



**SO ORDERED.**

**SIGNED this 03 day of December, 2012.**

  
J. Rich Leonard  
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION**

<b>IN THE MATTER OF:</b>  <b>PIEDMONT CENTER INVESTMENTS, LLC,</b>  <b>Debtor</b>	<b>CASE NO. 11-06178-8-JRL CHAPTER 11</b>
<b>ORDER CONFIRMING PLAN OF REORGANIZATION DATED SEPTEMBER 13, 2012</b>	

This matter came before the Court after due notice to all interested parties and hearing on November 20, 2012, in the U.S. Bankruptcy Courtroom in Raleigh, North Carolina, to consider confirmation of the “Plan of Reorganization Dated September 13, 2012” (the “Plan”) filed by John A. Northen, Chapter 11 Trustee for Piedmont Center Investments, LLC (the “Trustee”). A copy of the Plan is attached hereto and incorporated herein by reference.

*Approval of Disclosure Statement*

The Court entered an Order on September 14, 2012 [Docket No. 206], which conditionally approved the Disclosure Statement (the “Disclosure Statement”) for the Plan as containing adequate information. Pursuant to the Order, the Debtor timely mailed the Disclosure Statement, the Plan, the Order, and a ballot to accept or reject the Plan to all creditors and other parties in interest.

The Order set November 1, 2012 as the deadline for any parties to file written objections to the Disclosure Statement, and if no objections or requests for modification were timely filed, the conditional approval of the Disclosure Statement would become final. No objections to the

Disclosure Statement were filed by any party in interest, and the Disclosure Statement is finally approved.

*Objections to Confirmation*

The Order set November 1, 2012 as the deadline for any parties in interest to file written objections to confirmation of the Plan. No objections to confirmation of the Plan were filed or asserted.

*Voting on the Plan*

The Order set November 1, 2012 as the deadline for any parties in interest to file written acceptances or rejections of the Plan. The Trustee filed a report of voting on the Plan, which reflected that Classes 1, 8, 9, 11, 14, 15, 16, and 17 all accepted the Plan by 100% in amount and number of votes cast. No ballots were submitted with respect to classes 2, 3, 4, 5, 6, 7, 10, 12, or 13.

After considering the evidence duly presented, the comments of all interested parties, and the official file, the Court makes the following findings of fact, conclusions of law, and ruling that the Trustee has satisfied each element of Section 1129 of the Bankruptcy Code necessary to confirm the Plan and ORDERS, as follows:

1 The Court has jurisdiction over this case under 28 U.S.C. §§ 157 and 1334. This matter constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409. The Court finds and concludes that the Court's retention of jurisdiction as set forth below and in the Plan comports with the parameters contained in 28 U.S.C. § 157.

2 In accordance with Section 1123(a) of the Bankruptcy Code, the Plan (a) designates classes of claims and interests, other than claims of a kind specified in Sections 507(a)(2), 507(a)(3) and 507(a)(8) of the Bankruptcy Code; (b) specifies Classes of Claims and Equity Interests that are impaired under the Plan; (c) specifies the treatment of Classes of Claims and Equity Interests that are impaired under the Plan; (d) provides the same treatment for each Claim or Equity Interest of a particular Class, unless the holder of a particular Claim or Equity Interest agrees to less favorable treatment of the particular Claim or Equity Interest; (e) provides for adequate means for the Plan's implementation; (f) prohibits the issuance of non-voting equity securities; and (g) contains only provisions that are consistent with the interests of Creditors and Equity Interest holders and with public policy with respect to the manner of selection of any

officer, director or trustee of the Debtor under the Plan and any successor to such officer, director or trustee.

3 As permitted by Section 1123(b) of the Bankruptcy Code, the Plan (a) impairs or leaves unimpaired Classes of Claims and Equity Interests; (b) provides for the assumption of executory contracts and unexpired leases of the Debtor; (c) provides for the retention and enforcement of Causes of Action; (d) modifies the rights of holders of all Classes of Claims; and (e) includes other appropriate provisions not inconsistent with the applicable provisions of the Bankruptcy Code.

4 Adequate notice of the time for filing objections to confirmation of the Plan and adequate notice of the Confirmation Hearing was provided to all parties in interest entitled to receive such notice under the Bankruptcy Code and the Bankruptcy Rules. No other or further notice of the Confirmation Hearing or confirmation of the Plan is necessary or required.

5 In accordance with Section 1126(b) of the Bankruptcy Code, (a) the solicitation of votes to accept or reject the Plan complied with all applicable bankruptcy and nonbankruptcy law, rules and regulations governing the adequacy of disclosure in connection with the solicitation; and (b) the solicitation was conducted after disclosure of “adequate information” as defined in Section 1125(a) of the Bankruptcy Code.

6 The Trustee and his attorneys and agents solicited votes to accept or reject the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and they are all entitled to the rights, benefits and protections afforded by Section 1125(e) of the Bankruptcy Code.

7 The Trustee timely filed a report of voting on the Plan, which reflects the following:

- a. Class 1: Secured claim of US Federal Credit Union c/o Business Partners, LLC. This class is impaired, and voted to accept the Plan.
- b. Class 2: Secured claim of KeySource Commercial Bank. This class is impaired, and did not submit a ballot with respect to the Plan.
- c. Class 3: Secured claim of Davidson and Jones Construction Company. This class is impaired, and did not submit a ballot with respect to the Plan.
- d. Class 4: Secured claim of Integrated Design, PA. This class is impaired, and did not submit a ballot with respect to the Plan.

- e. Class 5: Secured claim of Alamance County. This class is impaired, and did not submit a ballot with respect to the Plan.
- f. Class 6: Secured claim of Alamance County. This class is impaired, and did not submit a ballot with respect to the Plan.
- g. Class 7: Secured claim of Guilford County. This class is impaired, and did not submit a ballot with respect to the Plan.
- h. Class 8: Secured claim of Hertford County. This class is impaired, and voted to accept the Plan.
- i. Class 9: Secured claim of City of Graham. This class is impaired, and voted to accept the Plan.
- j. Class 10: Secured claim of City of Mebane. This class is impaired, and did not submit a ballot with respect to the Plan.
- k. Class 11: Secured claim of Nash County. This class is impaired, and voted to accept the Plan.
- l. Class 12: Secured claim of Town of Nashville. This class is impaired, and did not submit a ballot with respect to the Plan.
- m. Class 13: Secured claim of Chatham County. This class is impaired, and did not submit a ballot with respect to the Plan.
- n. Class 14: Secured claim of Person County. This class is impaired, and voted to accept the Plan.
- o. Class 15: Secured claim of Town of Gibsonville. This class is impaired, and voted to accept the Plan.
- p. Class 16: Unsecured claims. This class is impaired, and voted to accept the Plan.
- q. Class 17: Equity interests. This class is impaired, and voted to accept the Plan.

