



SO ORDERED.

SIGNED this 27 day of March, 2013.

Stephani W. Humrickhouse

**Stephani W. Humrickhouse
United States Bankruptcy Judge**

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

IN RE:

CHAPTER 11

SOMERSET PROPERTIES SPE, LLC,

CASE NO. 10-09210-8-SWH

Debtor.

ORDER CONFIRMING PLAN OF REORGANIZATION

The First Amended Chapter 11 Plan of the above-referenced debtor (hereinafter the "Debtor") and related disclosure statement (the "Disclosure Statement") filed on May 3, 2012, and the Modification to Plan filed on July 2, 2012, having been transmitted to creditors and security holders of the Debtor; sufficient and proper notice having been given; a hearing on confirmation of the First Amended Chapter 11 Plan, as modified, having been conducted after due notice; and it appearing to the Court, and the Court finding that:

1. By Order of this Court dated May 7, 2012, the Disclosure Statement was conditionally approved as containing adequate information under 11 U.S.C. § 1125.
2. The Debtor's Second Amended Chapter 11 Plan (hereinafter the "Plan") includes all modifications and amendments to the First Amended Chapter 11 Plan and meets the requirements for confirmation set forth in 11 U.S.C. § 1129(a) as to all impaired classes. A copy of the Plan is attached hereto as Exhibit "A."

IT IS ORDERED THAT:

1. The Disclosure Statement is finally APPROVED.
2. The Plan is CONFIRMED.
3. The Debtor shall file Post-Confirmation Reports with the Clerk of the Bankruptcy Court pursuant to 11 U.S.C. § 1106(a)(7) with a copy served on the Bankruptcy Administrator. The first Post-Confirmation Report shall be due for the period ending March 31, 2012. The Debtor shall file subsequent reports at the end of every succeeding quarter until the Plan is substantially consummated. Quarterly Reports shall reflect any progress made in consummating the Plan during the period covered by the report. Post-Confirmation Reports shall be filed in the format prescribed by the Bankruptcy Administrator.
4. The deadline for filing objections to claims is established as sixty (60) days after the occurrence of the Effective Date of the Plan. The deadline for filing Administrative Claims is established as thirty (30) days after the Effective Date of the Plan, except that services rendered post-confirmation by professionals employed in the case, in furtherance or implementation of the Plan, including counsel for the Debtor and accountants, shall not be subject to any deadline.
5. Within thirty (30) days of substantial consummation of the Plan as defined by 11 U.S.C. §1101(2), the Debtor 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 creditor, and a motion for the entry of a Final Decree pursuant to Rule 3022 of the Federal Rules of Bankruptcy Procedure. If there are any adversary proceedings pending at the time the motion for a final decree is filed, a final decree can be entered, but closing of this chapter 11 case (the "Case") will be deferred until the adversary proceedings are resolved.

6. After a Final Decree is entered and the Case is closed, the Case will be automatically reopened without payment of a fee upon the filing of a motion by the Debtor, CSFB 2001-CP4 Bland Road, LLC, or CSFB 2001-CP4 Falls of Neuse, LLC as provided in the Plan.

7. The Debtor shall pay to the Clerk, United States Bankruptcy Court the sum of \$0.00 for court costs. The Debtor shall continue to pay quarterly fees until it applies for its Final Decree.

8. The Debtor 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.

9. To the extent consistent with the terms of 28 U.S.C. § 1334, this Court retains jurisdiction over this case with respect to the interpretation and implementation of the terms and conditions of this Order and the Plan.

END OF DOCUMENT

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

IN RE:

CHAPTER 11

SOMERSET PROPERTIES SPE, LLC

CASE NO. 10-09210-8-SWH

Debtor.

