) of the Bankruptcy Code are met, with the exception of section 1129(a)(8); (b) at least one Class of Claims that is impaired under the Plan has accepted the Plan (excluding the votes of insiders); and (c) as to each impaired Class that has not accepted the Plan, the Plan does not "discriminate unfairly" and is "fair and equitable."

A chapter 11 plan does not "discriminate unfairly" within the meaning of the Bankruptcy Code if the classification of claims under a plan complies with the Bankruptcy Code and no particular class will receive more than it is legally entitled to receive for its claims. The Plan Proponent believes that the classifications established under the Plan are proper and that no Class of Claims under the Plan is receiving more than it is legally entitled to receive for its Claims. "Fair and equitable," on the other hand, has different meanings for Secured and Unsecured Claims.

With respect to a Class of Secured Claims which rejects the Plan, to be "fair and equitable" the Plan must, among other things, either: (a) provide that the holders of such Secured Claims retain their liens securing such Claims, whether the property subject to such liens is retained by the Debtors or transferred to another entity, to the extent of the Allowed amount of such Claims, and that each holder of a Secured Claim in such Class receive on account of such Claim deferred cash payments totaling at least the Allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the Estates' interest in such property; or (b) provide for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such Secured Claims, free and clear of such liens, with such liens to attaching to the proceeds of such sale, and the treatment of such liens on such proceeds in accordance with the Bankruptcy Code; or (c) provide for the realization by the holders of such Secured Claims of the indubitable equivalent of such Claims. The Plan Proponent believes that the Plan is fair and equitable to each Class of Secured Claims under the Plan.

With respect to a Class of Unsecured Claims which rejects the Plan, to be "fair and equitable" the Plan must, among other things, either: (a) provide that each holder of an Unsecured Claim in such Class receive or retain on account of such Claim property of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim; or (b) not allow the holder of any Claim that is junior to the Unsecured Claims of such Class to receive or retain any property under the Plan on account of such junior Claim; *i.e.*, not permit any holder of any equity interest in the Debtors to retain anything under the Plan on account of such interest.

In the event that at least one impaired Class of Claims under the Plan accepts the Plan and one or more Classes of impaired Claims rejects the Plan, the Plan Proponent will seek confirmation of the Plan under the cramdown provisions of section 1129(b) of the Bankruptcy Code. In such event, the Bankruptcy Court will determine, at the Confirmation Hearing, whether the Plan is fair and equitable and whether it does or does not discriminate unfairly against any rejecting impaired Class of Claims.

With respect to Equity Interests, the Plan may be confirmed on cramdown, even if rejected by Equity Interest classes, if: (i) the Plan provides the holder of an Equity Interest the greater of any fixed redemption price or the value of such interest; or (ii) no one junior to the Equity Interest receives or retains anything under the Plan. The Plan Proponent believes that both alternative mechanisms for cramming down any class of Equity Interests are satisfied with respect to the Plan.

F. EFFECTIVE DATE OF THE PLAN

The Plan will become effective upon the occurrence of the Effective Date, which is defined in the Plan as the first Business Day fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) days after the Confirmation Date, and upon which the conditions to the effectiveness of the Plan set forth in Article X of the Plan are satisfied. Pursuant to the provisions of the Plan, the Plan Proponent will transmit notice of the effectiveness of the Plan if the Bankruptcy Court confirms the Plan and all conditions precedent to the Plan's effectiveness are satisfied. Said notice will additionally specify various other Plan deadlines that are triggered by the Effective Date of the Plan.

ARTICLE VII
LIQUIDATION ANALYSIS AND PLAN ALTERNATIVES

The Plan Proponent believes that the confirmation of the Plan is in the best interests of all Creditors and Equity Interest holders and provides each Class under the Plan at least—and in fact a lot more—than what such Class would obtain in a liquidation scenario.