8 The Plan provides for payment in full of all post-petition liabilities and professional fees as costs of administration, when due or on the Effective Date, whichever comes first, unless otherwise agreed by the holder of such claims, or as soon thereafter as the same can be determined and allowed. Such administrative expenses are not classified in the Plan or entitled to vote on acceptance or rejection of the Plan.

9 The Plan satisfies the requirements of Section 1129(a)(1), as set forth in the preceding paragraphs of this Order.

10 The Trustee has complied with the applicable requirements for a trustee, obtained permission for the use of cash collateral, obtained permission to hire its professionals employed during the case, properly solicited approval for the Plan, and otherwise complied with all provisions of the Bankruptcy Code. As a result, the Plan satisfies the requirements of Section 1129(a)(2).

11 The Court has received no evidence that would indicate the Plan was proposed in a manner inconsistent with law, and the Plan represents a legitimate pursuit of an orderly liquidation and not an attempt to abuse the confirmation process to achieve some improper purpose. The Plan indicates a legitimate attempt by the Trustee to structure a mechanism which allows it a reasonable opportunity to pay the Debtor's secured creditors, with adequate provision for its unsecured creditors. As a result, the Plan satisfies the requirements of Section 1129(a)(3).

12 Any payment made or to be made by the Trustee 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, have been approved by, or are subject to the approval of, this Court as reasonable. As a result, the Plan satisfies the requirements of Section 1129(a)(4).

13 The Plan contemplates that the Trustee will continue to manage the liquidation of the Debtor's remaining assets, under terms which are consistent with the interest of creditors and equity security holders and public policy, and the Plan satisfies the requirements of Section 1129(a)(5).

14 There are no governmental regulatory commissions with jurisdiction over the rates of the Debtor, and the requirements of Section 1129(a)(6) are inapplicable.

15 The liquidation analysis provided by the Trustee, in summary form, indicates that the unsecured creditors and equity interest holders would receive nothing if the case were converted and the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. With respect to each impaired class of claims or equity interests, each holder of the 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 was liquidated under Chapter 7 of the Bankruptcy Code on such date. As a result, the Plan satisfies the requirements of Section 1129(a)(7).

16 With respect to claims of a kind specified in Section 507(a), any such claims will receive no less than the treatment specified in Section 1129(a)(9), and the Plan satisfies the requirements of such section.

17 At least one class of claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider. The Plan satisfies requirements of Section 1129(a)(10).

18 The Plan provides for the liquidation of remaining assets to fund payments to creditors, and the Plan satisfies the requirements of Section 1129(a)(11).

19 All fees payable under Section 1930 of Title 28, as determined by the Court at the hearing on confirmation of the Plan, have been paid or the Plan provides for the payment of such fees on the Effective Date. The Plan satisfies the requirements of Section 1129(a)(12).

20 The Debtor has no obligation to pay or provide for retiree benefits, as that term is defined in Section 1114, and the requirements of Section 1129(a)(13) are not applicable.

21 There are no domestic support obligations due from the Debtor, and the requirements of Section 1129(a)(14) are not applicable.

22 The Debtor is not an individual, and the requirements of Section 1129(a)(15) are not applicable.

23 The sale and conveyance of property under the Plan shall be made in accordance with applicable non-bankruptcy law, and the Plan satisfies the requirements of Section 1129(a)(16).

24 The Plan provides for retention of jurisdiction pursuant to Section 1142 until the entry of a Final Decree to the extent necessary to implement the Plan, to hear and determine objections to claims and other matters necessary to the administration of the case.

25 With respect to the classes of secured claims that did not submit ballots, the Plan provides that the holders of such claims shall retain their liens securing such claims. With with respect to Classes 2, 3, 4, and 5, each class was granted stay relief to exercise its rights with respect to its collateral, and therefore the Plan complies with 11 U.S.C. § 1129(b)(2)(A)(iii) with respect to those classes. With respect to Classes 6, 7, 10, 12, and 13, each class shall receive on account of such claims deferred cash payments totaling at least the allowed amount of such claims, 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, and therefore the plan complies with 11 U.S.C. § 1129(b)(2)(A)(i).

Based on the foregoing, the Court concludes that the Trustee has satisfied all the requirements of Section 1129 of the Bankruptcy Code necessary to obtain confirmation of the Plan, confirmation of the Plan is in the best interest of the Debtor, its estate, creditors, and all other parties in interest, and the Plan is hereby confirmed.

Except as otherwise provided in the Plan, this Confirmation Order, or in any contract, instrument, release, or other agreement entered into in connection with the Plan, in accordance with Section 1123(b) of the Bankruptcy Code, the Trustee, on behalf of the Debtor's bankruptcy estate, shall retain any and all causes of action (including Bankruptcy Causes of Action), claims, rights, suits, and proceedings, whether in law or in equity, whether known or unknown, that the Debtor may hold against any Entity.

Administrative Claims representing post-petition liabilities incurred in the ordinary course of business by the Trustee shall be paid in accordance with the terms and conditions of the particular transaction relating to such Administrative Claims.

From and after the Effective Date all Persons who have held, hold, or may hold Claims against or Equity Interests in the Debtor, other than holders of liens preserved by the Plan, are permanently enjoined from taking any of the following actions with respect thereto against the Debtor: (a) commencing or continuing, in any manner or in any place, any action or other proceeding; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (c) creating, perfecting or enforcing any lien or encumbrance; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor or the Reorganized Debtor; and (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan. The Court retains jurisdiction as provided in the Plan.

The Trustee shall file Post-Confirmation Reports with the Clerk pursuant to Section 1106(a)(7) with a copy served upon the Bankruptcy Administrator. The first report shall be due on January 30, 2012 and within thirty (30) days following the end of each succeeding calendar quarter until the Plan is fully consummated. Quarterly Reports shall reflect any progress made in consummating the Plan during the period covered by the report, and shall be filed in the format prescribed by the Bankruptcy Administrator. The Trustee will continue paying the quarterly fee to the United States Bankruptcy Court until the Motion for Final Decree is filed.

Within thirty (30) days of full consummation of the Plan, the Trustee shall file a final report, in a format prescribed by the Bankruptcy Administrator, reflecting the payments made for all costs of administration and each class of creditors, and a motion for the entry of a Final Decree pursuant to Rule 3022.