SECOND AMENDED CHAPTER 11 PLAN

NOW COMES Somerset Properties SPE, LLC, debtor-in-possession in this Chapter 11 case and files the following Second Amended Chapter 11 Plan (hereinafter the “Plan”) pursuant to § 1121(a) of the Bankruptcy Code. The Plan incorporates changes to the First Amended Chapter 11 Plan, as supplemented on July 2, 2012, that were agreed to by the Debtor and its lenders, CSFB 2001-CP4 Bland Road, LLC and CSFB 2001-CP4 Falls of Neuse, LLC (the “Lenders”), and were summarized by counsel for the Debtor and the Lenders on the record at the December 17, 2012 confirmation hearing (the “Confirmation Hearing”) and in a settlement term sheet offered and admitted as an exhibit at the Confirmation Hearing. The Court confirmed the First Amended Chapter 11 Plan as supplemented and further amended by the Debtor’s and Lenders’ agreement and directed that this Plan embodying all of the agreed changes be prepared, filed and attached to the order confirming same (the “Confirmation Order”).

**ARTICLE I
DEFINITIONS**

The following terms used in the Plan shall, unless the context otherwise requires, have the meanings specified below:

1.1 Accumulated Cash Collateral: the amount of accumulated cash collateral in the DIP Accounts and the Lockbox Accounts on the Effective Date, as agreed by the Debtor and the Lenders or, if those parties cannot agree, as determined by the Court upon motion by either party. The amount of accumulated cash collateral shall be determined as of the Effective Date prior to using any of it to implement the Plan and shall equal the sum of (i) the balance in the DIP Accounts on the Effective Date less any outstanding checks written in the ordinary course of business and (ii) the balance in the Lockbox Accounts on the Effective Date after adjusting for all deposits, charges, and transfers occurring on or before the Effective Date. Debtor shall not pay in advance or expedite payment of any obligation so as to reduce accumulated cash collateral on the Effective Date, but rather shall pay its obligations in the ordinary course of business.

1.2 Administrative Expense Claim: a cost or expense of administration in the case allowable under § 503(b) of the Bankruptcy Code, including but not limited to any actual, necessary expense of preserving or liquidating the estate, any actual, necessary expense of operating the business of the Debtor, any actual, necessary expense of consummating the Plan and all allowances, costs and fees approved by the Bankruptcy Court in accordance with § 330 of the Bankruptcy Code.

1.3 Allowed Administrative Expense Claim: any existing or future Administrative Expense Claim either (i) for which a fee application has been filed and which has been allowed by a Final Order, or (ii) as to any other Administrative Expense Claim, an application was filed; and (a) no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by the Plan, or (b) any timely objection thereto has been determined and all or some portion of the claim has been allowed by a Final Order.

1.4 Allowed Claim: each of the allowed secured and unsecured claims of the Lenders as classified, described, and treated in Classes 3, 4, and 7 of the Plan and the Loan Modification Agreements, and any other claim to which the Debtor has not filed an objection within 60 days after the Effective Date and (a) which shall have been listed by the Debtor as undisputed, non-contingent and liquidated on the Schedules filed with the Court; (b) which shall have been timely and properly filed as a Proof of Claim with the United States Bankruptcy Court, and to the extent that the underlying claim is based on a judgment, such judgment is a final judgment for which no appeal by the Debtor is pending in state or federal court; or (c) which arose out of the rejection of an executory contract or unexpired lease as provided for by the terms of this Plan, and which shall have been properly filed as a Proof of Claim with the United States Bankruptcy Court on or before the expiration of thirty (30) days after the Effective Date. Where there is a difference between the amounts scheduled as undisputed by the Debtor in their Schedules and the amount set forth in the Proof of Claim filed by an affected creditor, the amount shown in the Proof of Claim shall govern for purposes of allowance unless objected to by the Debtor, in which case, the Claim shall be the amount allowed by the Bankruptcy Court. Unless otherwise specified in the Plan, Allowed Claim shall not include interest on the principal amount of the claim from and after the Filing Date.

1.5 Allowed Unsecured Claim: each of the Unsecured Claims of the Lenders that are Allowed Claims in Class 7 of the Plan as well as any other Unsecured Claim that is or becomes an Allowed Claim.

