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**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

**DISCLOSURE STATEMENT FOR DEBTORS’
JOINT PLAN OF REORGANIZATION**

THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE FOR USE IN THE SOLICITATION OF ACCEPTANCES OF THE CHAPTER 11 PLAN DESCRIBED HEREIN.

ACCORDINGLY, THE FILING AND DISTRIBUTION OF THIS DISCLOSURE STATEMENT IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS A SOLICITATION OF ACCEPTANCES OF SUCH PLAN. THE INFORMATION CONTAINED HEREIN SHOULD NOT BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THIS DISCLOSURE STATEMENT CONTAINS “ADEQUATE INFORMATION” WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE.

Dated: November 7, 2013

This Disclosure Statement (the “Disclosure Statement”) solicits acceptances of the Joint Plan of Reorganization, dated [__], 2013 (the “Plan”), of 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, debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors”), from holders of certain Claims entitled to vote on the Plan. The Plan is being proposed jointly by all of the Debtors. All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

CERTAIN INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS, BY ITS NATURE, FORWARD LOOKING, AND CONTAINS ESTIMATES, FORECASTS AND ASSUMPTIONS WHICH MAY PROVE TO BE MATERIALLY DIFFERENT FROM ACTUAL RESULTS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED. NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THE PLAN SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN SINCE THE DATE OF THIS DISCLOSURE STATEMENT OR THE DATE ON WHICH THE MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT WERE COMPILED.

The information contained in this Disclosure Statement has not been subject to a certified audit or independent verification. The information contained herein and the records kept by the Debtors are not warranted or represented to be without inaccuracy.

NO REPRESENTATIONS OR ASSURANCES CONCERNING THE DEBTORS, THEIR BUSINESS OR THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS ATTACHED HERETO, OR INCORPORATED BY REFERENCE OR REFERRED TO HEREIN.

THE SECURITIES AND EXCHANGE COMMISSION HAS NEITHER APPROVED NOR DISAPPROVED THIS DISCLOSURE STATEMENT, NOR HAS IT PASSED UPON THE ADEQUACY OR ACCURACY OF THE STATEMENTS CONTAINED HEREIN.

For a general summary of the proposed treatment of your Claim or Interest under the Plan, please see the chart below.

I. NOTICE TO HOLDERS OF CLAIMS

A. Generally

The purpose of this Disclosure Statement is to enable creditors whose Claims are impaired to make an informed decision in exercising their right to vote to accept or reject the Plan.

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

On _____, 2013, the Bankruptcy Court entered an order pursuant to section 1125(f) of the Bankruptcy Code (the "Disclosure Statement Order") approving this Disclosure Statement as containing information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor, typical of the solicited holders of Claims against the Debtors, to make an informed judgment with respect to the acceptance or rejection of the Plan. A copy of the Disclosure Statement Order is included in the materials accompanying this Disclosure Statement. **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT REGARDING THE FAIRNESS OR MERITS OF THE PLAN.**

Each holder of a Claim or Interest entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtors and their professionals, no person has been authorized to use or promulgate any information concerning the Debtors, their business, or the Plan, other than the information contained herein, in connection with the solicitation of votes to accept or reject the Plan. No holder of a Claim entitled to vote on the Plan should rely upon any information relating to the Debtors, their business, or the Plan other than that contained in the Disclosure Statement and the exhibits hereto. Unless otherwise indicated, the source of all information set forth herein is the Debtors, although the Debtors relied upon the books and records prepared by TIC Properties Management LLC ("TICPM"), the Debtors' property manager, for preparation of their Schedules of Assets, Liabilities and Statements of Financial Affairs.

After carefully reviewing this Disclosure Statement, including the attached exhibits (if any), please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot 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 Debtors' counsel, no later than 5:00 p.m., Central Time, on _____, 2013.

If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim or Interest, you may be bound by the Plan if it is accepted by the requisite holders of Claims or Interests. See "Confirmation of the Plan - Solicitation of Votes; Vote Required for Class Acceptance" in this Disclosure Statement.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., CENTRAL TIME, ON _____, 2013. For detailed voting instructions and the name, address, and phone number of the person you may contact if you have questions regarding the voting procedures, see "Confirmation of the Plan – Solicitation of Votes; Voting Procedures – Parties In Interest Entitled to Vote" in this Disclosure Statement.

Pursuant to section 1128 of the Bankruptcy Code, the **Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the “Confirmation Hearing”), on _____, 2013, at ___:___ .m., Central Time**, in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. **The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before 5:00 p.m., Central Time, _____, 2013**, in the manner described under the caption, “Confirmation of the Plan – Confirmation Hearing” in this Disclosure Statement.

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE TO ACCEPT THE PLAN.

B. Summary of Treatment under the Plan

The Debtors are all jointly and severally liable on all Claims. Accordingly, the Debtors do not intend to solicit acceptances on a separate Debtor-by-Debtor basis. Confirmation of the Debtors’ Plan shall apply to all Debtors, collectively.

The following is an estimate of the numbers and amounts of classified Claims and Interests to receive treatment under the Plan, and a summary of the proposed treatment of such Claims and Interests under the Plan. Reference should be made to the entire Disclosure Statement and to the Plan for a complete description of the classification and treatment of Claims and Interests.

The table below is an approximation and is drawn from the Debtors’ Schedules and filed Proofs of Claim. The Debtors reserve the right to object to all filed Proofs of Claim, and the final universe of claims, as actually Allowed, may differ from this table.

Class	Treatment
<p><u>Class 1A-AA – Secured Tax Claims.</u></p> <p>[Estimated Amount: \$1,065,377.34]¹</p>	<p>Unimpaired.</p> <p>Allowed Secured Tax Claims, if any, shall be paid and treated as follows:</p> <p style="padding-left: 40px;">(a) Except to the extent that a holder of an Allowed Secured Tax Claim has been paid prior to the Effective Date or agrees to less favorable treatment, Allowed Secured Tax Claims shall be paid in full prior to becoming delinquent pursuant to state law. In the event that such Secured Tax Claims are not paid prior to delinquency, holders of Secured Tax Claims shall be entitled to enforce their rights under state law, but subject in all respects to section 7.6 of the Plan.</p> <p style="padding-left: 40px;">(b) The holders of Allowed Secured Tax Claims shall retain their Liens until such Claims are paid in full.</p>

¹ The Debtors do not believe that there will be any unpaid prepetition Secured Tax Claims as of the Effective Date.

Class	Treatment
	<p>(c) To the extent the holder of an Allowed Secured Tax Claim is entitled to receive interest on its Claim, such Claim shall accrue interest at the rate determined under applicable nonbankruptcy law in accordance with section 511 of the Bankruptcy Code. In the event nonbankruptcy law does not prescribe an interest rate, such Claim shall accrue interest at the Plan Rate.</p> <p>(d) To the extent that a Secured Tax Claim is objected to by the Reorganized Debtors or the Successor Debtor, distributions shall commence on the undisputed portion of such claim pursuant to the applicable provisions concerning distributions contained in the Plan.</p> <p>(e) Notwithstanding any other provision in this section, the Debtors, the Reorganized Debtors or the Successor Debtor and the holder of an Allowed Secured Tax Claim may agree to any alternate treatment of such Allowed Secured Tax Claim, provided that such treatment shall not provide a return to the holder of such Claim having a present value as of the Effective Date in excess of the amount of such Claim as of the Effective Date.</p> <p>(f) Each holder of an Allowed Secured Tax Claim in the same amount against multiple Debtors shall only be entitled to one satisfaction with respect to its Allowed Secured Tax Claim.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 2A-AA – Secured Claim of the Trust.</u></p> <p>Estimated Amount: [\$48,356,646.16]²</p>	<p>Unimpaired.</p> <p>The Secured Claim of the Trust, to the extent Allowed, shall be treated as a Secured Claim secured by liens and security interests in all of the Trust Collateral, including the Property, and shall be paid and treated as follows:</p> <p>(a) The Trust shall retain its Liens on the Trust Collateral.</p> <p>(b) The Trust Note shall be cured and</p>

² This figure represents the latest liquidated amount provided by the Trust in recently filed pleadings, less the prepayment penalty (which is not due and payable in a reinstatement). The Debtors reserve the right to dispute this amount, as well as any unliquidated portion thereof.

Class	Treatment
	<p>reinstated in accordance with section 1124 of the Bankruptcy Code.</p> <p>(c) All accrued but unpaid interest and reasonable fees due and owing under the Trust Note, without any prepayment premium, yield maintenance or other penalties, shall be paid on the Effective Date, or as soon thereafter as reasonably practicable.</p> <p>(d) The Trust’s Allowed Secured Claim shall accrue interest from and after the Effective Date at the non-default rate under the Trust Note of 5.77 percent per annum.</p> <p>(e) The holder of the Allowed Secured Claim of the Trust shall only be entitled to one satisfaction against all Debtors.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 3A-AA – Secured Claim of Comm-Fit, L.P.</u></p> <p>Estimated Amount: \$8,159.88</p>	<p>Unimpaired.</p> <p>The Secured Claim of Comm-Fit, L.P. (“<u>Comm-Fit</u>”), to the extent Allowed, shall be treated as a Secured Claim secured by liens and security interests in its prepetition Collateral consisting of a treadmill, recumbent bike, and related electronic software located at the Property (the “<u>Comm-Fit Collateral</u>”) and shall be paid and treated as follows:</p> <p>(a) Comm-Fit shall retain its Liens on the Comm-Fit Collateral until its Allowed Secured Claim has been paid in full.</p> <p>(b) Except to the extent Comm-Fit has been paid prior to the Effective Date or agrees to less favorable treatment, Comm-Fit shall be paid in full, with interest, on the Effective Date, or as soon thereafter as reasonably practicable.</p> <p>(c) The holder of the Allowed Secured Claim of Comm-Fit shall only be entitled to one satisfaction against all Debtors.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 4A-AA – Secured Claim of Jemm Investments, Inc.</u></p>	<p>Unimpaired.</p> <p>The Secured Claim of Jemm Investments, Inc.</p>