The Trustee shall pay to the Clerk the sum of \$0.00 for court costs.

The Trustee shall serve a copy of this Order on all creditors within five (5) days of the entry of this Order and promptly file a certificate of service with the Clerk.

This Confirmation Order is effective immediately and shall not be subject to any stay as provided in Rule 3020(e) of the Federal Bankruptcy Rules.

[END OF DOCUMENT]



**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION**

<b>IN THE MATTER OF:</b>  <b>PIEDMONT CENTER INVESTMENTS, LLC,</b>  <b>Debtor</b>	<b>CASE NO. 11-06178-8-JRL CHAPTER 11</b>
<b>PLAN OF REORGANIZATION DATED SEPTEMBER 13, 2012</b>	

NOW COMES John A. Northen, Chapter 11 Trustee for Piedmont Center Investments, LLC (the “Trustee”), pursuant to 11 U.S.C. § 1129 and Rule 3016 of the Federal Rules of Bankruptcy Procedure, and respectfully proposes the following Plan of Reorganization Dated September 13, 2012 (the “Plan”).

**1. INTRODUCTION.** On August 11, 2011 (the “Petition Date”), Piedmont Center Investments, LLC (the “Debtor”) filed a voluntary petition seeking relief under Chapter 11 of the Bankruptcy Code and an Order for relief was entered. On September 2, 2011, an Order was entered by the Bankruptcy Court appointing John A. Northen as Chapter 11 Trustee for the Debtor. Pursuant to various orders entered by the Court in response to the Trustee’s motions and after notice and hearing, the Trustee obtained authority for the use of cash collateral and otherwise complied with all requirements for operation and filing of necessary reports with the Court as mandated by the Bankruptcy Code, the Bankruptcy Rules, and Local Rules of the Court.

**1.1.** Reference is made to the Disclosure Statement submitted for the Plan and filed on the same date herewith (the “Disclosure Statement”) for a brief discussion of the Debtor’s history, business, results of operations, historical financial information and properties, the results of post-petition operations, and an analysis of the Plan. All creditors entitled to vote on the Plan should review the Disclosure Statement before voting to accept or reject the Plan.

**1.2.** In addition, there may be other agreements and documents that have been filed which are referenced in the Plan and/or the Disclosure Statement and which are available for review. No solicitation materials, other than the Disclosure Statement, have been authorized by the Court for use in soliciting acceptances or rejections of the Plan.

**2. DEFINITIONS.** For purposes of this Plan and accompanying Disclosure Statement, the following definitions shall apply and, unless otherwise indicated, the singular shall include the plural:

**2.1. Administrative Expense Claim:** The costs and expenses of administration of this case allowed under Section 503(b) of the Bankruptcy Code that are entitled to priority under Section 507(a)(2) of the Bankruptcy Code, including, without limitation, the actual, necessary costs and expenses of preserving the Debtor's estate and liquidating the Debtor's remaining assets, interim and final compensation to the Trustee, interim and final fees and expenses of professional persons employed by the Trustee, and other costs and expenses necessary to the administration of the estates and the liquidation of the remaining assets or otherwise allowed as Administrative Expenses by Order of the Bankruptcy Court.

**2.2. Allowed Claim or Interest:** Any claim against or interest in the Debtor (a) for which a proof of claim or interest was filed on or before the date designated by the Court as the last day on which to file such proofs of claim in this proceeding, or (b) which is listed in the Schedules filed by the Debtor (unless listed as unliquidated, disputed or contingent) and, in either case, to which (i) no objection has been filed within the applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or Order of this Court, or (ii) an objection has been timely filed and determined by Final Order, and then only to the extent the Order allows such claim or interest.

**2.3. Bankruptcy Administrator:** The United States Bankruptcy Administrator for the Eastern District of North Carolina.

**2.4. Bankruptcy Causes of Action:** Any claim or cause of action which may be asserted by a trustee or a debtor-in-possession under Sections 541, 542, 543, 544, 546, 547, 548, 549, 550, or 553 of the Bankruptcy Code.

**2.5. Bankruptcy Code:** Provisions of Title 11, United States Code, as amended from time to time and applicable to this case.

**2.6. Bankruptcy Rules:** The Federal Rules of Bankruptcy Procedure, as amended from time to time and applicable to this case.

**2.7. Claim:** Any right to payment, or any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right

is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

**2.8.** Claims Bar Date: The date by which a proof of claim must be filed with the Court, which shall be, as applicable, (i) with respect to all creditors except a governmental unit, December 12, 2011, (ii) with respect to a governmental unit, February 7, 2012, and (iii) with respect to claims arising from the rejection of any lease or executory contract, sixty (60) days from the Confirmation Date, or such other (whether earlier or later) deadline as may be set by the Court generally or with respect to any lease or contract rejected.

**2.9.** Class: A group of Claims or Equity Interests which are substantially similar to each other, as classified under the Plan.

**2.10.** Collateral: Property of the Debtor which has been duly and properly pledged to a creditor to secure indebtedness, and which pledge (of whatever nature) has not been avoided or subordinated.

**2.11.** Confirmation Date: The date on which the clerk enters on the Court's docket the Confirmation Order confirming the Plan.

**2.12.** Confirmation Order: The Order of the Court confirming the Plan pursuant to § 1129 of the Bankruptcy Code.

**2.13.** Consummation, Final: The consummation of all things contained in or provided for in this Plan, and the entry of a Final Decree finally dismissing this reorganization case.

**2.14.** Consummation, Substantial: The date on which the Debtor has substantially completed all requirements of this Plan, as determined in accordance with § 1101(2) of the Bankruptcy Code or an Order of Substantial Consummation entered by this Court.

**2.15.** Court: The United States Bankruptcy Court for the Eastern District of North Carolina, and any appellate court that exercises jurisdiction over this case.

**2.16.** Debtor: Piedmont Center Investments, LLC.

**2.17.** Debtor, Reorganized: The Debtor, after Substantial Consummation has occurred.

**2.18.** Disputed Claim: Any Claim which is not an Allowed Claim and with respect to which (i) an objection has been interposed and has not been resolved by agreement or

Final Order, (ii) the Debtor has scheduled as disputed, contingent or unliquidated, or (iii) the claim is set forth in an improper proof of claim or a proof of claim untimely filed.

**2.19.** Distribution Date: Any date on which distributions are to be made to creditors pursuant to terms and provisions of this Plan or upon approval of this Court.

**2.20.** Effective Date: The first day of the month next following the Confirmation Date, provided that the Confirmation Order is not subject to a stay as of such day.