1.6 Allowed Priority Tax Claim: a Priority Tax Claim, which is or has become an Allowed Claim.

1.7 Allowed Secured Claim: each of the Secured Claims of the Lenders that are Allowed Claims in Classes 3 and 4 of the Plan as well as any other Secured Claim that is or becomes an Allowed Claim.

1.8 Amortized Payment Schedule: a written schedule as agreed and signed by the Debtor and the Lenders promptly following the Effective Date or, if they cannot agree, as determined by the Bankruptcy Court, showing the equal monthly payments of principal and interest which the Debtor shall make to the Lenders on their Allowed Secured Claims commencing after two years of interest only payments under the Plan.

1.9 Ballot: the form or forms which were distributed to Creditors and the holders of Equity Interests together with a disclosure statement pursuant to § 1125 of the Bankruptcy Code in connection with the Debtor's solicitation of acceptance or rejections of the First Amended Chapter 11 Plan.

1.10 Bankruptcy Code: the Bankruptcy Reform Act of 1978, as amended, title 11 of the United States Code, in effect on the Filing Date.

1.11 Bankruptcy Court or Court: the United States Bankruptcy Court for the Eastern District of North Carolina, including the United States Bankruptcy Judge presiding in this case.

1.12 Bankruptcy Rules: the Federal Rules of Bankruptcy Procedure, as amended, in effect on the Filing Date.

1.13 Business Day: shall mean any day on which banks are open to carry on their ordinary commercial banking business in the State of North Carolina.

1.14 Chapter 11 Case: the Chapter 11 Case of Somerset Properties SPE, LLC, case no. 10-09210-8-SWH, commenced under the provisions of Chapter 11 of the Bankruptcy Code on the Filing Date in the Bankruptcy Court.

1.15 Claim: any right to payment, or any right to an equitable remedy for breach of performance if such breach gives rise to right to payment, whether or not such right to payment or right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

1.16 Class: a class of Claims or Equity Interests as indicated in the Plan.

1.17 Confirmation Date: the date upon which the Confirmation Order confirming this Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code, entered by the Bankruptcy Court, becomes a Final Order.

1.18 Creditor: any Entity that is the holder of a Claim against the Debtor that arose on or before the Filing Date or a Claim against the Debtor's estate of the kind specified in §§ 502(g), 502(h), or 502(i) of the Bankruptcy Code.

1.19 Debtor: Somerset Properties SPE, LLC, the debtor in the Chapter 11 Case.

1.20 Debtor Parties: the Debtor, its direct and indirect owners, Somerset Associates, LLC, Wilk and Falls of Neuse, and all of their current members, past and present predecessors, parents and subsidiaries, officers, directors, employees, agents and attorneys.

1.21 DIP Accounts: all of the debtor-in-possession bank accounts in the Chapter 11 Case.

1.22 Disclosure Statement: the disclosure statement, as amended and supplemented, and approved by the Bankruptcy Court for use in connection with the solicitation of acceptances of the First Amended Chapter 11 Plan.

1.23 Disputed Claim: any Claim that is not an Allowed Claim or an Administrative Expense Claim and either (i) is scheduled by a Debtor as disputed, contingent or unliquidated, or (ii) proof of which has been filed with the Bankruptcy Court and an objection to the allowance thereof, in whole or in part, has been or is interposed prior to the final date provided under this

Plan for the filing of such objections (or thereafter pursuant to an order of the Bankruptcy Court) and which objection has not been settled or determined by a Final Order.

1.24 Disputed or Unresolved Administrative Expense Claim: any existing or future Claim that is an Administrative Expense Claim and either: (i) (a) an application for payment was or will be filed on or before the date designated by this Plan, or pursuant to any order of the Bankruptcy Court, as the last date for filing the application for payment; and (b) as to which either (I) an objection to the allowance thereto has been interposed within the applicable period of limitation that has not yet been resolved by a Final Order, or (II) no Final Order has been issued if a Final Order is required by § 330 of the Bankruptcy Code; or (ii) an application for payment was filed after the last date designated for such filing as described above, whether or not an objection to the allowance thereof has been interposed.