Class	Treatment
<p>Estimated Amount: \$24,335.00</p>	<p>(“<u>Jemm</u>”), to the extent Allowed, shall be treated as a Secured Claim secured by liens and security interests in its prepetition collateral consisting of certain HVAC equipment located at the Property (the “<u>Jemm Collateral</u>”), and shall be paid and treated as follows:</p> <p>(a) Jemm shall retain its Liens on the Jemm Collateral until its Allowed Secured Claim has been paid in full.</p> <p>(b) Except to the extent that Jemm has been paid prior to the Effective Date or agrees to less favorable treatment, Jemm shall be paid in full, with interest, on the Effective Date or as soon as thereafter reasonably practicable.</p> <p>(c) The holder of the Allowed Secured Claim of Jemm shall only be entitled to one satisfaction against all Debtors.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 5A-AA – Mechanic’s Lien Claim of Phoenix Commercial, Inc.</u></p> <p>Estimated Amount: \$24,168.25 (to the extent Allowed)³</p>	<p>Unimpaired.</p> <p>The Mechanic’s Lien Claim of Phoenix Commercial, Inc. (“<u>Phoenix</u>”), to the extent Allowed, shall be treated as a Secured Claim secured by a lien on the Property and shall be paid and treated as follows:</p> <p>(a) Phoenix shall retain its mechanic’s Lien, if any, on the Property until its Allowed Secured Claim has been paid in full.</p> <p>(b) Except to the extent that Phoenix has been paid prior to the Effective Date or agrees to less favorable treatment, Phoenix shall be paid in full, with interest, on the Effective Date, or as soon thereafter as reasonably practicable.</p> <p>(c) The holder of the Allowed Mechanic’s Lien Claim of Phoenix shall only be entitled to one</p>

³ As set forth on each Debtor’s Schedule D, the Debtors believe that the Mechanic’s Lien Claim of Phoenix Commercial, Inc. is time-barred and uncollectible under Texas law. The treatment set forth in Section 4.5 of the Plan and outlined herein shall only be applicable in the event the Court determines Phoenix has an Allowed Secured Claim pursuant to sections 502 and 506 of the Bankruptcy Code. Because Phoenix’s claim was listed as disputed on each Debtor’s Schedule D, in order for Phoenix’s claim to be Allowed, it must file a proof of claim with the Bankruptcy Court on or before the Bar Date.

Class	Treatment
	<p>satisfaction against all Debtors.</p> <p>Estimated Recovery: 100% (to the extent Allowed)</p>
<p><u>Class 6A-AA – Unsecured (General) Claims</u></p> <p>Estimated Amount: \$557,239.57</p>	<p>Unimpaired.</p> <p>Allowed Unsecured (General) Claims shall be paid and treated as follows:</p> <p>(a) Except to the extent the holder of an Allowed Class 6A-AA Unsecured Claim agrees to less favorable treatment, each holder of an Allowed Class 6A-AA Unsecured Claim shall be paid, in full, with interest at the Plan Rate, on the Effective Date, or as soon thereafter as reasonably practicable.</p> <p>(b) Each holder of an Allowed Unsecured (General) Claim against multiple Debtors shall only be entitled to one satisfaction with respect to its Allowed Unsecured (General) Claim.</p> <p>Estimated Recovery: 100%</p>
<p><u>Class 7A-AA – Claims of Other TICs</u></p> <p>Estimated Amount: Unknown</p>	<p>Impaired.</p> <p>(a) Class 7A-AA consists of all Allowed Unsecured Claims against the Debtors by non-Debtor TICs, the co-owners of the Property, and the non-Debtor TICs’ interests in the Property, which TICs are jointly and severally liable on Class 1A-AA, Class 2A-AA, Class 3A-AA, Class 4A-AA, Class 5A-AA and Class 6A-AA Claims, including those Claims arising before the Effective Date or those which arise under this Plan, including without limitation, the Debtors’ rejection of the TIC Agreement.</p> <p>(b) On the Effective Date, Class 7A-AA Claims will be deemed satisfied in full by virtue of the issuance of new ownership interests in the Successor Debtor.</p> <p>Estimated Recovery: 100%</p>

Class	Treatment
<p><u>Class 8A-AA – Interests in the Debtors.</u></p> <p>Estimated Interest: 100%</p>	<p>Impaired.</p> <p>The holder or holders of membership Interests in the Debtor shall retain their respective Interests in the Debtor following the Effective Date. Each Debtor, in turn, will receive its share of membership interests in the Successor Debtor based on its pre-Effective Date interest in the Property.</p> <p>Estimated Recovery: 100%</p>

As stated above, the total universe of Claims, as ultimately Allowed, may be greater or smaller than as reflected in the above analysis.

The Debtors believe that the Plan is in the best interests of their respective creditors and equity interest holders. **THE DEBTORS RECOMMEND THAT YOU VOTE IN FAVOR OF THE PLAN.**

II. INTRODUCTION AND OVERVIEW OF CHAPTER 11

A. PURPOSES OF THIS DISCLOSURE STATEMENT

This Disclosure Statement has been prepared by the Debtors to provide information that the Bankruptcy Court has determined to be material and necessary to enable those Claim holders entitled to vote on the Plan to make an informed decision about whether to vote to accept or reject the Plan. Confirmation of a plan pursuant to chapter 11 of the Bankruptcy Code depends, in part, upon the receipt of a sufficient number of votes in favor of the Plan.

On [___], 2013, after notice and a hearing, the Bankruptcy Court entered an order (the “Disclosure Statement Approval Order”), pursuant to Section 1125 of the Bankruptcy Code, approving this Disclosure Statement as containing “adequate information.” “Adequate information” is information of a kind, and in sufficient detail, to enable a hypothetical, reasonable investor, typical of the solicited classes of Claims against the Debtors, to make an informed decision about whether to accept or reject the Plan. A copy of the Disclosure Statement Approval Order is attached hereto as Exhibit B.

B. GENERAL INFORMATION CONCERNING CHAPTER 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code, pursuant to which a debtor attempts to reorganize its business for the benefit of itself, its creditors and equity interest holders.

The commencement of a chapter 11 case creates an estate, comprised of all legal and equitable interests of the debtor in property as of the date the petition is filed, wherever located and by whomever held. 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. The Debtors are operating as debtors in possession.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362(a) of the Bankruptcy Code provides for, among other things, an automatic stay of all

attempts to collect prepetition debts against the debtor or to otherwise interfere with the debtor's property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the time a plan of reorganization is confirmed.

The formulation of a plan is the principal purpose of a chapter 11 case. A chapter 11 plan sets forth the means for satisfying the claims against and equity interests in the debtor. Generally, unless a trustee is appointed, only the debtor may file a plan during the first one hundred twenty (120) days of a chapter 11 case (the "Exclusivity Period"). A debtor is generally then given sixty (60) additional days (the "Solicitation Period") during which it may solicit acceptance of its plan. The Exclusivity Period and the Solicitation Period may be extended or reduced by the court upon a showing of "cause."

C. Plan of Reorganization

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of the debtor's assets. In this case, the Plan, as proposed by the Debtors, provides for a cash infusion, reinstatement of their primary secured indebtedness and a distribution to unsecured creditors over a period of two years. The Debtors' current owners will retain their ownership interest in the Reorganized Debtors. The Reorganized Debtors and other TICs, in turn, will receive a share of interests in the Successor Debtor, a new limited liability company that will own the Property from and after the Effective Date.

After a plan of reorganization has been filed, the holders of impaired claims against or interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. This Disclosure Statement is presented to holders of Claims against and Interests in the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code.

If all classes of claims and interests accept a plan of reorganization, the bankruptcy court may nonetheless still not confirm the plan unless the court independently determines that the requirements of section 1129 of the Bankruptcy Code have been satisfied. Section 1129 sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests of creditors" test and be "feasible." The "best interests of creditors" test generally requires that the value of the consideration to be distributed to the holders of claims and Interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, the court generally must find that there is a reasonable probability that the debtor will be able to meet its obligations under its plan without the need for further financial reorganization.

The Debtors believe that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the "best interests of creditors" test and the "feasibility" requirement. The Debtors support confirmation of the Plan and urge all holders of impaired Claims to accept the Plan.

Chapter 11 does not require that each holder of a claim against or interest in a debtor vote in favor of a plan of reorganization in order for the bankruptcy court to confirm the plan. At a minimum, however, the plan must be accepted by a majority in number and two-thirds in amount of those claims actually voting in at least one class of impaired claims under the plan. The Bankruptcy Code also defines acceptance of the plan by a class of Interests (equity securities) as acceptance by holders of two-thirds of the number of shares actually voting. In the present case, only the holders of Claims or Interests who

actually vote will be counted as either accepting or rejecting the Plan.

In addition, classes of claims or interests that are not “impaired” under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or Interests in an impaired class. A class is “impaired” if the legal, equitable, or contractual rights attaching to the claims or Interests of that class are modified in any way under the plan. However, if holders of the claims or Interests in a class do not receive or retain any property on account of such claims or Interests, then each such holder is deemed to have voted to reject the plan and does not actually cast a vote to accept or reject the plan.

Class 7A-AA and 8A-AA are impaired under the Plan. Therefore, each holder of a Claim in Class 7A-AA and 8A-AA is entitled to vote on the Plan.

The bankruptcy court may also confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponent of the plan must show, among other things, that the plan does not “discriminate unfairly” and that the plan is “fair and equitable” with respect to each impaired class of claims or interests that has not accepted the plan.

Under section 1129(b) of the Bankruptcy Code, a plan is “fair and equitable” as to a class of rejecting claims if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and Interests, that the holder of any claim or Interest that is junior to the claims or Interests of such class will not receive or retain on account of such junior claim or Interest any property at all unless the senior class is paid in full.

A plan does not “discriminate unfairly” against a rejecting class of Claims if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated Claims, and (b) no senior class of Claims is to receive more than 100% of the amount of the Claims in such class.

The Debtors believe that the Plan has been structured so that it will satisfy these requirements as to any rejecting Class of Claims, and can therefore be confirmed, if necessary, over the objection of any Classes of Claims. The Debtors therefore reserve the right to request confirmation of the Plan under the “cramdown” provisions of section 1129 of the Bankruptcy Code.

III. BACKGROUND AND EVENTS LEADING UP TO CHAPTER 11

A. THE DEBTORS’ BUSINESS

The Debtors, all limited liability companies, constitute twenty-seven (27) of thirty-three (33) Tenants in Common (collectively, the “TICs”) that own an 18-story commercial office building situated at and commonly known as 3500 Maple Avenue, Dallas, Texas 75219 (the “Property”). 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 that certain Tenants in Common Agreement (the “TIC Agreement”).