In a liquidation scenario, the Lender would post the Property for foreclosure. The Lender otherwise appears to have a perfected first priority lien on all assets of the Debtors and the Estates, subject only to superior tax liens. In a foreclosure, which would be held on short notice (a minimum of three weeks), either the Lender would credit bid a portion of its Claim to obtain title to the Property, or a third party could come in and offer cash to purchase the Property, which may result in an auction. However, given the amount of cash that would be required, the inability to fund a foreclosure auction purchase with debt, and general experience with commercial foreclosures of this size, it is very unlikely that any third party would come and bid in cash more than what the Lender would require. Thus, it is very likely that, in a liquidation and foreclosure, the Lender would foreclosure on all of its liens, including against the Property, leaving nothing for other creditors and in fact leaving a deficiency claim which would dilute any potential recovery to other creditors. Alternatively, a Chapter 7 trustee may attempt to sell the Property.

The Plan Proponent believes it unlikely that a Chapter 7 trustee would have this ability, at least without the consent of the Lender. Rather, the Lender would likely obtain relief from the automatic stay to foreclose (as it in fact already partially has). However, even if a Chapter 7 trustee sold the Property, it is unlikely that the proceeds would be sufficient to pay the Lender in full. Moreover, there would be the trustee's commission (up to 3% of the proceeds), the fees and expenses of the trustee's attorneys (likely several hundred thousand dollars), and the fees of a

real estate broker (likely 3% to 5%). Thus, this scenario would also likely lead to less than full payment to the Lender, and to a large deficiency claim which would dilute any payment to other Creditors.

Furthermore, the Lender has asserted a prepayment penalty under the Lender Loan Documents of more than $7.8 million. If the Plan is confirmed, the Plan Proponent believes that the prepayment penalty is not payable, because the Lender's loan will be cured and reinstated (although the Lender may disagree and the Bankruptcy Court may have to determine the issue, which involves risk and potential delays and costs). But, if the Lender's loan is not cured and reinstated, then it is more likely that the Lender would be entitled to the $7.8 million prepayment penalty, which would greatly reduce the possibility of any excess proceeds from the Property being available to pay other Creditors (or Equity Interest holders). Another difference is that the Property needs to have capital available for improvements and to ensure that tenant leases are in compliance. In a liquidation, it may be that tenants will assert claims under their leases, which may jeopardize the overall value of the Property and the cash flow that is available.

Graphically, the Plan Proponent believes that the following would be the result upon a liquidation of the Debtors:

	Liquidation	**Plan**
Assets[1]	$50,000,000	$50,000,000
Secured Tax Claims[2]	[$1,200,000]	[$1,065,000]
Lender Secured Claim[2]	[$54,000,000]	[$48,000,000]
Available for Other Creditors	$0.00	$0.00
Recoveries	**Liquidation**	**Plan**
Secured Tax Claims	100%	100% cash
Lender Secured Claim	<100%	100% (cash and future payments) (less prepayment)
Administrative Claims	<100%	100% cash
Other Secured Claims	<100%	100% cash and/or collateral return
Priority Claims	0.00%	100% cash
General Unsecured Claims	0.00%	100% cash
Equity Interests	0.00	share of $2.2 million cash or Class B membership interests in Newco

1. The Plan Proponent has not obtained an appraisal of the Property. The Debtor's most recent appraisal, from early 2013, provided a fair market value of approximately $46,700,000. The Plan Proponent believes that the present fair market value is higher, once the Property is stabilized and the prospect of bankruptcy is over, although the liquidation value would be much less. The Plan Proponent has included a high value of $50 million for purposes of this chart only to show that, even in the event of such a high value (including all property of the Debtors and the Estates), the Plan is still far favorable to liquidation. The Plan Proponent does not believe that all property of the Debtors and the Estates is worth close to $50 million, especially in a liquidation, and especially considering the interests of the Non-Debtors. Again, the Plan Proponent includes such a high value only for purposes of comparison.

2. These values would go up in a liquidation given added fees, interest, and penalties due to the potentially significant delays involved.

In fact, in order for a liquidation to be at least as favorable as the Plan to Creditors and Interest Holders (except Secured Tax Claims), the Property would have to have net proceeds of more than $56 million in order for proceeds to be available to other Creditors. This is highly unlikely, especially in a liquidation scenario. In fact, the Plan Proponent believes it to be all but impossible to obtain such a high value in a liquidation. Therefore, the Plan Proponent submits that the confirmation of the Plan is in the best interests of all Creditors and Equity Interest holders.