1.25 Distributable Property: the property distributable to Creditors under this Plan, after deduction for any expenses properly chargeable against the Distributable Property in accordance with this Plan.

1.26 Effective Date: the date occurring fifteen (15) days after the Confirmation Date.

1.27 Entity: an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, an estate, a trust, or an incorporated organization.

1.28 Equity Interest: any equity interest in the Debtor as of the Filing Date.

1.29 Event of Default: the Debtor's failure to make any payment as such payment becomes due under the Plan.

1.30 Falls of Neuse: Falls of Neuse Investments, LLC.

1.31 Filing Date: November 8, 2010, the date upon which the Debtor filed with the Bankruptcy Court its petition for relief under title 11, commencing the Chapter 11 Case.

1.32 Final Order: an order or judgment of the Bankruptcy Court that has not been reversed, stayed, modified or amended and as to which any prescribed time to appeal has expired and no petition for certiorari is pending, or as to which any right to appeal or petition for certiorari has been waived in writing in a manner satisfactory to the Debtor or, if an appeal or certiorari thereof has been sought, the order or judgment of the Bankruptcy Court has been affirmed by the highest court to which the order was appealed, or certiorari has been denied, and the prescribed time to take any further appeal or to seek certiorari or further reargument or rehearing of any appeal has expired.

1.33 Impound Account and Reserves: the Tax and Insurance Impound Account, TILC Reserve, and Replacement Reserve to be established and maintained by the Debtor for each of the Lenders.

1.34 Insider: shall refer, separately and collectively, to any director, officer, or person in control of the Debtor, a partnership in which the Debtor is a general partner; a general partner

of the Debtor or relative of a general partner, director, officer, or person in control of the Debtor, or any entity which is an insider as defined in 11 U.S.C. 101(31).

1.35 Lenders: CSFB 2001-CP4 Bland Road, LLC and CSFB 2001-CP4 Falls of Neuse, LLC, the lenders to the Debtor.

1.36 Lender Parties: the Lenders; Wells Fargo Bank, N.A., a national banking association, successor by merger to Wells Fargo Bank Minnesota, N.A., as trustee for the registered Holders of Credit Suisse First Boston Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2001-CP4 (the "Trust"); the Trust's certificate holders; LNR Partners, LLC, a Florida limited liability company, successor by statutory conversion to LNR Partners, Inc., a Florida corporation; Midland Loan Services; Wells Fargo Bank, N.A. and all of their current members, past and present predecessors, parents and subsidiaries, officers, directors, employees, agents and attorneys.

1.37 Lockbox Accounts: the Debtor's bank accounts with U.S. Bank (or such other bank as the Debtor and the Lenders may agree in writing) subject to the lockbox controls of the Lenders pursuant to the Debtor's cash management agreements with the Lenders.

1.38 Loan Documents: (i) the promissory note (the "Note") dated May 8, 2001, in the original principal amount of \$15,500,000.00 evidencing a loan from Column Financial, Inc. to Somerset Office Partners, LLC, the related Deed of Trust and Security Agreement, Assignment of Leases and Rents, Cash Management Agreement, UCC financing statements, Hazardous Substances Indemnity Agreement, Indemnity and Guaranty Agreement, the allonges and assignment documents evidencing that CSFB 2001-CP4 Bland Road, LLC is the current holder of the Note, the Note and Deed of Trust Assumption Agreement, the Loan Modification Agreement and New Guaranty to be executed in connection with the Plan, the Amortized Payment Schedule, and any and all other documents executed pursuant thereto or in connection therewith, and (ii) the promissory note (the "Note") dated May 8, 2001, in the original principal amount of \$15,500,000.00 evidencing a loan from Column Financial, Inc. to Somerset Office Partners, LLC, the related Deed of Trust and Security Agreement, Assignment of Leases and Rents, Cash Management Agreement, UCC financing statements, Hazardous Substances Indemnity Agreement, Indemnity and Guaranty Agreement, the allonges and assignment documents evidencing that CSFB 2001-CP4 Falls of Neuse, LLC is the current holder of the Note, the Note and Deed of Trust Assumption Agreement, the Loan Modification Agreement and New Guaranty to be executed in connection with the Plan, the Amortized Payment Schedule, and any and all other documents executed pursuant thereto or in connection therewith

1.39 Loan Modification Agreement: an agreement between the Debtor and each of the Lenders in the form attached hereto as Exhibit A, to be executed and delivered on the Effective Date, describing how the existing promissory note, deed of trust, guaranty, and other existing loan documents have been modified by the Plan.