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

(“TICPM”).

B. Debtors’ Management

The Debtors are each Delaware limited liability companies managed by sole members. A listing of each of the Debtors and its sole member is attached hereto as Exhibit “__”. Each Debtor has retained Mubeen Aliniazee with Highpoint Management Solutions, LLC to serve as its Chief Restructuring Officer.

C. Pre-Petition Financing Structure

The Debtors and other TICs 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 into that certain Management Agreement (the “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 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 \$47,000,000.00 (the “Loan”) to NNN 3500 Maple, LLC (“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. 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.

IV. THE CHAPTER 11 CASES

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. As detailed more fully infra, 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 Chapter 11 Cases

On November 30, 2012, the Original Debtor commenced its chapter 11 bankruptcy 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").

As described more fully below, 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. Accordingly, on August 29, 2013 (the "Subsequent Petition Date"), 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 a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court.

C. The Debtors' Professionals

The Debtors are currently represented by Andrews Kurth LLP, 1717 Main Street, Suite 3700, Dallas, Texas 75201.

Prior to the transfer of this case to the Northern District of Texas, the Debtor was represented in the proceedings before the California Bankruptcy Court by Darvy Mack Cohan, Attorney at Law, 7855 Ivanhoe Ave, Ste. 400, La Jolla, CA 92037. Thereafter, the Original Debtor was represented by Forshey & Prostok, LLP, 777 Main Street, Suite 1290, Fort Worth, Texas 76102, with Michelle Larson as the lead counsel. After Ms. Larson joined Andrews Kurth LLP, Andrews Kurth became counsel for the Debtors.

D. Post-Petition Operations and Events

On January 31, 2013, following the transfer of venue from the California Bankruptcy Court to this Court, CWCAM filed a Motion to Dismiss Case Pursuant to 11 U.S.C. § 1112(b) [Docket No. 58] (the "Motion to Dismiss"). Contemporaneously therewith, CWCAM filed a Motion for Relief from Automatic Stay [Docket No. 59] (the "Lift-Stay Motion"), whereby it sought relief from the automatic stay with respect to the Property under 11 U.S.C. § 362(d)(1) and (2) 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 11 U.S.C. § 362(d)(2) 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 ("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 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 [Docket No. 98] (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 [Docket No. 162] (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 [Docket No. 165] (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 [Docket No. 164] (the "Amended Plan").⁴ 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 [Docket No. 175] (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 [Docket No. 179] (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 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 [Dkt. No. 286]. The Appeal was dismissed by order dated November 16, 2013 [Dkt. No.334]

E. Bar Dates

The bar date for filing proofs of claims with respect to the Original Debtor for creditors (other

⁴ The Amended Plan is deemed revoked and withdrawn by the Original Debtor, as the Original Debtor is now a proponent of the current Plan.

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.

V. LITIGATION INVOLVING THE DEBTORS

A. Prepetition Litigation against the Debtors

As of the Petition Date, the Debtors were involved in the litigation styled *U.S. Bank, National Association, as Trustee for Wachovia Bank CMTPTC Ser. 2006-C23 v. NNN 3500 Maple Avenue VF 2003, LLC, et al.* in the District Court of Dallas County, Texas, 134th Judicial District; Cause No. 12-13630 (the “State Court Action”), and *U.S. Bank v. NNN 3500 Maple, LLC, et al.*, Case No. 3:13-CV-00133-N in the U.S. Dist. Ct. for the Northern District of Texas. On August 23, 2013, Judge Dale Tillery, presiding judge of the Dallas County 134th District Court, appointed C. Gregory Shamoun as receiver with respect to the Property, in the State Court Action. Both of these actions are currently stayed as to the Debtors, as is the foreclosure sale of the Property.

B. Potential Litigation by the Debtors

The Debtors have proposed a full payment plan that is not contingent on recoveries against third parties through post-confirmation litigation. The Debtors are focusing their efforts on confirming and effectuating the proposed Plan and are not evaluating or pursuing litigation claims at this time. The Debtors reserve the right to amend or supplement this Disclosure Statement to include any potential causes of action that they may have.

C. Additional Litigation

Except as expressly provided in the Plan or the Confirmation Order, nothing contained in the Disclosure Statement, the Plan, or the Confirmation Order shall waive, relinquish, release, or impair the Debtors’, the Reorganized Debtors’, or the Successor Debtor’s right to object to any Claim. All Tax Claims shall remain subject to section 505 of the Bankruptcy Code. The Reorganized Debtors or the Successor Debtor shall retain the right to a determination of the amount or legality of any tax pursuant to section 505 of the Bankruptcy Code as to any Tax Claim. The Reorganized Debtors or the Successor Debtor may seek relief pursuant to section 505 of the Bankruptcy Code as a part of, and in conjunction with, any objection to any Tax Claim. Unless expressly waived or released by the Reorganized Debtors or the Successor Debtor, the Reorganized Debtors or the Successor Debtor shall retain, receive and shall be vested in any cause of action, counterclaims and rights of offset or recoupment. Except as expressly set forth in the Plan, the Reorganized Debtors and the Successor Debtor shall retain all claims, causes of action, defenses, and offsets as against all Claimants and any other parties. Nothing in the Plan shall waive or impair any such claim, cause of action, defense, or offset.

VI. THE PLAN

A. Classification and Treatment Summary

THE FOLLOWING IS A SUMMARY OF THE MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH THE CONSUMMATION OF THE PLAN. THIS SUMMARY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OR A SUBSTITUTE FOR A FULL AND COMPLETE REVIEW OF THE PLAN. THE FOLLOWING SUMMARY IS COMPLETELY QUALIFIED BY THE TERMS OF THE PLAN. IN THE EVENT OF ANY CONFLICT BETWEEN THE FOLLOWING SUMMARY AND THE PLAN, THE PLAN WILL CONTROL.

The Plan classifies the various Claims against and Interests in the Debtors. These Classes take into account the different nature and priority of Claims against and Interests in the Debtors. In addition, in accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expenses and certain Priority Claims (if any) are not classified for purposes of voting or receiving distributions under the Plan. Rather, all such Claims are treated separately as unclassified Claims.

1. Unclassified Claims Against the Debtors

Unclassified Claims against the Debtors consist of Administrative Expenses and Priority Unsecured Claims. Administrative Expenses include both ordinary post-petition business expenses and Claims attributable to the Debtors' Professionals.

Trade debt will be paid in the ordinary course of business. Fees and expenses owed to the Debtors' Professionals are payable upon the allowance of an appropriate fee application.

An Administrative Expense is any cost or expense of occurring during the administration of the New Debtors' chapter 11 cases allowed under subsections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estates of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

All Administrative Expenses against the Debtors shall be treated as follows:

Payment. Except to the extent that a holder of an Allowed Administrative Expense has been paid prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Administrative Expense shall receive, at the Reorganized Debtors' option, (i) the amount of such holder's Allowed Administrative Expense in one cash payment on the later of the Effective Date or the fourteenth (14th) day after such Claim becomes an Allowed Claim, or as soon thereafter as reasonably practicable, (ii) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost, or (iii) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Reorganized Debtors or as ordered by the Bankruptcy Court.

Procedure for Filing. Unless the Bankruptcy Court orders to the contrary or the Reorganized Debtors agree to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by a Professional, a liability incurred and paid in the ordinary course of business by the Debtors, or an Allowed Administrative Expense, shall file with the Bankruptcy Court and serve upon the Debtors and their counsel, a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim. Failure to timely and properly file and serve such notice shall result in such Claim for an Administrative Expense being forever barred and discharged.

Allowance. A Claim for an Administrative Expense, for which a proper notice was filed and served under subsection (b) above, shall become an Allowed Administrative Expense if no objection is filed within thirty (30) days of the filing and service of such notice. If a timely objection is filed, the Claim shall become an Allowed Administrative Expense only to the extent allowed by a Final Order.

One Satisfaction. Each holder of an Allowed Administrative Expense Claim in the same amount against multiple Debtors shall only be entitled to one satisfaction with respect to its Allowed

Administrative Expense Claim.

Professional Fees and Expenses. The above procedures shall not apply to Professionals, who shall file and submit a final fee application to the Bankruptcy Court no later than 60 days after the Effective Date. Except upon further order of the Bankruptcy Court, an Administrative Expense Claim by a Professional shall be determined and allowed as appropriate by the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules. Professional fees and expenses to any Professional incurred on or after the Effective Date may be paid without necessity of application to or order by the Court.

Certain Priority Claims. Except to the extent that a holder of an Allowed Priority Claim has been paid prior to the Effective Date or agrees to less favorable treatment, Allowed Priority Claims will be paid on the later of the Effective Date or the date which is 14 days after the date on which such Priority Claim is Allowed, or as soon thereafter as reasonably practicable. Each holder of an Allowed Priority Claim in the same amount against multiple Debtors shall only be entitled to one satisfaction with respect to its Allowed Priority Claim. However, the Debtors do not believe that there are any unpaid Priority Claims.

Trustee's Fees. All quarterly trustee's fees pursuant to 28 U.S.C. § 1930(a)(6) shall be paid by the Reorganized Debtors as of the Effective Date, or as soon thereafter as reasonably practicable, and thereafter as the same may become due.

As noted above, Administrative Expenses include professional fees. Also included in Administrative Expenses are cure payments with respect to executory contracts and leases assumed under the Plan. At present, the Debtors anticipate that all cure payments, if any, will be paid in full in Cash on the Initial Distribution Date or as agreed between the Debtors and the counterparty to the contract being cured. Administrative Expenses also include operating expenses incurred by the Debtors in the ordinary course of business after the Petition Date and before the Effective Date.

The Debtors believe that, as of the Effective Date, there will be approximately \$[__] in Administrative Expense Claims. These amounts are comprised of the following:

- Approximately \$[__] in unpaid postpetition trade payables; and
- Approximately \$[__] in Professional fees.

Under the Plan, Allowed Administrative Expense Claims will be paid in full on the Effective Date.