With respect to alternatives to the Plan, one alternative is liquidation of the Debtors, which is outlined above. Other alternatives may include one or more proposed plans, if the Bankruptcy Court has approved one or more such plans for solicitation. In such an event, Creditors and Equity Interest holders should closely review other disclosure statements in support of such other proposed plans, and make their own determinations as to which proposed plan, if any, they would prefer. One alternative that is not likely, however, is for the Debtors to remain in Chapter 11. This is because the Bankruptcy Court has ruled that, unless a proposed plan is confirmed by the end of February, 2014, the Lender will be permitted to foreclose on the Property. That would destroy the ability of the Debtors to generate funds, to remain in Chapter 11, and to meaningfully propose any future plan of reorganization or liquidation.

ARTICLE VIII
RISK FACTORS

A. BANKRUPTCY RISKS

For the Plan to be confirmed, each impaired Class of Claims and Equity Interest holders is given the opportunity to vote to accept or reject the Plan. One or more voting Classes may reject the Plan. The Plan Proponent reserves the right to request confirmation pursuant to the cramdown provisions of section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims has not accepted the Plan. However, there can be no assurance that any impaired Class of Claims under the Plan will accept the Plan or that the Plan Proponent would be able to use the cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

Confirmation Risks. The following specific risks exist with respect to confirmation of the Plan:

(i) Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.

(ii) Since the Plan Proponent may be seeking to obtain approval of the Plan over the rejection of one or more impaired Classes of Claims, the cramdown process could delay confirmation.

(iii) The Plan may be accepted and confirmed as to one or more of the Debtors, but not for all of the Debtors, in which case the Plan will not be effective for any of

the Debtors, as the Plan must be confirmed for all the Debtors in order to become effective.

(iv) It is anticipated that multiple plans with be presented by multiple parties-in-interest. Even if the Plan Proponent's Plan is otherwise confirmable, in the event there are multiple confirmable plans, the Bankruptcy Court may choose to confirm a plan other than the Plan Proponent's Plan based on the preferences of the Creditors and Equity Interest holders.

B. CONDITIONS PRECEDENT

The Plan Proponent may decided not to go forward with the Plan. Among other things: (i) the Plan Funding must be no more than $9 million (unless the Plan Proponent, in its sole discretion, increases the amount), and the Plan Proponent must secure the Plan Funding; (ii) the Plan Proponent's due diligence may result in the Plan Proponent withdrawing the Plan; (iii) the Plan Proponent may not succeed in ensuring that the TIC Interests of the Non-Debtors in the Property are transferred under the Plan; or (iv) the Bankruptcy Court may make a ruling that either renders the Plan not feasible or under which the Plan Proponent is no longer willing to proceed with the Plan (for example, if the Bankruptcy Court rules that the Cure and Reinstatement of the Lender Secured Claim must pay the Lender for its prepayment penalty). Some of these issues will be addressed by the Confirmation Hearing, such as the due diligence of the Plan Proponent and securing the Plan Funding. In other words, the Plan Proponent will not proceed with confirmation of the Plan if these issues are not adequately resolved prior to the Confirmation Hearing. Other issues, such as the TIC Interests of the Non-Debtors and the size of the Plan Funding, may not be known until the Confirmation Hearing is concluded, and potentially even later than that.

ARTICLE IX
CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS. NOTHING IN THIS DISCLOSURE STATEMENT OR IN THE PLAN IS MEANT TO PROVIDE ANY TAX ADVICE TO ANY CREDITOR.

The following discussion summarizes certain material United States federal income tax consequences of the implementation of the Plan to the sole or managing member of each Debtor (each a "Member," and collectively the "Members"). This discussion does not address the United States federal income tax consequences to holders of Claims who are unimpaired, otherwise entitled to payment in full in cash under the Plan or deemed to reject the Plan. This summary is for general information purposes only, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to any particular Member. This discussion does not purport to be a complete analysis or listing of all potential tax considerations.

This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated under the Tax Code, and published administrative rulings and court decisions, all as in effect on the date of this Disclosure Statement and all of which are subject to change or different interpretations, possibly with retroactive effect. Changes in any of these authorities or in their interpretation could cause the United States federal income tax consequences of the Plan to differ materially from the consequences described below. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Plan to the Members or any holder of a Claim. No assurance can be given that the Internal Revenue Service (the "IRS") would not assert, or that a court would not sustain, a different position from any discussed herein.