1.40 New Guaranty: a new guaranty of payment by Wilk for each of the Lenders, to be executed and delivered on the Effective Date, as more fully described in paragraph 7.3.7 and 8.3.7 hereof.

1.41 Payment Date: the eleventh (11th) day of each month when a payment of interest and/or principal is due to be made by the Debtor to the Lenders in connection with their Allowed Secured Claims in Classes 3 and 4.

1.42 Plan: this Second Amended Chapter 11 Plan of the Debtor.

1.43 Priority Tax Claim: any Claim, other than an Administrative Expense claim, which is entitled to priority in payment under § 507(a)(8) of the Bankruptcy Code.

1.44 Properties: the Debtor's three office building properties known as (i) Somerset Park located at 4401-4407 Bland Road, Raleigh, Wake County, North Carolina, (ii) Somerset Center located at 4505 Falls of Neuse Road, Raleigh, Wake County, North Carolina, and (iii) Somerset Place located at 4515 Falls of Neuse Road, Raleigh, Wake County, North Carolina, all of which secure the Allowed Secured Claims of the Lenders and each of which is a "Property."

1.45 Pro Rata: the ratio, as of the date of determination thereof, of the amount of the Allowed Claims held by any Creditor in the indicated Classes to the aggregate to the amount of Allowed Claims in the indicated Classes (including, in each such calculation, the full amount of Disputed Claims in the indicated Classes that have been asserted or are otherwise pending and that have not yet been allowed or otherwise disposed of).

1.46 Replacement Reserve: a reserve established and maintained by the Debtor in accordance with the Loan Documents (including Exhibit C-2 of the Deed of Trust and Security Agreement) for each of the Lenders into which the Debtor is to deposit funds with the Lender for payment of costs and expenses incurred by the Debtor in connection with capital improvements, repairs and replacements.

1.47 Secured Claim: each of the Allowed Secured Claims of the Lenders as classified, described, and treated in Classes 3 and 4 of the Plan and the Loan Modification Agreements and the portion of any other Claim against the Debtor determined in accordance with section 506(a) of the Bankruptcy Code, as of the Confirmation Date, secured by a valid, perfected and unavavoidable lien.

1.48 Secured Rate: Interest at the rate of 5% per annum computed based on a three hundred sixty (360) day year and paid for the actual number of days elapsed for any whole or partial month in which interest is being calculated.

1.49 Tax and Insurance Impound Account: an impound account established and maintained by the Debtor in accordance with the Loan Documents (including section 1.6 of the Deed of Trust and Security Agreement) for each of the Lenders into which the Debtor is to deposit funds with the Lender for payment of ad valorem taxes and insurance premiums.

1.50 TILC Reserve: a reserve established and maintained by the Debtor in accordance with the Loan Documents (including section 1.7 of the Deed of Trust and Security Agreement) for each of the Lenders into which the Debtor is to deposit funds with the Lender for payment of tenant improvements and leasing commissions ("TILC").

1.51 Unclaimed Property: any funds which are unclaimed on the 120th day following the date on which such Unclaimed Property was mailed or otherwise sent to the holder of an Allowed Claim or allowed Administrative Expense Claim pursuant to this Plan, and shall include (i) checks (and the funds represented thereby) that have been returned as undeliverable without a proper forwarding address, (ii) funds for checks which have not been presented for payment and paid, and (iii) checks (and the funds represented thereby) that were not mailed or delivered because of the absence of a proper address to which to mail or deliver such property.