2. Classified Claims and Interests

Allowed Claims and Interests are classified under this Plan as follows:

- (a) Class 1A-AA – Secured Tax Claims
- (b) Class 2A-AA – Secured Claim of the Trust
- (c) Class 3A-AA – Secured Claim of Comm-Fit, L.P.
- (d) Class 4A-AA – Secured Claim of Jemm Investments, Inc.
- (e) Class 5A-AA – Secured Claim of Phoenix Commercial, Inc.

- (f) Class 6A-AA – Unsecured (General) Claims
- (g) Class 7A-AA – Claims of Other TICs
- (h) Class 8A-AA – Interests in the Debtors

A complete summary of the treatment of each Class under each Plan is set forth above in the chart and is further described in Article IV of the Plan. Class 7A-AA and Class 8A-AA are impaired under the Plan and entitled to vote on the Plan.

B. Plan Rate of Interest

The treatment of certain Claims provides for payment of interest on such Claims at the Plan Rate. The Plan Rate is generally defined in the Plan as the prevailing federal post-judgment rate of interest as set forth in 28 U.S.C. § 1961 as of the Effective Date. With respect to the Claims of an impaired Class that rejects the Plan, the Plan Rate shall be the minimum annual rate of interest that the Bankruptcy Court determines is necessary in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

C. Estimation of Amounts of Claims

The amounts of all Claims contained herein are estimated as of the date hereof. The Debtors have begun, but not completed, the process of verifying proofs of Claim and reconciling the amounts sought therein with the TICPM's books and records. The Debtors anticipate that adjustments in the amounts of the Claims set forth herein may be necessary after the claim verification process is completed. The Debtors anticipate that, if an agreement with certain creditors is not forthcoming, it will be necessary to object to the allowance of certain Claims, or to seek to estimate certain Claims for purposes of confirmation and allowance. Pursuant to the Plan, the Debtors retain the exclusive right to object to Claims.

D. Means for Implementation of the Plan

1. Assumption of Allowed Claims

The Reorganized Debtors will assume the liability for and obligation to perform and make all distributions or payments on account of all Allowed Claims in the manner provided in the Plan.

2. Vesting of Assets

As of the Effective Date, the Property shall be transferred to, and vested in, the Successor Debtor free and clear of all Liens and Claims and all rights, title and interests, except as expressly set forth in the Plan. Ownership interests of TICs in the Property (holders of Class 7A-AA Claims) that vote to accept the Plan will be deemed transferred/contributed to the Successor Debtor for all purposes. Ownership interests in the Property of TICs that do not consent to confirmation of this Plan will be deemed sold to the Reorganized Debtor pursuant to Section 11.2 of the TIC Agreement and/or 11 U.S.C. § 363(h).

3. Funding of Plan

The payments to be made under the Plan shall be funded from (1) the net operational profits (positive cash flow) generated by the Property, after allowance of operational expenses (vendor costs,

management fees and taxes) and reserves,⁵ (2) the Cash Infusion from an Investor on terms no less favorable than those provided substantially in accordance with the Term Sheet⁶ attached as Exhibit A to the Plan, and (3) to the extent necessary, other sources of funds, including a cash infusion from the Debtors and/or the non-Debtor TICs or future borrowings. The Cash Infusion shall be used to fund, *inter alia*, payment of Allowed Administrative Expenses and Allowed Claims, the completion of a to-be-finalized capital improvement plan for the Property, tenant improvement costs and leasing commissions with respect to the Property, and operating shortfalls as needed. The Plan contemplates that the Property will be managed by an entity controlled by the Investor following the Effective Date.

On the Effective Date, pursuant to the Confirmation Order, all ownership interests of the Debtors in and to the Property will be conveyed to the Reorganized Debtors, which ownership interests will in turn be transferred into the Successor Debtor. From and after the Effective Date, Successor Debtor will own the Property, in its entirety and in fee simple, subject only to Allowed Secured Claims as provided by the Plan. In return for the transfer of their ownership interests in the Property and, with respect to the non-Debtor TICs, in complete satisfaction of their Class 7A-AA Claims against the Debtors, the Debtors and the other TICs, including those holding Class 7A-AA Claims against the Debtors, will receive ownership interests in the Successor Debtor. The ownership interests in the Successor Debtor will not include management responsibilities or similar authority.

4. Attorney's Fees and Costs

To the extent any holder of a Secured Claim asserts a right to attorney's fees and costs pursuant to section 506(b) of the Bankruptcy Code, unless otherwise agreed between the Debtors, the Reorganized Debtors or the Successor Debtor and such Secured Creditor, the allowance of such fees and expenses shall be handled as set forth in this paragraph. Within twenty-one (21) days after the Effective Date, the Secured Creditor shall file an application with the Bankruptcy Court for allowance of such fees and expenses. Such application will follow the same rules and guidelines as a fee application for a Professional seeking compensation from the Debtors, including the U.S. Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses. Within twenty-one (21) days after such application is filed, the Reorganized Debtors of the Successor Debtor may file any objections thereto, and the Secured Creditor shall file any response within fourteen (14) days thereafter. If the Secured Creditor and the Reorganized Debtors or the Successor Debtor are unable to reach agreement, the matter shall then be submitted to the Bankruptcy Court for determination on no less than twenty-one (21) days' notice of the hearing.

5. Avoidance Actions

The Reorganized Debtors shall not assert any Avoidance Actions against any Person.

E. Provisions Governing Distributions

Date of Distributions

⁵ As set forth in Section 4.7 of the Plan, the other TICs, by acceptance of the Plan as a Class, will be deemed to have pledged their respective ownership interests in the Property to the performance and consummation of the Plan as confirmed. With respect to any dissenting non-Debtor TIC in Class 7A-AA, the Debtors reserve the right to (a) exercise the call option under Section 11.2 of the TIC Agreement, and/or (b) utilize Section 363(h) of the Bankruptcy Code to vest such non-Debtor TIC's interest in the Reorganized Debtors or the Successor Debtor, free and clear of the non-Debtor TIC's ownership interest.

⁶ In the event of inconsistencies between the Plan and the Term Sheet, the Plan shall control.

No payment or distribution shall be made pursuant to the Plan except on account of an Allowed Claim, except as otherwise ordered by the Bankruptcy Court. No payment shall be made on account of any Contested Claim until Allowed. Any payments or distributions to be made by the Reorganized Debtors or the Successor Debtor pursuant to the Plan shall be made on the respective Initial Distribution Dates of each such Allowed Claim except as otherwise provided in the Plan or ordered by the Bankruptcy Court. Any Unclaimed Property may be paid into the registry of the Court or otherwise distributed in accordance with the Orders of the Court.

1. Distributions Under Plan

Distributions to be made to any Creditor under the Plan shall be made by the Reorganized Debtors or the Successor Debtor or their authorized agent.

2. Means of Cash Payment

Cash payments pursuant to the Plan shall be made by check drawn on, or by wire transfer from, a domestic bank.

3. Delivery of Distributions

All distributions, deliveries and payments to the holder of any Allowed Claim shall be made to the addresses set forth on the respective proofs of Claim filed in these cases. Any such distribution, delivery or payment shall be deemed as made for all purposes relating to the Plan when deposited in the United States Mail and served as provided in paragraph 14.5 of the Plan. Whether secured or unsecured, if no proof of Claim is filed, distribution shall be made to the Creditor at the last known address or as reflected in the Schedules. If any distribution is returned as undeliverable, no further distribution shall be made on account of such Allowed Claim unless and until the Reorganized Debtors or the Successor Debtor are notified of such holder's then current address, at which time all missed distributions shall be made to the holder of such Allowed Claim. All claims for undeliverable distributions shall be made on or before the first anniversary of the attempted distribution. After such date, all Unclaimed Property shall revert to the Reorganized Debtors or the Successor Debtor, and the Claim of any holder with respect to such property shall be discharged and forever barred.

4. Time Bar to Cash Payments

Checks issued in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Reorganized Debtors or the Successor Debtor by the holder of the Allowed Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of the first anniversary of the Initial Distribution Date or ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

5. Cure Period

The failure by the Reorganized Debtors or the Successor Debtor to timely perform any term, provision or covenant contained in the Plan, or to make any payment required by the Plan to any Creditor, or the failure to make any payment or perform any covenant or any note, instrument or document issued pursuant to the Plan, shall not constitute an Event of Default as to any Creditor not affected thereby and shall not constitute an Event of Default as to such Creditor unless and until the Reorganized Debtors or the Successor Debtor have been given thirty (30) days written notice of such alleged default in the manner

provided in the Plan, and provided an opportunity to cure such alleged default. Until the expiration of such thirty (30) day cure period, the Reorganized Debtors or the Successor Debtor shall not be in default, and performance during such thirty (30) day cure period shall be deemed as timely for all purposes. Such written notice and passage of the thirty (30) day cure period shall constitute conditions precedent to declaring or claiming any default under the Plan or bringing any action or legal proceeding by any Person to enforce any right granted under the Plan.

6. Prepayment of Claims.

Any other term of the Plan notwithstanding, the Reorganized Debtors or the Successor Debtor may prepay any Allowed Claim in whole or in part without penalty.

F. Procedures for Resolving and Treating Contested and Contingent Claims

1. Objection Deadline

All objections to Claims shall be served and filed by the Objection Deadline; provided, however, the Objection Deadline shall not apply to Claims which are not reflected in the claims register, including any alleged informal proofs of claim. The Reorganized Debtors or the Successor Debtor may file a motion to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline. Any proof of claim filed more than sixty (60) days after the Effective Date shall be of no force and effect and need not be objected to by the Reorganized Debtors. Any Contested Claims may be litigated to Final Order. The Reorganized Debtors or the Successor Debtor may compromise and settle any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement of a Contested Claim after the Effective Date.

2. Responsibility for Objecting to Claims

The Reorganized Debtors or the Successor Debtor shall have the sole right and responsibility for objecting to the allowance of Claims following the Effective Date.

3. Distributions on Account of Contested Claims

If a Claim is Contested, then the Initial Distribution Date as to such Contested Claim shall be determined based upon its date of Allowance, and thereafter distribution shall be made on account of such Allowed Claim pursuant to the provisions of the Plan. No distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and distributions under the Plan. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

4. No Waiver of Right to Object

Except as expressly provided in the Plan, nothing contained in the Disclosure Statement, the Plan or the Confirmation Order shall waive, relinquish, release or impair the Reorganized Debtors' or the Successor Debtor's right to object to any Claim.