The following discussion does not address any estate or gift tax consequences of the Plan or the consequences of the Plan under any state, local or non-U.S. tax laws. The United States federal income tax consequences of the Plan are complex and, due to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various tax consequences of the Plan as discussed herein. The Plan Proponent has not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. The discussion below is not binding on the IRS and no assurance can be given as to the interpretation that the IRS will adopt. In addition, this discussion does not purport to address the United States federal income tax consequences of the Plan to special classes of taxpayers (e.g., non-U.S. taxpayers, small business investment companies, regulated investment companies, real estate investment trusts, banks and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, individual retirement and other tax-deferred accounts, holders that are, or hold Claims through, partnerships or other pass-through entities for United States federal income tax purposes, persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, traders that mark-to-market their securities, and persons holding Claims that are part of a straddle, hedging, constructive sale or conversion transaction).

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED ON A MEMBER'S OR HOLDER'S INDIVIDUAL CIRCUMSTANCES. MEMBERS AND HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS.

IRS CIRCULAR 230 NOTICE: To ensure compliance with IRS Circular 230, taxpayers are hereby notified that: (A) any discussion of the United States federal tax issues in this Disclosure Statement is not intended or written to be relied upon, and cannot be relied upon, by anyone for the purpose of avoiding penalties that may be imposed on them under the Tax Code; (B) such discussion is included herein in connection with the promotion or marketing of the transactions or matters addressed herein; and (C) taxpayers should seek advice based on their particular circumstances from an independent tax advisor.

A. CONSEQUENCES TO THE MEMBERS

The Plan provides each Member with two options for compensation for its Equity Interest in a Debtor, the Cash Payout Option and the New Equity Option. The federal income tax

consequences of the Plan to a Member depends on the option chosen and such Member's particular facts and circumstances. A general summary of such consequences with respect to each option is below.

1. Cash Payment Option

The Plan values all of the TIC Interests in the Property at $2.2 million. If a Member (or the owner of a Non-Debtor who becomes a Consenting Tenant in Common) elects the Cash Payment Option, the Member will receive a cash payment for such Member's TIC Interest in the Property equal to its proportionate share of the aggregate value of the TIC Interests in the Property (i.e., $2.2 million) pursuant to the merger of the Debtor owned by such Member into NewCo.

Provided the Debtor owned by a Member is classified as a disregarded entity for federal income tax purposes (which is assumed for purposes of this discussion), the Member will be treated as having sold the TIC Interest held by its Debtor to NewCo for cash in a taxable transaction. Accordingly, such Member will be required to recognize gain or loss for tax purposes equal to the difference between the Member's amount realized for the TIC Interest in the Property and its tax basis in such TIC Interest. The amount realized on the sale or other disposition of property includes the amount of money received and the amount of liabilities from which the transferor is discharged. For this purpose, (i) the sale or other disposition of property that secures a nonrecourse liability discharges the transferor from the liability and (ii) the sale or other disposition of property that secures a recourse liability discharges the transferor from the liability if another person agrees to pay the liability (whether or not the transferor is in fact released from liability).

If the Property is considered real property used in a trade or business (other than inventory or property held primarily for sale to customers in the ordinary course of business) and held for more than one year (i.e., a "Section 1231 asset"), then a Member's gain or loss from the sale of its TIC Interest in the Property will be combined with any other gains and losses recognized with respect to Section 1231 Assets by a Member during the tax year in which the Plan is consummated. If the result is a net loss, such loss will be characterized as an ordinary loss. If the result is a net gain, such gain will be characterized as a capital gain; provided, however, that such gain will be treated as ordinary income to the extent that the Member has "non-recaptured" Section 1231 losses. For these purposes, "non-recaptured" Section 1231 losses means a Member's aggregate Section 1231 losses for the five most recent prior years that have not previously been recaptured. If the Property is not considered a Section 1231 asset or property held primarily for sale to customers in the ordinary course of business, then a Member's gain or loss from the sale of its TIC Interest in the Property will be considered capital gain or loss (except to the extent of any gain recharacterized as recapture of prior depreciation deductions with respect to depreciable real property (i.e., "unrecaptured Section 1250 gain")).