1.52 Unsecured Claim: any Claim other than an Administrative Expense Claim, a Priority Tax Claim, a Secured Claim, or an Equity Interest.

1.53 Unsecured Creditor: any Creditor that holds an Unsecured Claim.

1.54 Wilk: Kevin Wilk, the Debtor's agent.

ARTICLE II CONSTRUCTION

2.1 Applicability of the Bankruptcy Code and Bankruptcy Rules: Where not inconsistent or in conflict with the provisions of the Plan, the words and phrases used herein shall have the meanings ascribed thereto in the Bankruptcy Code and in the Bankruptcy Rules.

ARTICLE III MEANS FOR IMPLEMENTING PLAN

3.1 Means for Implementing the Plan. The Debtor shall fund the Plan by continuing to lease space in its buildings, operate in the ordinary course of business, and use cash flow for Plan obligations. The Debtor shall also implement the Plan by using Accumulated Cash Collateral to fund on the Effective Date certain payments and reserves with the Lenders as provided herein.

3.2 Closing Case. After substantial consummation of the Plan, the Debtor will file and serve a motion for entry of a final decree and request that the Chapter 11 Case be closed.

ARTICLE IV CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

4.1 Classification of Claims and Interests. Claims and Equity Interests shall be classified as follows:

- Class 1 – Allowed Administrative Expense Claims
- Class 2 – Allowed Secured and Priority Tax Claims
- Class 3 – Allowed Secured Claims of CSFB 2001-CP4 Bland Road, LLC
- Class 4 – Allowed Secured Claims of CSFB 2001-CP4 Falls of Neuse, LLC
- Class 5 – Allowed Small Unsecured Claims
- Class 6 – Allowed General Unsecured Claims
- Class 7 – Allowed Unsecured Claims of CSFB 2001-CP4 Bland Road, LLC and CSFB 2001-CP4 Falls of Neuse, LLC

Class 8 - Equity Interests

ARTICLE V
PROVISIONS FOR TREATMENT
OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS
(Class 1 Claims)

5.1 Description of Class. Class 1 is composed of Allowed Administrative Expense Claims. An Allowed Administrative Expense Claim shall be one that is: (i) an Allowed Administrative Expense Claim as of the Effective Date, or (ii) an Administration Claim that is disputed on the Effective Date which has thereafter been allowed by entry of a Final Order approving such Allowed Administrative Expense Claim.

5.2 Treatment. Subject to the terms and conditions of this Article V, (i) each Administrative Expense Claim that is an Allowed Administrative Expense Claim on the Effective Date shall be satisfied in full on the Effective Date, or as otherwise may be agreed by the holder of such Allowed Administrative Expense Claim; and (ii) each Administrative Expense Claim that is disputed on the Effective Date shall be satisfied within ten (10) Business Days after entry of a Final Order approving such Claim as an Allowed Administrative Expense Claim, or as otherwise may be agreed by the holder of an Allowed Administrative Expense Claim.

5.3 Allowance of Claims. Creditors shall file an application for payment for any Administrative Expense Claim on or before the Effective Date. Failure to file a timely application for payment shall bar any person or Entity for asserting such Claim against the Debtor, except any professional rendering services to the Debtor and required to file an application for compensation pursuant to 11 U.S.C. § 328. The Debtor shall file any objection to an application for payment within thirty (30) days after the Effective Date. Failure to make a timely objection as to a timely filed application for payment of an Administrative Expense Claim shall result in the amount set forth in such timely filed application for payment being an Allowed Administrative Expense Claim.

5.4 Impairment Status. Class 1 is unimpaired.

ARTICLE VI
TREATMENT OF ALLOWED SECURED AND PRIORITY TAX CLAIMS
(Class 2 Claims)

6.1 Description of Class. Class 2 Claims are comprised of Allowed Priority Tax Claims and Allowed Secured Tax Claims.

6.2 Treatment. Class 2 Claims shall be paid in full on the later of:

- 1) 90 days after the Effective Date; or
- 2) The date upon which they may ordinarily be paid in full without penalty.