5. Rights Under Section 505

All Tax Claims shall remain subject to section 505 of the Bankruptcy Code. The Reorganized

Debtors shall retain the right to a determination of the amount or legality of any tax pursuant to section 505 of the Bankruptcy Code as to any Tax Claim. The Reorganized Debtors may seek relief pursuant to section 505 of the Bankruptcy Code as a part of, and in conjunction with, any objection to any Tax Claim.

6. Allowance of Contested Claims

Section 8.6 of the Plan shall apply to all Contested Claims. As provided therein, nothing contained in the Plan, Disclosure Statement or Confirmation Order shall change, waive or alter any requirement under applicable law that the holder of a Contested Claim must file a timely proof of claim, and the Claim of any such Contested Creditor who is required to file a proof of claim and fails to do so shall be discharged and shall receive no distribution through the Plan. The adjudication and liquidation of a Contested Claim is a determination and adjustment of the debtor/creditor relationship, and is therefore an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable. The holder of any Contested Claim shall not have a right to trial by jury before the Bankruptcy Court in respect of any such Claim. Exclusive venue for any Contested Proceeding shall be in the Bankruptcy Court or a court of competent jurisdiction located in Dallas County, Texas. Contested Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. Texas Rule of Civil Procedure 42 and Federal Rule of Civil Procedure 23 shall not apply to any Contested Proceeding. The Reorganized Debtors shall retain all rights of removal to federal court as to any Contested Proceeding.

7. Allowance of Certain Claims

All Contested Claims shall be liquidated and determined as provided in Section 8.7 of the Plan as follows:

Application of Adversary Proceeding Rules. Unless otherwise ordered by the Bankruptcy Court or provided by the Bankruptcy Rules, any objection to a Contested Claim shall be treated as a contested matter subject to Bankruptcy Rule 9014 of the Rules of Bankruptcy Procedure. However, any party may move the Bankruptcy Court to apply the rules applicable to adversary proceedings to any Claim Objection. The Reorganized Debtors or the Successor Debtor, however, may, at their election, make and pursue any Objection to a Claim in the form of an adversary proceeding.

Scheduling Order. Unless otherwise ordered by the Bankruptcy Court, or if the Objection is pursued as an adversary proceeding, a scheduling order shall be entered as to each Objection to a Claim. The Debtors shall tender a proposed scheduling order with each Objection and include a request for a scheduling conference for the entry of a scheduling order. The scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.

Mediation. The Court may order the parties to mediate in connection with any Objection to a Claim. The Reorganized Debtors may include a request for mediation in its Objection, and request that the Court require mediation as a part of the Scheduling Order.

8. Substantial Consummation

All distributions of any kind made to any of the Creditors after Substantial Consummation and any and all other actions taken under the Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

9. Offsets

The Reorganized Debtors shall be vested with and retain all rights of offset or recoupment and all counterclaims against any Claimant. Assertion of counterclaims by the Reorganized Debtors and the Successor Debtor against Claimants shall constitute a “core” proceeding.

G. Executory Contracts and Unexpired Leases

1. Executory Contracts Assumed

All executory contracts or unexpired leases shall be deemed as assumed upon the Effective Date, unless expressly rejected as set forth in section 9.1(a) of the Plan. The Plan shall constitute a motion to assume all executory contracts or unexpired leases unless otherwise expressly rejected. However, the Debtors may file a separate motion for the assumption or rejection of any executory contract or unexpired lease.

(a) **Rejections.** The following executory contracts and unexpired leases shall be deemed rejected as of the Effective Date:

1. The Management Agreement, if and to the extent that it is an executory contract, shall be deemed rejected as of the Effective Date, with any rejection damages related thereto constituting Class 6A-AA Claims. The order of the Court confirming the Plan shall constitute an order approving the rejection of the Management Agreement. The Management Agreement shall be deemed terminated as of the earlier of: (a) the date it was terminated pursuant to any valid notice of termination given by or on behalf of any Debtor or other TIC; or (b) the Effective Date.

2. The TIC Agreement shall be deemed rejected as of the Effective Date, with any rejection damages related thereto constituting Class 7A-AA Claims.

2. Cure Payments and Release of Liability

All cure payments which may be required by section 365(b)(1) of the Bankruptcy Code under any executory contract or unexpired lease that is assumed or assumed and assigned under the Plan, including without limitation the Tenant Reimbursement, shall be made by or on behalf of the Reorganized Debtors or the Successor Debtor on the Effective Date, or as soon thereafter as reasonably practicable; provided, however, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, the ability of the Reorganized Debtors or the Successor Debtor to provide adequate assurance of future performance, or any other matter pertaining to assumption or assignment, the Reorganized Debtors or the Successor Debtor shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

3. Bar to Rejection Damages

Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an executory contract or an unexpired lease shall be forever barred and shall not be enforceable against the Reorganized Debtors, the Successor Debtor or the Assets, unless a Proof of Claim is filed with the Bankruptcy Court and served upon the Reorganized Debtor by the earlier of thirty (30) days after the Confirmation Date or thirty (30) days after entry of the Final Order approving rejection of such contract or lease.

4. Rejection Claims

Any Rejection Claim not barred by paragraph 9.3 of the Plan shall be classified as a Class 6A-AA Unsecured (General) Claim subject to the provisions of section 502(g) of the Bankruptcy Code; provided, however, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date or upon the entry of the Confirmation Order, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements; provided further, however, that any Rejection Claim arising from the rejection of the TIC Agreement shall be classified as a Class 7A-AA Claim as set forth in Section 9.1(a) of the Plan. Nothing contained herein shall be deemed an admission by the Reorganized Debtors or the Successor Debtor that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Reorganized Debtors or the Successor Debtor of any objections to such Claim if asserted.

H. Maintenance of Causes of Action

1. Generally

Unless expressly waived or released by the Reorganized Debtors or the Successor Debtor, the Reorganized Debtors and the Successor Debtor shall retain, receive and shall be vested in any and all causes of action, counterclaims and rights of offset or recoupment, including all causes of action enumerated in Section V.B. above; provided, however, as set forth in Section 6.6 of the Plan, the Reorganized Debtors or the Successor Debtor shall not assert any Avoidance Actions against any Person.

2. Claims Against Claimants

Except as expressly set forth in the Plan, the Reorganized Debtors or the Successor Debtor shall retain all claims, causes of action, defenses, and offsets as against all Claimants. Nothing in the Plan shall waive or impair any such claim, cause of action, defense, or offset. Claims by the Debtors, the Reorganized Debtors or the Successor Debtor against Creditors filing Claims in these cases shall constitute core proceedings.

I. Conditions Precedent to Confirmation and Effectiveness of Plan

1. Conditions to Confirmation and Effectiveness of Plan

The Plan shall not become effective until the following conditions shall have been satisfied or waived by the Debtors, as determined in its sole discretion: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) all documents necessary to effectuate the Cash Infusion have been duly executed and the Cash Infusion has been funded to the extent required to pay obligations due under this Plan as of the Effective Date; (c) all other conditions precedent have been satisfied to the satisfaction of the Debtors, (d) the Bar Date has passed, and no additional Claims have been filed which, in the sole discretion of the Debtors, adversely impact the Plan, and (e) a notice of the Effective Date has been filed by the Debtors and thereafter served upon all Creditors and parties in interest. Any or all of the above conditions may be waived at any time by the Debtors.

2. Revocation of Plan

The Debtors may revoke and withdraw the Plan at any time before the Effective Date. If the Debtors revoke or withdraw the Plan, or if confirmation of the Plan does not occur, then the Plan shall be deemed null and void and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, as the case may be, or any other Person or to prejudice in any

manner the rights of such Debtors, or person in any further proceedings involving such Debtor.

J. Discharge

1. Discharge of Debtors

The terms, covenants and consideration under the Plan shall be in exchange for, and in complete satisfaction, discharge, and release of, all Claims of any nature whatsoever against the Debtors and/or the Assets, including, without limitation, the Secured Claims, and all Unsecured Claims. Except as otherwise expressly provided herein, upon the Effective Date, both the Debtors and their successors in interest and assigns shall be deemed discharged and released pursuant to section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims and Interests, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code; (c) the holder of a Claim based upon such debt has accepted this Plan; or (d) the Claim has been Allowed, Disallowed, or estimated pursuant to section 502(c) of the Bankruptcy Code. The Confirmation Order shall be a judicial determination of discharge of all liabilities of both the Debtors, and their successors in interest and assigns other than those obligations specifically set forth pursuant to the Plan. The discharge provided for herein shall apply to the Debtors only. Nothing herein shall be construed as granting a discharge, injunction, or release of any claims or causes of action against any non-debtor party, including the non-Debtor TICs.

2. Injunction

From and after the Effective Date, all holders of Claims shall be permanently restrained and enjoined from: (a) commencing or continuing in any manner, any action or other proceeding of any kind with respect to any such Claim against the Debtors, the Reorganized Debtors, the Successor Debtor or the Assets; (b) enforcing, attaching, collecting, or recovering on account of any Claim by any manner or means, any judgment, award, decree, or order against the Debtors, the Reorganized Debtors, the Successor Debtor or the Assets except pursuant to and in accordance with this Plan; (c) creating, perfecting, or enforcing any encumbrance of any kind against either the Assets, the Debtors, the Reorganized Debtors or the Successor Debtor; (d) asserting any control over, interest, rights or title in or to any of the Assets except as provided in this Plan; (e) asserting any setoff, or recoupment of any kind against any obligation due the Debtors, the Reorganized Debtors or the Successor Debtor, as assignee, except upon leave of the Bankruptcy Court; and (f) performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; provided, however, that this injunction shall not bar any Creditor from asserting any right granted pursuant to this Plan; provided further, however, that each holder of a Contested Claim shall be entitled to enforce its rights under the Plan, including seeking Allowance of such Contested Claim pursuant to the Plan; provided further, however, that this injunction shall apply to Claims against the Debtors only and shall not prevent any Creditor from pursuing any claims or causes of action it may have against any non-debtor party, including the non-debtor TICs.

3. Automatic Stay

The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors and all Assets. As of the Effective Date, the discharge and injunction in Sections 12.1 and 12.2 of the Plan shall become effective.