Long-term capital gains currently are taxed at a maximum 20 percent federal rate for individuals. The Tax Code also provides, however, that the portion of long term capital gain arising from the sale or exchange of depreciable real property that constitutes unrecaptured Section 1250 gain is taxed at a maximum rate of 25 percent. Long term capital gain and unrecaptured Section 1250 gain of C corporations are not subject to preferential tax rates.

Members should consult their own tax advisors for purposes of determining the amount and character of any gain or loss realized on the sale of their TIC Interests in the Property.

2. New Equity Option

If a Member (or the owner of a Non-Debtor who becomes a Consenting Tenant in Common) elects the New Equity Option, then such Member (or owner) will receive a Class B membership interest in NewCo in connection with the merger of the related Debtor into NewCo. This section does not address all United States federal income tax matters that affect the Members (or owners) and does not address the tax consequences to a Member (or owner) of owning or disposing of the Class B membership interests in NewCo received pursuant to the Plan if the New Equity Option is elected. Members are urged to consult their own tax advisors in analyzing the United States federal, state, local and other tax consequences particular to them of the ownership or disposition of such Class B membership interests in NewCo.

a. Partnership Status

NewCo intends to be classified as a partnership for United States federal income tax purposes. An entity classified as a partnership for federal income tax purposes is not a taxable entity and incurs no federal income tax liability. An entity that would otherwise be classified as a partnership for federal income tax purposes may nonetheless be subject to tax as a corporation if it is a "publicly traded partnership" and certain exceptions do not apply. A partnership is a publicly traded partnership if interests in the partnership are traded on an established securities market or interests in the partnership are readily tradable on a secondary market or the substantial equivalent thereof.

It is not expected NewCo will be a publicly traded partnership for United States federal income tax purposes. The interests in NewCo will not be traded on an established securities market, it is not anticipated that a market will exist for holders to readily buy, sell or exchange such interests in a manner that is comparable, economically, to trading on an established securities market, and NewCo does not intend to make a market for its interests.

This discussion assumes NewCo will be classified as a partnership for United States federal income tax purposes.

b. Section 721 Contribution and Related Considerations

Section 721(a) of the Tax Code provides generally that no gain or loss will be recognized either by a partnership or any of its partners upon a contribution of property in exchange for an interest in the partnership. Provided the Debtor owned by a Member (or the owner of a Non-Debtor) is classified as a disregarded entity for federal income tax purposes, the Member (or owner) will be treated as if it (i) is the owner of the TIC Interest in the Property held by the affiliated Debtor (or Non-Debtor) and (ii) transferred such TIC Interest to NewCo in exchange for a Class B membership interest in NewCo as a result of the merger of the Debtor (or Non-Debtor) into NewCo. In such case, the receipt of a Class B membership interest in NewCo by a Member (or owner of a Non-Debtor) should not result in a taxable transaction, subject to certain exceptions described below.

Disguised Sale. Pursuant to Treasury Regulations Section 1.707-3, if a Member is considered to transfer its TIC Interest in the Property to NewCo as part of a "disguised sale", the Member would be treated as having sold a portion of the TIC Interest to NewCo in a taxable transaction. A disguised sale can occur when a partner contributes property to a partnership and the partnership distributes other property (or money) to such contributing partner. Generally, if a partner contributes property to a partnership and within two years of the contribution, a partner receives a distribution of other property, including money, from the partnership, the transaction is presumed to be a disguised sale. If the partner receives a distribution from the partnership after two years, there is a presumption that the transaction was not a disguised sale. Certain distributions from a partnership, including distributions of partner's share of the partnership's operating cash flow as determined under Treasury Regulations Section 1.707-4(b)(2), are presumed not to be part of a disguised sale transaction. NewCo has no current intent to make distributions to the Members, as Class B members of NewCo, in excess of its operating cash flow within two years from the Effective Date.

Additionally, except to the extent an applicable exception applies, NewCo's assumption of or taking property subject to liabilities could be treated as the taxable proceeds of a disguised sale by the Members of a portion of their TIC Interest in the Property to NewCo. All liabilities incurred in the ordinary course of the trade or business in which the Property was used, allocable to capital expenditures with respect to the Property or that encumber the Property should qualify for an exception to the disguised sale rules. Provided all liabilities were either incurred in the ordinary course of the trade or business in which the Property was used or qualify under one or more other exceptions to the disguised sale rules, the Members should not recognize disguised sale gain as a result of the assumption of liabilities by NewCo pursuant to the Plan.