**2.21.** Equity Interest: Any ownership interest (common or preferred stock, options or warrants) in the Debtor.

**2.22.** Estate: The property belonging to the Debtor on the date this case was commenced and as defined by §§ 541 and 1115 of the Bankruptcy Code and other applicable law.

**2.23.** Final Decree: The final decree entered by the Court pursuant to Bankruptcy Rule 3022.

**2.24.** Final Order: An order (i) as to which the time to appeal or seek review or rehearing has expired and as to which no motion or petition for review or rehearing is pending, or (ii) if an appeal, motion or petition for review or rehearing is pending, the operation or effect of which order has not been stayed, reversed, or amended.

**2.25.** Final Report: A report to be filed by the Trustee with the Court upon and after completion of all acts required to achieve Final Consummation of the Plan, which report shall include, but not be limited to, all information necessary to meet the reporting requirements of the Court, the Bankruptcy Administrator, and the Plan.

**2.26.** Lien: A deed of trust, mortgage, judgment lien, materialman's lien, statutory lien, security interest, pledge, charging order, or other encumbrance on the Debtor's property, effective under applicable laws as of the Petition Date or thereafter as authorized by Order of the Court.

**2.27.** Notice and Hearing: Notice and hearing as defined by Section 102 of the Bankruptcy Code.

**2.28.** Petition Date: August 11, 2011.

**2.29.** Plan: This plan of reorganization and any modification thereof as approved by the Court.

**2.30.** Priority Claim: An Allowed Claim that is unsecured and is entitled to priority under § 507 or § 364 of the Bankruptcy Code, excluding Priority Tax Claims.

**2.31.** Priority Creditor: A creditor with a Priority Claim.

**2.32.** Priority Tax Claim: An Allowed Claim for federal, state or local taxes that is unsecured and is entitled to priority under Section 507 or Section 364 of the Bankruptcy Code.

**2.33.** Priority Tax Creditor: A creditor with a Priority Tax Claim.

**2.34.** Pro Rata: The proportion that each allowed claim in a particular class of creditors bears to the aggregate of all allowed claims in that Class on the relevant date.

**2.35.** Secured Claim: An Allowed Claim that is secured by a Lien that has not been or is not subsequently avoided, to the extent of the value of the Collateral subject to such Lien as determined under Section 506 of the Bankruptcy Code.

**2.36.** Secured Creditor: A creditor with a Secured Claim.

**2.37.** Unsecured Claim: An Allowed claim that is unsecured and is not entitled to be treated as a Priority Claim or a Priority Tax Claim.

**2.38.** Unsecured Creditor: A creditor with an Unsecured Claim.

**3. ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

**3.1.** Administrative Expense Claims shall be allowed upon due request or application and in such amounts as may be determined by the Court after notice and hearing.

**3.1.1.** The Trustee shall be compensated for his services in such amounts as may be determined by the Court, but not to exceed the compensation allowable pursuant to Section 326 of the Bankruptcy Code.

**3.1.2.** Attorneys, accountants and other professionals retained by the Trustee shall be compensated for services rendered in such capacity and reasonably necessary to the administration of this estate, upon an hourly basis and at their customary hourly rates or in such amounts as may be determined by the Court, but not to exceed reasonable compensation for such services.

**3.1.3.** Ad valorem property taxes arising after the Petition Date, commencing with 2012 ad valorem property taxes, shall be paid in full on or before the due date provided for in the applicable tax bills.

**3.1.4.** Requests for allowance of Administrative Expense Claims shall be filed with the Court within 30 days after the Effective Date, or such other date as may be established by the Court.

**3.1.5.** The holders of Administrative Expense Claims shall be paid in cash (i) within 30 days after the Effective Date or (ii) as soon thereafter as the same can be determined and, if necessary, allowed by the Court.

**3.2.** The Trustee does not believe there will be any Priority Tax Claims in this case. However, in the event that there are Allowed Priority Tax Claims in this case, the holders of Priority Tax Claims shall be paid in full, with interest at the applicable statutory rate, in quarterly or more frequent installments over a period not exceeding three (3) years from and after the Petition Date.

**4. DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS.** For purposes of the Plan, Claims and Equity Interests are classified as follows:

**4.1. Class 1** shall consist of the Secured Claim of US Federal Credit Union c/o Business Partners, LLC (“Business Partners”).

**4.2. Class 2** shall consist of the Secured Claim of KeySource Commercial Bank (“KeySource”).

**4.3. Class 3** shall consist of the Secured Claim of Davidson and Jones Construction Company (“Davidson and Jones”).

**4.4. Class 4** shall consist of the Secured Claim of Integrated Design, P.A. (“Integrated Design”).

**4.5. Class 5** shall consist of the Secured Claim of the Alamance County Tax Collector (“Alamance County”) representing ad valorem property taxes owed by the Debtor as of the Petition Date on real property owned by the Debtor and located at 412 South Main Street, Graham, North Carolina (the “Graham Property”).

**4.6. Class 6** shall consist of the Secured Claim of Alamance County representing ad valorem property taxes owed by the Debtor as of the Petition Date on real property owned by the Debtor and located at 101-105 S. Fifth Street, Mebane, North Carolina (the “Mebane Property”).

**4.7. Class 7** shall consist of the Secured Claim of the Guilford County Tax Department (“Guilford County”) representing ad valorem property taxes owed by the Debtor as

of the Petition Date on real property owned by the Debtor and located at 303 Burke Street, Gibsonville, North Carolina (the “Gibsonville Property”).

**4.8. Class 8** shall consist of the Secured Claim of the Hertford County Tax Collector (“Hertford County”) representing ad valorem property taxes owed by the Debtor as of the Petition Date on real property owned by the Debtor and located at 835 W. Main Street, Murfreesboro, North Carolina (the “Murfreesboro Property”).

**4.9. Class 9** shall consist of the Secured Claim of the City of Graham Tax Collector (“City of Graham”) representing ad valorem property taxes owed by the Debtor as of the Petition Date on the Graham Property.

**4.10. Class 10** shall consist of the Secured Claim of the City of Mebane representing ad valorem property taxes owed by the Debtor as of the Petition Date on the Mebane Property.

**4.11. Class 11** shall consist of the Secured Claim of the Nash County Tax Collector (“Nash County”) representing Nash County ad valorem property taxes owed by the Debtor as of the Petition Date on real property owned by the Debtor and located at E. Washington and Park Avenue, Nashville, North Carolina (the “Nashville Property”).