K. Consummation of the Plan

1. Retention of Jurisdiction

Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to these Chapter 11 cases and the Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

a. To hear and determine any and all Objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense or Claim;

b. To hear and determine any and all applications for payments of fees and expenses from the Reorganized Debtors' estates made by attorneys or any other Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed from the Reorganized Debtors' estates under the Bankruptcy Code, and any and all objections thereto;

c. To hear and determine pending applications for the rejection, assumption, or assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any executory contract or unexpired lease;

d. To hear and determine any and all adversary proceedings, applications, or contested matters, including any remands or appeals;

e. To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets, (ii) the valuation of all Collateral, including hearing all Valuation Motions, (iii) the determination of the validity of any Lien or claimed right of offset, (iv) determinations of objections to Contested Claims, and (v) adjudication of any disputes relating to the assumption or rejection of any executory contracts or unexpired leases, including the determination of the amount of a Cure Claim associated with any executory contract or unexpired lease;

f. To liquidate and administer any disputed, contingent, or unliquidated Claims, including the allowance of all Contested Claims;

g. To administer distributions to holders of Allowed Claims as provided in the Plan;

h. To enter and implement such other orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

i. To enable the Reorganized Debtors or the Successor Debtor to prosecute any and all proceedings which may be brought to set aside Liens or encumbrances and to recover any transfers, assets, properties or damages to which the Reorganized Debtors or the Successor Debtor may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws, including causes of action, controversies, disputes and conflicts between the Reorganized Debtors or the Successor Debtor and any other party, including but not limited to, any causes of action or Objections to Claims,

preferences of fraudulent transfers and obligations or equitable subordination.

j. To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;

k. To enforce the discharge and injunctions contained in Sections 12.1, 12.2, and 12.4 of the Plan;

l. To the extent necessary, to approve the sale after the Effective Date of any of the Assets free and clear of all Liens, claims and interests, or to approve any borrowings (either secured or unsecured) by the Reorganized Debtors or the Successor Debtor;

m. To enter and implement all such orders as may be necessary or appropriate to execute, interpret, implement, consummate, or enforce the terms and conditions of the Plan and the transactions required or contemplated pursuant thereto;

n. To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;

o. To determine proceedings pursuant to section 505 of the Bankruptcy Code; and

p. To enter a final decree closing these Chapter 11 cases.

2. Abstention and Other Courts

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to these Chapter 11 cases, section 13.1 of the Plan shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

3. Non-Material Modifications

The Debtors, the Reorganized Debtors or the Successor Debtor, as applicable, may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan or make any non-material modification to the Plan in such manner and to such extent as may be necessary or desirable. The Debtors, Reorganized Debtors, or the Successor Debtor, as applicable, may undertake such nonmaterial modification as provided in the Plan insofar as it does not materially and adversely change the treatment of the Claim of any Creditor or the interest of any Interest holder who has not accepted in writing the modification.

4. Material Modifications

Modifications of the Plan may be proposed in writing by the Debtors at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case

may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

L. Miscellaneous Provisions

1. Severability

Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Debtors, the Reorganized Debtors or the Successor Debtor, as applicable, may modify the Plan in accordance with Sections 13.3 and 13.4 of the Plan so that such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the re-solicitation of any acceptance or rejection of the Plan.

2. Oral Agreements; Modification of Plan; Oral Representations or Inducements

The terms of the Plan, Disclosure Statement and Confirmation Order may not be changed, contradicted or varied by any oral statement, agreement, warranty or representation. The Plan may only be modified, amended or supplemented in writing signed by an authorized representative of the Debtors, the Reorganized Debtors or the Successor Debtor, as applicable. Neither the Debtors nor their attorneys have made any representation, warranty, promise or inducement relating to the Plan or its confirmation except as expressly set forth in the Plan, the Disclosure Statement, or the Confirmation Order or other order of the Court.

3. Waiver

The Debtors, the Reorganized Debtors and the Successor Debtor shall not be deemed to have waived any right, power or privilege pursuant to the Plan unless the waiver is in writing and signed by an authorized representative of the Reorganized Debtors or the Successor Debtor, as applicable. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by same, of any right pursuant to the Plan, including the provisions of this anti-waiver section. The waiver of any right under the Plan shall not act as a waiver of any other or subsequent right, power or privilege.

4. Construction

The Plan shall control over any inconsistent term of the Disclosure Statement. The Confirmation Order shall control over any inconsistent provision of the Plan.

5. Notice

Any notice or communication required or permitted by the Plan shall be given, made or sent as follows:

a. If to a Creditor, notice may be given as follows: (i) if the Creditor has filed no proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to the address reflected in the proof of claim.

- b. If to Reorganized Debtors, notice shall be sent to the following address:

Mubeen M. Aliniazee
Highpoint Management Solutions, LLC
320 W. Lone Cactus Drive, #12
Phoenix, AZ 85027

Concurrently with service of such notice on the Reorganized Debtors, a copy thereof shall be served in the same manner on the following legal counsel:

Michelle Larson
Andrews Kurth LLP
1717 Main Street, Suite 3700
Dallas, Texas 75201
Facsimile: (214) 659-4401
michellelarson@andrewskurth.com

c. Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Reorganized Debtors of its new address in accordance with the terms of section 14.5 of the Plan.

d. Any notice given, made or sent as set forth in Section 14.5 of the Plan shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

6. Setoffs

The Debtors, the Reorganized Debtors or the Successor Debtor may, but shall not be required to, set off against any Claim and the payments or other distributions to be made pursuant to the Plan in respect of such Claim, claims of any nature whatsoever against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim shall constitute a waiver or release by the Debtors, the Reorganized Debtors or the Successor Debtor of any such Claim that they may have against such holder.

7. Compliance with All Applicable Laws

If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, the Reorganized Debtors shall comply with such law, rule, regulation, or order; provided that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Reorganized Debtors.

8. Exculpations

No agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Debtors, the Reorganized Debtors or the Successor Debtor shall ever have any liability to any Person (including any Creditor) other than the Debtors, the Reorganized Debtors and the Successor Debtor, as applicable, for any act, omission, or event in connection with, or arising out of,

or relating to, any of the following: (a) the Chapter 11 cases, including all matters or actions in connection with or relating to the administration of the estate, (b) the Plan, including the proposal, negotiation, confirmation and consummation of the Plan, or (c) the administration of the Plan on a post-confirmation basis. Notwithstanding anything contained in the Plan, the exculpation provision found in paragraph 14.8 of the Plan shall not extend to any act, omission, or event as described in paragraph 14.8 of the Plan that is determined as (i) not undertaken in good faith; (ii) actual fraud; (iii) willful misconduct; or (iv) gross negligence. Additionally, with regard to attorneys, accountants, and financial advisors, the exculpatory language set forth in paragraph 14.8 of the Plan extends only to the extent allowed by the applicable ethical standards governing such professionals.

9. Binding Effect

The Plan shall be binding upon, and shall inure to the benefit of the Reorganized Debtors, the holders of the Claims or Liens, the holders of Interests, and their respective successors in interest and assigns.

10. Governing Law, Interpretation

Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any plan documents without regard to conflicts of law. The Plan shall control any inconsistent term or provision of any other plan documents.

11. Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date, and thereafter as such statutory fees become due.

12. Filing of Additional Documents

On or before Substantial Consummation of the Plan, the Debtors, the Reorganized Debtors or the Successor Debtor may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

13. Computation of Time

If the final day for any distribution, performance, act or event under the Plan is not a Business Day, then the time for making or performing such distribution, performance, act or event shall be extended to the next Business Day. Any payment or distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

14. Elections by the Reorganized Debtors

Any right of election or choice granted to the Debtors, the Reorganized Debtors or the Successor Debtor under the Plan may be exercised, at their election, separately as to each Claim, Creditor, or Person.

15. Release of Liens

Except as otherwise provided in the Plan or the Confirmation Order, all Liens against any of the Assets shall be deemed to be released, terminated, and nullified.

16. Reorganized Debtors' Management

At or prior to the Confirmation Hearing, the Debtors shall disclose the post-Effective Date management of the Reorganized Debtors.

17. Compensation of Debtors' Management

The sole members of the Debtors shall not be compensated for their continued management of the Debtors.

18. Governing Documents

On the Effective Date, the Reorganized Debtors' governing documents shall be created or amended as necessary (a) to satisfy the provisions of the Plan, and (b) to the extent necessary to prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code.

19. Indemnification Obligations

Any other term of the Plan notwithstanding, any obligations of the Reorganized Debtors to indemnify their present and former members, officers, or directors pursuant to any governing documents, charters, bylaws, and/or applicable state law shall be deemed to be, and shall be treated as though they are, executory contracts assumed under the Plan, and such obligations shall survive confirmation of the Plan and remain unaffected thereby, irrespective of whether indemnification is owed in connection with an occurrence that occurred prior to or after the Original Petition Date or the Subsequent Petition Date.

VII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain material United States federal income tax consequences of the implementation of the Plan to the Debtors and certain holders of Claims. 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 holder of a Claim. 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 Debtors 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 Debtors have 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 DEBTOR'S OR HOLDER'S INDIVIDUAL CIRCUMSTANCES. DEBTORS 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 Debtors

1. Contribution to Successor Debtor

The Debtors shall contribute all of their right, title and interests in and to the Property, free and clear of all Liens and Claims and all rights, title and interests, except as expressly set forth in the Plan (collectively, the "Contributed Assets"), to the Successor Debtor, a new limited liability company, in exchange for interests in the Successor Debtor.

This section does not address all United States federal income tax matters that affect the Debtors and does not address the tax consequences to a Debtor of owning or disposing of interests in the Successor Debtor received pursuant to the Plan. Debtors 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 interests in the Successor Debtor.

(a) Partnership Status

The Successor Debtor intends to be treated as a partnership for United States federal income tax purposes. An entity that is treated 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 that the Successor Debtor will be a publicly traded partnership for United States federal income tax purposes. The interests in Successor Debtor 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 the Successor Debtor does not intend to make a market for its interests.

If the Successor Debtor were treated as a publicly traded partnership, the Successor Debtor would be taxable as a corporation unless 90% or more of the Successor Debtor's gross income for each taxable year in which the Successor Debtor was a publicly traded partnership consisted of "qualifying income." Qualifying income generally includes, among other things, rents from real property in certain circumstances. No determination has been made as to whether the Successor Debtor's income would be qualifying income.