Members should consult their own tax advisors regarding the potential application of any exceptions to the disguised sale rules with respect to the transactions contemplated by the New Equity Option.

Investment Company. Section 721(b) of the Tax Code provides the nonrecognition provisions of Section 721(a) of the Tax Code do not apply to any contributions of property to an "investment company." Generally, an investment company is a partnership where, at the time of the transfer or at the time of any future change in circumstances that were contemplated at the time of the transfer, 80% or more of the value of the partnership's assets are held for investment and are, among other things, money and marketable stocks or securities. The Plan contemplates the assets of NewCo will principally be the Property. In such case, NewCo should not be treated as an "investment company" for purposes of Section 721(b).

Distribution in Excess of Basis. NewCo will assume Liens and Claims as set forth in the Plan. Pursuant to Section 752(b) of the Tax Code, any decrease in a partner's individual liabilities by reason of the assumption by the partnership of such individual liabilities will be treated as a distribution of cash to the partner by the partnership.

Each Member, as a member of NewCo, will be allocated a portion of NewCo's nonrecourse liabilities equal to the sum of (i) the Member's share of partnership minimum gain, (ii) the amount of taxable gain that would be allocated to the Member, as a member of NewCo, under Section 704(c) of the Tax Code if NewCo disposed of all its property subject to one or more nonrecourse liabilities in full satisfaction of the liabilities and for no other consideration,

(iii) excess nonrecourse liabilities in an amount up to the amount of built-in gain allocable to the Member, as a member of NewCo, pursuant to Section 704(c) of the Tax Code to the extent such built-in gain exceeds the gain described in (ii) above, and (iv) the Member's, as a member of NewCo, share of the remaining excess nonrecourse liabilities as determined in accordance with the Member's share of NewCo profits. Each Member, as a member of NewCo, will also be allocated recourse liabilities equal to the portion of the recourse liability for which the member (or related person) bears the economic risk of loss. Determining a member's allocable share of liabilities assumed by NewCo pursuant to Treasury Regulations Section 1.752 is complex and Members are urged to consult with their tax advisors as to the application of these provisions and their impact on the tax consequences of the Plan in their particular circumstances.

If a Member's allocable share of NewCo liabilities immediately after the contribution is lower than its individual liabilities immediately prior to the contribution to NewCo, then the Member will be treated as receiving a distribution of cash from NewCo which will result in a corresponding reduction in the Member's tax basis in its interest in NewCo. If the adjustments described above reduce the Member's basis below zero, the Member will realize gain to the extent of such excess.

Tax Basis of Class B Membership Interests in NewCo Received. A Member's initial tax basis in its Class B membership interests in NewCo will be equal to the sum of (i) the amount of any money contributed, (ii) the Member's adjusted basis of the TIC Interest in the Property contributed, (iii) the amount of gain, if any, recognized by the Member pursuant to Section 721(b) of the Tax Code and (iv) the Member's allocable share of NewCo liabilities as determined under Treasury Regulations Section 1.752 reduced by any decrease in the Member's individual liabilities by reason of the assumption by NewCo of such individual liabilities.

B. INFORMATION REPORTING AND WITHHOLDING

Certain payments, including the payments with respect to Claims pursuant to the Plan may be subject to information reporting by the payor to the IRS. Moreover, such reportable payments may be subject to backup withholding (currently at a rate of 28%) under certain circumstances. Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against a holder's United States federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS.

C. IMPORTANCE OF OBTAINING PROFESSIONAL TAX ASSISTANCE

The foregoing discussion is intended only as a summary of certain United States federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The above discussion is for information purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a Member's or holder's individual circumstances. Accordingly, Members and holders are urged to consult with their tax advisors about United States federal, state, local and other tax consequences to the Plan.

ARTICLE X
CONCLUSION

The Plan Proponent urges Creditors and holders of Equity Interests to vote to **ACCEPT** the Plan and to evidence such acceptance by returning their Ballots so that they will be received on or before 5:00 p.m., Central Standard Time, on February 20, 2014.

DATED: JANUARY 24, 2014.

MUNSCH HARDT KOPF & HARR, P.C.

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