**4.12. Class 12** shall consist of the Secured Claim of the Town of Nashville representing ad valorem property taxes owed by the Debtor as of the Petition Date on real property owned by the Debtor and located at the Nashville Property.

**4.13. Class 13** shall consist of the Secured Claim of the Chatham County Tax Collector (“Chatham County”) representing Chatham County and City of Pittsboro ad valorem property taxes owed by the Debtor as of the Petition Date on real property owned by the Debtor and located at 300 Block East Street (US Highway 64), Pittsboro, North Carolina (the “Pittsboro Property”).

**4.14. Class 14** shall consist of the Secured Claim of the Person County Tax Assessor (“Person County”) representing Person County and City of Roxboro ad valorem property taxes owed by the Debtor as of the Petition Date on real property owned by the Debtor and located at 816 N. Madison Boulevard, Roxboro, North Carolina (the “Roxboro Property”).

**4.15. Class 15** shall consist of the Secured Claim of the Town of Gibsonville representing ad valorem property taxes owed by the Debtor as of the Petition Date on the Gibsonville Property.

**4.16.** **Class 16** shall consist of Unsecured Claims including the unsecured portion of any claims listed herein as secured but which are determined to be unsecured by order of the Court or applicable law after (a) valuation or liquidation of property serving as Collateral to said claimant, or (b) avoidance of any Lien securing such claim.

**4.17.** **Class 17** shall consist of Equity Interests.

**5. TREATMENT OF CLASSES UNDER THE PLAN.** Claims and Interests shall receive the following treatment under the Plan; provided however, the Trustee, on behalf of the Debtor, may prepay the treatment afforded any Allowed Claim under the Plan, in part or in full, at any time and without penalty:

**5.1. Class 1: Secured Claim of Business Partners.** The Secured Claim of Business Partners shall be treated as follows:

**5.1.1.** At the Effective Date, the claim of Business Partners shall be bifurcated into (i) a Secured Claim in the amount of approximately \$7,250,000.00 or such other amount as may be determined by the Court pursuant to Section 506(a) of the Bankruptcy Code, after credit for any payments received post-petition, and (ii) an Unsecured Claim in an amount equal to the balance of the indebtedness held by Business Partners as of the Petition Date, subject to the provisions of Section 11 below.

**5.1.1.1.** The Secured Claim shall bear interest at the fixed rate of 4.75% per annum, compounded annually, or such other fixed rate as may be determined by the Court to reflect a market rate of interest as of the hearing to consider confirmation of the Plan.

**5.1.1.2.** The Secured Claim shall be paid as follows: (i) twenty four (24) monthly interest-only payments, commencing on the first day of the calendar month following the Effective Date, then (ii) forty eight (48) monthly installment payments of principal and interest based upon an amortization schedule of thirty years, then (iii) a final payment of the entire remaining unpaid balance of the Secured Claim, on or before 72 months after the Effective Date.

**5.1.1.3.** In the event that the Trustee, on behalf of the Debtor, makes any advance payments, resulting in a reduction in the principal balance of the Secured Claim, the remaining principal balance shall be reamortized and the payment amounts under the above schedule shall be adjusted accordingly.



**5.1.1.4.** The Trustee shall be authorized to sell Business Partners' Collateral, subject to the following limitations:

**5.1.1.4.1.** Unless Business Partners consents to alternate treatment, Business Partners shall be entitled to all of the net proceeds from any sale of its Collateral, after the payment of any secured claims attached to Business Partners' Collateral for pre-petition ad valorem taxes as described in Classes 5, 7, 8, 9, 11, 12, 13, and 14 below, Administrative Expense Claims and all related sales costs and expenses, until the Secured Claim has been paid in full.

**5.1.1.4.2.** Unless Business Partners consents to a lower sale price, or the Secured Claim has been or will be paid in full after the consummation of the sale, the Trustee shall only be authorized to sell Business Partners' Collateral if the gross sales price equals or exceeds: (i) \$1,300,000.00 for the Graham Property; (ii) \$550,000.00 for the Gibsonville Property; (iii) \$360,000.00 for the Murfreesboro Property; (iv) \$2,200,000.00 for the Nashville Property; (v) \$1,550,000.00 for the Pittsboro Property; and (vi) \$1,400,000.00 for the Roxboro Property.

**5.1.1.5.** The Secured Claim shall be secured by the existing liens held by Business Partners upon the Debtor's assets.

**5.1.2.** The Class 1 claim of Business Partners is impaired.

**5.2. Class 2: Secured Claim of KeySource.** The Secured Claim of KeySource shall be treated as follows:

**5.2.1.** At the Effective Date, the claim of KeySource shall be bifurcated into (i) a Secured Claim in the amount of \$1,810,000.00 or such other amount as may be determined by the Court pursuant to Section 506(a) of the Bankruptcy Code, after credit for any payments received post-petition, and (ii) an Unsecured Claim in an amount equal to the balance of the indebtedness held by KeySource as of the Petition Date, subject to the provisions of Section 11 below.

**5.2.2.** On February 17, 2012, KeySource was granted stay relief to foreclose on the Mebane Property and exercise its rights with respect to its Collateral. KeySource acquired the Mebane Property via foreclosure sale on July 25, 2012, as evidenced by the Substitute Trustee's Deed filed in Alamance County on August 10, 2012. KeySource shall look solely to the Mebane Property for payment of its Secured Claim.

**5.2.3.** The Class 2 claim of KeySource is impaired.

**5.3. Class 3: Secured Claim of Davidson and Jones.** The Secured Claim of Davidson and Jones against the Mebane Property shall be treated as follows:

**5.3.1.** On February 17, 2012, KeySource was granted stay relief to foreclose on the Mebane Property and exercise its rights with respect to its Collateral.

**5.3.2.** The Trustee believes that Davidson and Jones' claim is not 'secured' within the meaning of the Bankruptcy Code, in that the property that secures its claim has or had a value as of the Petition Date that is less than the amount owed to KeySource and other creditors holding liens against the property that are senior to Davidson and Jones. The Trustee further believes that the security interest held by Davidson and Jones was extinguished at the foreclosure sale of the Mebane Property, in which no surplus proceeds were available for the claim held by Davidson and Jones.

**5.3.3.** Davidson and Jones shall look solely to the Mebane Property for payment of its Secured Claim, if any. Davidson and Jones shall have an Unsecured Claim in an amount equal to the remaining balance of its indebtedness, subject to the provisions of Section 11 below.