This discussion assumes that the Successor Debtor will be treated 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. Thus, the contribution by the Debtors of the Contributed Assets to the Successor 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 transaction is determined to be a disguised sale, the Debtors would be treated as having sold a portion of the Contributed Assets to the Successor Debtor 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. The Successor Debtor has no current intent to make distributions to the Debtors, as partners of the Successor Debtor, in excess of its operating cash flow within two years from the Effective Date.

Additionally, except to the extent an applicable exception applies, the liabilities deemed assumed by the Successor Debtor would be treated as the taxable proceeds of a disguised sale by the Debtors of a portion of their assets to the Successor Debtor. All liabilities of Debtors that were incurred in the ordinary course of the trade or business in which the Contributed Assets were used or allocable to capital expenditures with respect to the Contributed Assets should qualify for an exception to the disguised sale rules. Provided all liabilities of the Debtors were either incurred in the ordinary course of the trade or business in which the Contributed Assets were used or qualify under one or more other exceptions to the disguised sale rules, the Debtors should not recognize disguised sale gain as a result of the assumption of liabilities by the Successor Debtor pursuant to the Plan.

Investment Company. Section 721(b) of the Tax Code provides that the nonrecognition provisions of Section 721(a) of the Tax Code will not apply to any contributions of property made to an "investment company." 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. It is anticipated that the assets of the Successor Debtor will principally be interests in real estate. Consequently, the Successor Debtor should not be treated as an "investment company" for purposes of Section 721(b).

Distribution in Excess of Basis. The Successor Debtor 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 Debtor, as a partner of the Successor Debtor, will be allocated nonrecourse liabilities equal to the sum of (i) the partner's share of partnership minimum gain, (ii) the amount of taxable gain that would be allocated to the Debtor, as a partner of the Successor Debtor, under Section 704(c) of the Tax Code if Successor Debtor disposed of all partnership property subject to one or more nonrecourse liabilities of the Successor Debtor 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 Debtor, as a partner of the Successor Debtor, 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 Debtor's, as a partner of the Successor Debtor, share of the remaining excess nonrecourse liabilities as determined in accordance with the Debtor's share of partnership profits. Each Debtor, as a partner of the Successor Debtor, will also be allocated recourse liabilities equal to the portion of the recourse liability for which the partner (or related person) bears the economic risk of loss. Determining a partner's allocable share of liabilities assumed by the partnership pursuant to Treasury Regulations Section 1.752 is complex and Debtors 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 Debtor's allocable share of partnership liabilities immediately after the contribution is lower than its individual liabilities contributed to the partnership, then Debtor will be treated as receiving a distribution of cash from the Successor Debtor which will result in a corresponding reduction in the Debtor's basis in its interest in the Successor Debtor. If the adjustments described above reduce the Debtor's basis below zero, the Debtor will realize gain to the extent of such excess.

Tax Basis of Interests in Successor Debtor Received. A contributing partner's basis in its partnership interest is equal to the sum of (i) the amount of any money contributed, (ii) the contributing partner's adjusted basis of the property contributed and (iii) the amount of gain, if any, recognized by the contributing partner pursuant to Section 721(b) of the Tax Code.

2. Cancellation of Indebtedness Income

In general, absent an exception, the discharge of a debt obligation for cash and property having a value less than the amount owed gives rise to cancellation of indebtedness ("COD") income which must be included in a debtor's taxable income.

A debtor will not, however, be required to include any amount of COD income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD income that it excluded from gross income. In general, tax attributes will be reduced in the following order: (a) net operating losses; (b) most tax credits; (c) capital loss carryovers; (d) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (e) passive activity loss and credit carryovers; and (f) foreign tax credits. If advantageous, a debtor with COD income may elect first to reduce the basis of its depreciable assets pursuant to Section 108(b)(5) of the Tax Code. Any reduction in tax attributes in respect of COD income

does not occur until after the determination of the debtor's income or loss for the taxable year in which the COD is incurred.

Because a portion of the Debtors' outstanding indebtedness may be satisfied in exchange for interests in Successor Debtor, the amount of COD income, and accordingly, the amount of tax attributes required to be reduced, will depend on the fair market value of such interests. These values cannot be known with certainty until after the Effective Date. Thus, although the Debtors may be required to reduce their tax attributes, the exact amount of such reductions, if any, will not be known until after the Effective Date.

B. Consequences to Holders of Allowed Unsecured Claims

The holders of Allowed Unsecured Claims against the Debtors shall contribute their claims to the Successor Debtor in exchange for interests in the Successor Debtor.

This section does not address all United States federal income tax matters that affect the holders and does not address the tax consequences to a holder of owning or disposing of interests in the Successor Debtor received pursuant to the Plan. Furthermore, this section focuses on holders who are individual citizens or residents of the United States and has only limited application to corporations estates, trusts, foreign persons, or other holders subject to specialized tax treatment.

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. Thus, the contribution by holders of Allowed Unsecured Claims to the Successor Debtor should not result in a taxable transaction, subject to certain exceptions described above in Section VII.A.1(b).

A contributing partner's basis in its partnership interest is equal to the sum of (i) the amount of any money contributed, (ii) the contributing partner's adjusted basis of the property contributed and (iii) the amount of gain, if any, recognized by the contributing partner pursuant to Section 721(b) of the Tax Code.

Holders 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 interests in the Successor Debtor.

C. 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.

D. 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 holder's individual circumstances. Accordingly, holders are urged to consult with their tax advisors about United States federal, state, local and other tax consequences to the Plan.

VIII. SELECTED FINANCIAL INFORMATION

[Selected financial and operational information concerning the Debtors is attached hereto as Exhibits ____, ____, and _____. Exhibit __ consists of the financial projections for the Property for the term of the Plan.]

IX. LIQUIDATION VALUES

As a condition to confirmation of a plan, section 1129(a)(7)(A)(ii) of the Bankruptcy Code requires that each impaired class of claims or interests that has not accepted the plan must receive or retain at least the amount of value it would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code on the effective date of the plan.

If the Property were liquidated under chapter 7 of the Bankruptcy Code, the holders of General Unsecured Claims would not be paid in full (as they are under the terms of the Plan) and, in fact, would very likely receive no distributions whatsoever on account of their Claims. In a Chapter 7 scenario, the Trust would likely seek Court permission to allow it to foreclose its security interests in the Property. Indeed, the Trust has already filed a motion for relief from the automatic stay and a motion to dismiss the Debtors' bankruptcy case. However, in a chapter 7 case, because the Debtors would not be attempting to reorganize, it would be significantly more likely that the Bankruptcy Court would grant the Trust relief from the automatic stay to foreclose its security interests in the Property. The Property, which is by far the Debtors' most valuable asset, was appraised in early 2013 at a value of \$46,700,000.00.⁷ The Trust has asserted that its claim, which is secured by all of the Debtors' Assets, including the Property, totals more than \$53,858,795.40. The Debtors dispute a portion of the Trust's asserted Claim. Even if the Property were sold by a chapter 7 trustee, the trustee's commissions, broker's fees, and other closing costs would likely exceed the amount of equity in the Property. In any event, because the Plan provides for the payment in full of all Claims, including General Unsecured Claims, with interest, the Plan provides that all creditors will receive or retain at least the amount of value they would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

X. CONFIRMATION OF THE PLAN

A. Solicitation of Votes; Voting Procedures

1. Ballots and Voting Deadlines

A ballot to be used for voting to accept or reject the Plan, together with a return envelope, is enclosed with this Disclosure Statement and Plan and has been mailed to all holders of Claims and Interests entitled to vote. **BEFORE COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.**

⁷ The Debtors have sought to retain an appraiser to bring the prior appraisal current pursuant to their Application for Order Authorizing Andrews Kurth LLP's Retention of Appraisals Unlimited as an Appraisal Expert Pursuant to Section 327(a) of the Bankruptcy Code and Rules 2014 and 2016 of the Federal Rules Of Bankruptcy Procedure filed October 25, 2013 [Docket No. 328].

The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection (the "Ballot Deadline") of the Plan must be received by the Tabulation Agent no later than 5:00 p.m., Central Time, on _____, 2013, at the following address:

Send Claims by Regular Mail:
BMC Group, Inc.
Attn: NNN 3500 Maple 26, LLC Ballot Processing
PO Box 3020
Chanhassen, MN 55317-3020

By Messenger or Overnight:
BMC Group, Inc.
Attn: NNN 3500 Maple 26, LLC Ballot Processing
18675 Lake Drive East
Chanhassen, MN 55317

Inquiries can be directed to info@bmcgroup.com or to 888.909.0100

YOUR BALLOT MAY NOT BE COUNTED IF IT IS RECEIVED AT THE ABOVE ADDRESS AFTER 5:00 P.M., CENTRAL TIME, ON _____, 201__.

2. Parties in Interest Entitled to Vote

The holder of a Claim against the Debtors classified in Classes 7A-AA and Class 8A-AA whose Claim is impaired under the Plan and who will receive a distribution under the Plan is entitled to vote to accept or reject the Plan if: (i) the Claim has been scheduled by the Debtors and such Claim was not scheduled as disputed, contingent, or unliquidated; (ii) the Claim holder has filed a proof of claim on or before the Bar Date set by the Bankruptcy Court for such filings or any extension of such dates approved by the Bankruptcy Court, and no objection to such Claim is pending; or (iii) such Claim has previously been allowed pursuant to an order of the Bankruptcy Court. Any Claim with respect to which an objection is pending is not entitled to vote unless the Bankruptcy Court, upon application of the holder whose Claim is the subject of the objection, temporarily allows such Claim in an amount that the Bankruptcy Court deems proper for the purpose of voting on the Plan. A ballot casting a vote on the Plan may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such Ballot was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The allowance of any Claim for the purpose of voting on the Plan shall not constitute an allowance of the Claim for purposes of receiving any distributions pursuant to the Plan. Any references in the Plan or Disclosure Statement to any Claims or Equity Interests shall not constitute an admission of the existence, nature, extent or enforceability thereof.