**5.3.4.** The Class 3 claim of Davidson and Jones is impaired.

**5.4. Class 4: Secured Claim of Integrated Design.** The Secured Claim of Integrated Design against the Mebane Property shall be treated as follows:

**5.4.1.** On February 17, 2012, KeySource was granted stay relief to foreclose on the Mebane Property and exercise its rights with respect to its Collateral.

**5.4.2.** The Trustee believes that Integrated Design's claim is not 'secured' within the meaning of the Bankruptcy Code, in that the property that secures its claim has or had a value as of the Petition Date that is less than the amount owed to KeySource and other creditors holding liens against the property that are senior to Integrated Design. The Trustee further believes that the security interest held by Integrated Design was extinguished at the foreclosure sale of the Mebane Property, in which no surplus proceeds were available for the claim held by Integrated Design.

**5.4.3.** Integrated Design shall look solely to the Mebane Property for payment of its Secured Claim, if any. Integrated Design shall have an Unsecured Claim in an

amount equal to the remaining balance of its indebtedness, subject to the provisions of Section 11 below.

**5.4.4.** The Class 4 claim of Integrated Design is impaired.

**5.5. Class 5: Secured Claim of Alamance County.** The Secured Claim of Alamance County against the Graham Property shall be treated as follows:

**5.5.1.** Alamance County shall have a Secured Claim in the aggregate amount of \$8,393.84, plus any post-petition interest, fees and costs allowed by the Court.

**5.5.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.5.3.** Alamance County shall retain its lien against the Graham Property.

**5.5.4.** The Class 5 claim of Alamance County is impaired.

**5.6. Class 6: Secured Claim of Alamance County.** The Secured Claim of Alamance County against the Mebane Property shall be treated as follows:

**5.6.1.** Alamance County shall have a Secured Claim in the aggregate amount of \$14,197.36, plus any post-petition interest, fees and costs allowed by the Court.

**5.6.2.** On February 17, 2012, KeySource was granted stay relief to foreclose on the Mebane Property. Alamance County is granted relief from the automatic stay to exercise its rights with respect to the Mebane Property, and shall look solely to the Mebane Property for payment of its Secured Claim.

**5.6.3.** Alamance County shall retain its lien against the Mebane Property.

**5.6.4.** The Class 6 claim of Alamance County is impaired.

**5.7. Class 7: Secured Claim of Guilford County.** The Secured Claim of Guilford County against the Gibsonville Property shall be treated as follows:

**5.7.1.** Guilford County shall have a Secured Claim in the aggregate amount of \$10,995.07, plus any post-petition interest, fees and costs allowed by the Court.

**5.7.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the

Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.7.3.** Guilford County shall retain its lien against the Gibsonville Property.

**5.7.4.** The Class 7 claim of Guilford County is impaired.

**5.8. Class 8: Secured Claim of Hertford County.** The Secured Claim of Hertford County against the Murfreesboro Property shall be treated as follows:

**5.8.1.** Hertford County shall have a Secured Claim in the aggregate amount of \$10,197.41, plus any post-petition interest, fees and costs allowed by the Court.

**5.8.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.8.3.** Hertford County shall retain its lien against the Murfreesboro Property.

**5.8.4.** The Class 8 claim of Hertford County is impaired.

**5.9. Class 9: Secured Claim of City of Graham.** The Secured Claim of the City of Graham against the Graham Property shall be treated as follows:

**5.9.1.** The City of Graham shall have a Secured Claim in the aggregate amount of \$7,102.48, plus any post-petition interest, fees and costs allowed by the Court.

**5.9.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.9.3.** The City of Graham shall retain its lien against the Graham Property.

**5.9.4.** The Class 9 claim of the City of Graham is impaired.

**5.10. Class 10: Secured Claim of City of Mebane.** The Secured Claim of the City of Mebane against the Mebane Property shall be treated as follows:

**5.10.1.** The City of Mebane shall have a Secured Claim in the aggregate amount of \$25,913.52, plus any post-petition interest, fees and costs allowed by the Court.

**5.10.2.** On February 17, 2012, KeySource was granted stay relief to foreclose on the Mebane Property. The City of Mebane is granted relief from the automatic stay to exercise its rights with respect to the Mebane Property, and shall look solely to the Mebane Property for payment of its Secured Claim.

**5.10.3.** The City of Mebane shall retain its lien against the Mebane Property.

**5.10.4.** The Class 10 claim of the City of Mebane is impaired.

**5.11. Class 11: Secured Claim of Nash County.** The Secured Claim of Nash County against the Nashville Property shall be treated as follows:

**5.11.1.** Nash County shall have a Secured Claim in the aggregate amount of \$15,057.52, plus any post-petition interest, fees and costs allowed by the Court.

**5.11.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.11.3.** Nash County shall retain its lien against the Nashville Property.

**5.11.4.** The Class 11 claim of Nash County is impaired.

**5.12. Class 12: Secured Claim of Town of Nashville.** The Secured Claim of the Town of Nashville against the Nashville Property shall be treated as follows:

**5.12.1.** The Town of Nashville shall have a Secured Claim in the aggregate amount of \$13,226.56, plus any post-petition interest, fees and costs allowed by the Court.

**5.12.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.12.3.** The Town of Nashville shall retain its lien against the Nashville Property.

**5.12.4.** The Class 12 claim of the Town of Nashville is impaired.

**5.13. Class 13: Secured Claim of Chatham County.** The Secured Claim of Chatham County against the Pittsboro Property shall be treated as follows:

**5.13.1.** Chatham County shall have a Secured Claim in the aggregate amount of \$22,003.72, plus any post-petition interest, fees and costs allowed by the Court.

**5.13.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.13.3.** Chatham County shall retain its lien against the Pittsboro Property.

**5.13.4.** The Class 13 claim of Chatham County is impaired.

**5.14. Class 14: Secured Claim of Person County.** The Secured Claim of Person County against the Roxboro Property shall be treated as follows:

**5.14.1.** Person County shall have a Secured Claim in the aggregate amount of \$26,872.16, plus any post-petition interest, fees and costs allowed by the Court.

**5.14.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.14.3.** Person County shall retain its lien against the Roxboro Property.

**5.14.4.** The Class 14 claim of Person County is impaired.

**5.15. Class 15: Secured Claim of Town of Gibsonville.** The Secured Claim of the Town of Gibsonville against the Gibsonville Property shall be treated as follows:

**5.15.1.** The Town of Gibsonville shall have a Secured Claim in the aggregate amount of \$7,214.95, including any post-petition interest, fees and costs allowed by the Court.

**5.15.2.** The Secured Claim shall be paid in full, in thirty six (36) monthly payments of principal and interest at the applicable statutory rate, commencing on the first day of the calendar month following the Effective Date. In the event that the Collateral securing the Secured Claim is sold prior to the final monthly payment, the entire remaining balance of the Secured Claim shall be paid in full from the sale proceeds.

**5.15.3.** The Town of Gibsonville shall retain its lien against the Gibsonville Property.

**5.15.4.** The Class 15 claim of the Town of Gibsonville is impaired.

**5.16. Class 16: Unsecured Claims.** Unsecured Claims shall be treated as follows:

**5.17.** Allowed Unsecured Claims, subject to Section 11 below, shall be paid on a pro rata basis from all funds remaining after the liquidation of the Debtor's assets, and the payment of Classes 1 through 15 as set forth above.

**5.18.** The Class 16 claims are impaired.

**5.19. Class 17: Equity Interests.**

**5.19.1.** The holders of Equity Interests shall retain their interests and shall be entitled to receive any funds remaining only after the payment in full of all Class 16 Claims.

**5.19.2.** The Class 17 Equity Interests are impaired.

**6. MEANS FOR EXECUTION OF THE PLAN.** The Trustee shall execute and consummate the Plan as follows:

**6.1. Vesting of Assets:** Although the Plan contemplates that all of the Debtor's assets will be liquidated, any remaining tangible or intangible assets of the Debtor shall remain property of the estate and shall not vest in the Reorganized Debtor.

**6.2. Reporting:** A quarterly consummation status report shall be filed by the Trustee on behalf of the Debtor until the filing of the Final Report.

**6.3. Funding on and after the Effective Date:** The cash on hand as of the Effective Date, net revenues from leases of the Properties, and the proceeds from the sale of the Properties are expected to generate sufficient funds to fund (1) the payment of Allowed Administrative Expense Claims, (2) the payment of Allowed Priority Tax Claims, if any, and (3) the payment of the obligations to Secured Creditors as set forth above.

**6.4. Litigation:** Any and all Bankruptcy Causes of Action shall be brought in the Court and shall be governed by Bankruptcy Rules 7001 et seq. Any compromise or other settlement of a controversy by the Trustee on behalf of Debtor shall be approved in accordance with the Bankruptcy Rule 9019.

**6.5. Executory Contracts and Leases:**

**6.5.1.** The Debtor shall assume all real property leases with respect to the Gibsonville Property, the Graham Property, the Murfreesboro Property, the Nashville Property, the Pittsboro Property, and the Roxboro Property.

**6.5.2.** The Debtor shall reject all other leases and executory contracts.

**6.5.3.** A Claim for damages arising from the rejection of a executory lease or contract shall be forever barred and shall not be enforceable against the Estate and no holder of any such Claim shall participate in any distribution under the Plan with respect to that Claim unless a Proof of Claim is served on the Trustee and filed with the Court within sixty (60) days from the Confirmation Date, or such other deadline as may be set by the Court generally or with respect to any lease or contract rejected, and said Proof of Claim is determined to be an Allowed Claim, either because no timely objection is filed or because the Court allows the Claim after a timely filed objection.

**7. PROVISIONS FOR IMPAIRED CREDITORS NOT ACCEPTING PLAN**

**7.1.** With respect to any Class of Claims impaired by and not accepting this Plan by the requisite majority in number and two-thirds (2/3) in dollar amount of those casting ballots, the realization by them of the value of their claim shall be provided in the Order confirming the Plan by such method as will, in the opinion of the Bankruptcy Judge and consistent with the circumstances of the case, fairly and equitably provide such protection in accordance with the applicable provisions of the Bankruptcy Code.

**7.2.** To the extent Plan confirmation by “cramdown” is necessary or required, the Trustee by the filing of the Plan request confirmation thereof pursuant to Section 1129(b) without further motion or notice, which request shall be considered at the Confirmation Hearing.

**8. DISCHARGE AND RELEASE.** As the Plan provides for the liquidation of all assets of the Estate, the Plan does not provide for the discharge of any claims or liabilities. However, all proceedings and court actions seeking to establish or enforce pre-petition liabilities and claims of any nature against property of the estate or priorities received or retained by any



creditor with respect to debts and obligations of the Debtor shall be permanently stayed and treated as specifically provided for in this Plan.

**9. PROVISIONS FOR RETENTION OF JURISDICTION AND PROSECUTION AND DEFENSE OF CLAIMS AND CAUSES OF ACTION.** The Court shall retain and may exercise its jurisdiction for determination in this proceeding of any objections to claims not disposed of prior to the entry of the Order of confirmation of the Plan, the final determination of any causes of action (including Bankruptcy Causes of Action) brought in this Court by the Trustee, and matters reasonably necessary to implement the Plan, including but not limited to the following:

**9.1. General Jurisdiction:** Until the entry of a Final Decree, the Court shall retain jurisdiction pursuant to Section 1142 of the Bankruptcy Code and Bankruptcy Rules 3020(d) and 3021 to the extent necessary to implement the Plan; to hear and determine all claims against the Debtor; to hear, determine, and enforce all causes of action (including all Bankruptcy Causes of Action) arising in, arising under, or related to this case and which may exist on behalf of the Debtor; and, to confirm after notice and hearing (except as otherwise provided herein) any proposed compromise of any cause of action (including all Bankruptcy Causes of Action). Nothing contained herein shall prevent the Trustee from taking such action as may be necessary in the enforcement of any cause of action which may exist on its behalf, and nothing contained herein shall prevent any creditor from enforcing any claim it may have against third parties who may be liable as a result of the Debtor's obligations to such creditor.

**9.2. Causes of Action:** The Trustee shall retain the right and standing to assert and shall have the sole and exclusive right to commence, pursue, settle, compromise, abandon, waive, or release any claim or cause of action which may exist on behalf of the Debtor (including Bankruptcy Causes of Action) which accrued and were asserted or capable of assertion by the Debtor as a debtor-in-possession as of the Petition Date.

**9.3. Specific Retention of Powers:** In addition to the general provisions set forth above, the Court shall retain sole jurisdiction of this case pursuant to the provisions of Chapter 11 of the Bankruptcy Code for the following purposes, *inter alia*:

**9.3.1.** To classify, allow or disallow Claims, to direct distributions of funds under the Plan, and to hear and determine any controversies pertaining thereto.

**9.3.2.** To hear and determine any and all applications, adversary proceedings or other matters arising out of or related to the Plan.

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

**9.3.4.** To liquidate or estimate the amount of any claim, or to determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated claim (including specifically, any Guaranty Claim).