All proofs of claim for pre-petition Claims asserted by creditors of the Debtors (not including Governmental Units) must be filed with the Clerk of the Bankruptcy Court by January 6, 2014; all proofs of claim for pre-petition Claims asserted by Governmental Units must have been filed with the Clerk of the Bankruptcy Court by _____ (the last date to file a claim is referred to as the "Bar Date"). IF A CLAIMANT ALREADY FILED A PROOF OF CLAIM WITH THE BANKRUPTCY COURT, OR IF THE CLAIM IN QUESTION WAS SCHEDULED BY THE DEBTORS AS NOT BEING CONTINGENT, UNLIQUIDATED, OR DISPUTED, A PROOF OF CLAIM NEED NOT HAVE BEEN FILED. The schedules for the Original Debtor were filed on December 14, 2012 [Docket No. 25]. The schedules for the New Debtors were filed with the Bankruptcy Court on October 1 and 2, 2013 [Docket

Nos. 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281 and 283] and are available for inspection on the Bankruptcy Court's website at <http://www.txnb.uscourts.gov>. The Original Debtor's Schedules were amended on _____ [Docket No. ____]. The New Debtors' Schedules were amended on _____ [Docket Nos. ____].

As set forth in Section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" under a plan unless, with respect to such class, the plan: (1) leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest; or (2) notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default: (a) cures any such default that occurred before or after the commencement of the case, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code or of a kind that Section 365(b)(2) expressly does not require to be cured; (b) reinstates the maturity of such claim or interest as such maturity existed before such default; (c) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance on such contractual provision or such applicable law; (d) if the claim or interest arises from a failure to perform a non-monetary obligation (other than a default arising from failure to operate a nonresidential real property lease subject to Section 365(b)(1)(A)), compensates the holder (other than the debtor or an insider) for any actual pecuniary loss incurred by the holder as a result of such failure; and (e) does not otherwise alter the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest.

As stated previously, under the Plan, holders of Claims in Classes 7A-AA and 8A-AA are impaired and entitled to vote on the Plan. No other holders of Claims or Equity Interests are entitled to vote on the Plan.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE TABULATION AGENT AT THE FOLLOWING ADDRESS:

BMC Group, Inc.
Attn: NNN 3500 Maple 26, LLC Ballot Processing
18675 Lake Drive East
Chanhassen, MN 55317
info@bmcgroup.com
888.909.0100

3. Vote Required for Class Acceptance

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots for acceptance or rejection of the Plan. Thus, class acceptance takes place only if at least two-thirds in amount and a majority in number of the holders of claims voting cast their ballots in favor of acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of Interests as acceptance by holders of at least two-thirds in amount of the Interests of that class that actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount of the holders of Interests voting cast their ballots in favor of acceptance.

B. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. By order of the Bankruptcy Court, the Confirmation Hearing has been scheduled for _____, 201_, at __:___.m. Central Time, in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the confirmation hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court no later than 5:00 p.m., Central Time, on _____, 201_, at the following addresses:

Counsel to the Debtors:

Andrews Kurth LLP
Michelle V. Larson
1717 Main Street
Suite 3700
Dallas, Texas 75201
Telephone: (214) 659-4400
Facsimile: (214) 659-4401

U.S. Trustee:

Office of the United States Trustee
Erin M. Schmidt
Earle Cabell Federal Building
1100 Commerce Street, Room 976
Dallas, Texas 75242
Telephone: (214) 767-8967
Facsimile: (214) 767-8971

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

1. The plan complies with the applicable provisions of the Bankruptcy Code.
2. The proponents of the plan complied with the applicable provisions of the Bankruptcy Code.
3. The plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or promised by the debtor, by the plan proponents, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.
5. (a) (i) The proponent of the plan 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 debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

(b) the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the reorganized debtor, and the nature of any compensation for such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such approval.

7. With respect to each impaired class of claims or interests:

(a) each holder of a claim or interest of such class has accepted the plan or will receive or retain under the plan on account of such claim or interest 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 debtor were liquidated on such date 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, the 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 estate's interest in the property that secures such claims.

8. With respect to each class of claims or interests:

(a) such class has accepted the plan; or

(b) such class is not impaired under the plan.

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:

(a) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) 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) with respect to a class of claims of a kind specified in section 507(a)(1), 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 payments 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 regular installment payments in cash:

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code); and

(d) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8) of the Bankruptcy Code, but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in 9(c) above.

10. If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

11. Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

12. All fees payable under 28 U.S.C. §1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payments of all such fees on the effective date of the plan.

13. 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 debtor has obligated itself to provide such benefits.

14. If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

15. In a case in which the debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the plan:

(a) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

(b) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2) of the Bankruptcy Code) to be received during the five year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

16. All transfers of property of the plan shall be made in accordance with any

applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.

The Debtors believe that the Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtors have complied or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

The Debtors believe that holders of all Allowed Claims and Interests impaired under the Plan will receive payments under the Plan having a present value as of the Effective Date not less than the amounts likely to be received if the Debtors were liquidated in a case under chapter 7 of the Bankruptcy Code. At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Interests would receive greater distributions under the Plan than they would receive in a liquidation under chapter 7.

The Debtors also believe that the feasibility requirement for confirmation of the Plan is satisfied by the fact that its projected operating revenues are sufficient to fund all terms of the Plan.

These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

D. Cramdown

In the event that any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if, as to each impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to that Class. A plan of reorganization “does not discriminate unfairly” within the meaning of the Bankruptcy Code if no Class receives more than it is legally entitled to receive for its claims or Interests.

“Fair and equitable” has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

1. With respect to a class of secured claims, the plan provides:
 - (a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims; and
 - (ii) that each holder of a claim of 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 estate’s interest in such property;
 - (b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or
 - (c) the realization by such holders of the “indubitable equivalent” of such claims.

2. With respect to a class of unsecured claims, the plan provides:
 - (a) that each holder of a claim of 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) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the debtor is an individual, the debtor may retain property included in the estate under section 1115 of the Bankruptcy Code, subject to the requirements of section 1129(a)(14) of the Bankruptcy Code.
3. With respect to a class of interests, the plan provides:
 - (a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest; or
 - (b) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

In the event that one or more Classes of impaired Claims or Interests reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired Class of Claims or Interests. For the reasons set forth above, the Debtors believe that the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired Class of Claims or Interests.

XI. RISK FACTORS

The following is intended as a summary of certain risks associated with the Plan, but it is not exhaustive and must be supplemented by the analysis and evaluation made by each holder of a Claim or Interest of the Plan and this Disclosure Statement as a whole with such holder's own advisors.

A. Variances from Expectations

While the Debtors are confident that the Cash Infusion and the net operational profits (positive cash flow) generated by the Property will provide sufficient funds when and as needed to fund the terms of the Plan, there are various risk factors that should be considered. The success of the Plan depends in large part on the revenue generated by the Property. Circumstances beyond the control of the Debtors could cause the Property to generate less revenue than expected. For instance, unanticipated economic events and circumstances could adversely affect the real estate market in Dallas or a tenant leasing a large amount of space at the Property could unexpectedly decide not to renew its lease. In addition, while the current operating costs of the Property are manageable, unanticipated circumstances could arise which could increase the costs of operating the Property.

B. Bankruptcy Risks

1. Insufficient Acceptances

For the Plan to be confirmed, each impaired Class of Claims is given the opportunity to vote to

accept or reject the Plan. With regard to such impaired voting Classes, the Plan will be deemed accepted by a Class of impaired Claims if the Plan is accepted by claimants of such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the total Allowed Claims of the Class voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. The Debtors reserve the right to request confirmation pursuant to the cramdown provisions in section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims or Interests 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 Debtors will be able to use the cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

2. Confirmation Risks

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

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

3. Conditions Precedent

Confirmation of the Plan and occurrence of the Effective Date are subject to certain conditions precedent that may not occur. The Debtors, however, are working diligently with all parties in interest to ensure that all conditions precedent will be satisfied.

XII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors have evaluated several alternatives to the Plan, including several alternative repayment plans. After studying these alternatives, the Debtors concluded that the Plan is the best alternative and will maximize recoveries by holders of Claims and Interests, assuming confirmation of the Plan and consummation of the transactions contemplated by the Plan. The following discussion provides a summary of the Debtors' analysis leading to the conclusion that the Plan will provide the highest value to holders of Claims.

A. Liquidation under Chapter 7 of the Bankruptcy Code

If no plan of reorganization can be confirmed, the Chapter 11 Cases may be converted to a case under Chapter 7 of the Bankruptcy Code, in which event a trustee would be elected or appointed to liquidate the Debtors' assets for distribution to creditors in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under Chapter 7 would result in smaller distributions being made to creditors than those provided for under the Plan because of (1) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee for bankruptcy and professional advisors to such trustee and (2) the fact that if the Debtors' cases were converted to chapter 7, the Trust would likely seek Court permission to allow it to foreclose its liens on the Property.

B. Alternative Plans of Reorganization

If the Plan is not confirmed, any other party in interest could undertake to formulate a different plan of reorganization. Such a plan of reorganization might involve either (i) a reorganization and continuation of the business of the Debtors or (ii) an orderly liquidation of the assets of the Debtors,

including the Property. The Debtors have examined various other alternatives in connection with the process involved in the formulation and development of the Plan. The Debtors believe that the Plan, as described herein, enables holders of Claims and Interests to realize the best recoveries under the present circumstances. As the Plan provides for 100 percent recoveries (plus interest) to all holders of Allowed Claims, it provides creditors at least as much recovery as any alternative plan might provide. The Plan also maximizes the return to equity interest holders by: (a) providing for a recapitalization of the Property that will facilitate leasing efforts and increase occupancy and, in turn, net operating income and value; and (b) deferring a disposition of the Property that could result in adverse tax consequences, particularly to owners who acquired their interests through section 1031 exchanges.

XIII. CONCLUSION

The Debtors believe that the Plan is in the best interest of all holders of Claims and Interests, and urges all holders of impaired Claims against and Interests in the Debtors to vote to accept the Plan and to evidence such acceptance by returning their Ballots in accordance with the instructions accompanying the Disclosure Statement.

Dated: November 7, 2013

Respectfully submitted,

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
NNN 3500 Maple 34, LLC

By: /s/ Mubeen Aliniazee
Mubeen Aliniazee, Restructuring Officer