**9.3.5.** To adjudicate all disputes with respect to claims or any lien on any property of the Debtor.

**9.3.6.** To adjudicate all claims or controversies arising during the pendency of this case.

**9.3.7.** To recover all assets and properties of the Debtor, wherever located, including recoveries on all claims and causes of action brought by the Debtor or Trustee prior or subsequent to the Effective Date or capable of being brought by the Debtor or Trustee prior or subsequent to the Effective Date that are not released, settled or otherwise compromised by the terms of this Plan.

**9.3.8.** To hear and determine matters covering federal, state, and local taxes pursuant to Sections 346, 1146, 505 and 525 of the Bankruptcy Code.

**9.3.9.** To allow fees and reimbursement of the expenses of professional persons employed during this case or any other person or entity applying for compensation.

**9.3.10.** To construe or enforce the Plan so as to effectuate payments thereunder or to compel performance by any person reasonably necessary to achieve Final Consummation in accordance with the provisions hereof.

**9.3.11.** To make and enforce such orders as are necessary or appropriate to carry out the provisions of the Plan.

**9.3.12.** To enter such orders as may be necessary and proper for the orderly administration of the Debtor's bankruptcy proceeding.

**9.3.13.** To decide such other matters and for such other purposes as may be provided for in the Confirmation Order.

**10. PROVISIONS FOR AMENDMENT OF THE PLAN** The Plan may be modified as follows:

**10.1. Non-material Amendment:** This Plan may be altered or modified by the Trustee after its submission for acceptance and before or after its confirmation, without notice and hearing, if the alteration or modification does not adversely change the treatment of the claim of any creditor as provided in Section 1127 of the Bankruptcy Code and in Bankruptcy Rule 3019.

**10.2. Material Amendment:** This Plan may be altered or modified by the Trustee after submission for acceptance and before or after confirmation in a manner which adversely affects the interests of creditors, only (i) after notice and hearing before the Court for the confirmation of such alteration or modification, as provided in Section 1127 of the Bankruptcy Code, or (ii) with the written consent of the creditors who are adversely affected.

**11. OBJECTIONS TO CLAIMS, RESERVES AND DISTRIBUTIONS**

**11.1. Claims:** The Trustee or any party in interest may file an objection to any claim within one hundred twenty (120) days after entry of the Order confirming the Plan. Objections not filed within such time shall be deemed waived unless the period within which to file objections to claims is extended by Order of this Court in response to one or more motions for such extension filed prior to the expiration of the then existing period for such objections to be filed. The absence of an objection prior to the Confirmation Date, whether as to a scheduled or filed claim, shall not be deemed an acceptance of any Claim nor a waiver of the right to object to any Claim, and the holder of any such Claim shall not be entitled to assert reliance upon any implied acceptance of such Claim when voting to accept or reject the Plan.

**11.2. Reserves:** Any claim, or portion thereof, which is to be paid in cash under the Plan and which is challenged, shall be protected by requiring the Trustee to segregate and set aside in an escrow account a reserve based on the Court's estimate of such claim and sufficient to treat said claim in the same fashion as though the objection were denied. The reserve so segregated shall be distributed in accordance with the Plan in the event the objection is overruled or a dispute is resolved in favor of the party asserting the claim. In the event the disputed claim is disallowed, the retained cash so segregated shall be retained by the Trustee on behalf of the Estate and available for distribution in accordance with the provisions of this Plan, with the disallowed claimant being excluded from the appropriate Class.

**11.3. Distributions:** Distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court

unless superseded by the address as set forth on the proof of claim filed by such holders or other subsequent writing notifying the Trustee of a change of address.

**11.3.1.** No interim or final distribution shall be made in an amount less than \$5.00, and any such distributions shall instead be paid over to the U.S. Treasury as provided in Section 347 and Bankruptcy Rule 3010 for small dividends as in a Chapter 7 proceeding. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the Trustee has been notified of such holder's then current address, at which time all missed distributions shall be made to such holder, without additional interest, from the date of the first attempted distribution. All unclaimed distributions which exist as of the date of the final distribution to holders of Allowed Claims shall be paid over to the U.S. Treasury as provided in Section 347 and Bankruptcy Rule 3011 for unclaimed distributions as in a Chapter 7 proceeding.

**11.3.2.** Checks issued by the Trustee in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. Requests for re-issuance of any check shall be made to the Trustee by the holder of the Allowed Claim with respect to which such check originally was issued.

**11.3.3.** The Trustee may, in accordance with Section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim the distributions to be made pursuant to this Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Debtor on behalf of the Estate, may possess against the holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Trustee or the Estate of any such claims, rights and causes of action that they may possess against such holder; and provided further, that any claims of the Debtor arising before the Petition Date shall first be set off against Claims against the Debtor arising before the Petition Date.

## **12. GENERAL PROVISIONS**

**12.1. Trustee.** Until the entry of a Final Decree and completion of all payments contemplated by the Plan, or otherwise ordered by the Court, the Order appointing John A. Northen as Trustee shall remain in full effect, and the Trustee shall continue to have and exercise all of the powers and duties of a trustee as provided in 11 U.S.C. § 1106(a).

**12.2. Exculpation.** Neither the Trustee, the Debtor, the Reorganized Debtor, nor any of the Trustee's respective advisors, attorneys, accountants, consultants or agents shall have or incur any liability for or to any holder of a Claim for any act or omission in connection with, or arising out of, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan except for willful misconduct or gross negligence and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

**12.3. Binding Effect.** The Plan shall be binding upon and inure to the benefit of the Debtor, the Reorganized Debtor, holders of Claims, and their respective successors and assigns.

**12.4. Injunctions or Stays.** Unless otherwise provided in the Plan, the Confirmation Order or other Orders of this Court, all injunctions or stays generally provided for Chapter 11 cases under Section 362 of the Bankruptcy Code shall terminate at the Effective Date.

**12.5. Notices.** Any notice required to be provided to parties in interest under the Bankruptcy Code or Rules or under the Plan shall be in writing and served by (a) regular mail, postage prepaid, (b) hand delivery, or (c) overnight delivery service, addressed to the appropriate parties and with copies of any such notice to be sent to the Bankruptcy Administrator and to counsel for the Trustee.

**12.6. Governing Law.** Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules), or, as to corporate matters, the laws of the jurisdiction in which the Debtor is incorporated, the laws of the State of North Carolina shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan.

RESPECTFULLY submitted on behalf of the Trustee, this the 13th day of September, 2012.

/s/ John Paul H. Cournoyer

**Counsel for the Trustee:**

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