6.3 Impairment Status. Class 2 Claims are impaired.

ARTICLE VII
TREATMENT OF ALLOWED SECURED CLAIM OF CSFB 2001-CP4 Bland Road, LLC

(Class 3 Claim)

7.1 Description of Class. Class 3 is comprised of the Allowed Secured Claim of CSFB 2001-CP4 Bland Road, LLC.

7.2 Amount of Allowed Secured Claim: The amount of the Allowed Secured Claim of CSFB 2001-CP4 Bland Road, LLC shall be equal to the sum of (a) \$12,174,000 and (b) one-half of the Accumulated Cash Collateral.

7.3 Treatment of Class 3 Claim. The Allowed Secured Claim of CSFB 2001-CP4 Bland Road, LLC shall be treated, as follows:

7.3.1 Liens. CSFB 2001-CP4 Bland Road, LLC shall retain its liens on all of the Debtor's property, real and personal, now existing and hereafter acquired, as provided in the Loan Documents.

7.3.2 Interest Only Payments. The Debtor shall make twenty-four (24) consecutive monthly payments of interest only at the Secured Rate to CSFB 2001-CP4 Bland Road, LLC, beginning on April 11, 2013, and continuing thereafter on the eleventh (11th) day of each and every month through and including March 11, 2015.

7.3.3 Amortized Payments. After two years of interest only payments, the Allowed Secured Claim of CSFB 2001-CP4 Bland Road, LLC shall be amortized over thirty (30) years at the Secured Rate, and the Debtor shall make thirty-six (36) consecutive equal monthly payments of principal and interest at the Secured Rate to CSFB 2001-CP4 Bland Road, LLC in the amount set forth in the Amortized Payment Schedule, beginning on April 11, 2015, and continuing thereafter on the eleventh (11th) day of each and every month through and including March 11, 2018, at which time the entire outstanding principal balance of the Allowed Secured Claim of CSFB 2001-CP4 Bland Road, LLC, together with all accrued but unpaid interest thereon, shall be due and payable in full.

7.3.4 Sale of Properties. The Allowed Secured Claim of CSFB 2001-CP4 Bland Road, LLC in Class 3 and the Allowed Secured Claim of CSFB 2001-CP4 Falls of Neuse, LLC in Class 4 shall be allocated for sale purposes among the Debtor's Properties, as follows: Somerset Park (50%), Somerset Center (33%), and Somerset Place (17%). The Allowed Secured Claims of the Lenders shall remain cross-collateralized as provided in the Loan Documents. The Debtor may sell any of the Properties for a price sufficient to pay off in full the amount of the Allowed Secured Claims of the Lenders allocated to that Property (the "Allocated Amount"). Any sale proceeds above the Allocated Amount shall go toward payment of the remaining Allowed Secured Claims of the Lenders allocated to the Debtor's other Properties. Upon payment to the Lenders of the proceeds from the Debtor's sale of any of the Properties in accordance with this paragraph, the Lenders shall release their liens on the Property or Properties for which the allocated amounts of the Allowed Secured Claims of the Lenders have been paid in full and retain their liens on any unsold Property or Properties.

7.3.5 Impound Account and Reserves. The Debtor shall establish, fund, and thereafter maintain the Impound Account and Reserves for CSFB 2001-CP4 Bland Road, LLC, as follows:

7.3.5.1 Tax and Insurance Impound Account. The Debtor shall deposit in the Tax and Insurance Impound Account, on the Effective Date and on each Payment Date, a sum equal to one-twelfth (1/12th) of the annual insurance premiums and ad valorem taxes relating to Somerset Park. All funds in the Tax and Insurance Impound Account shall be controlled by CSFB 2001-CP4 Bland Road, LLC in accordance with the Loan Documents, and all disbursements from the Tax and Insurance Impound Account shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the Tax and Insurance Impound Account shall be governed by the Loan Documents.

7.3.5.2 TILC Reserve. The Debtor shall deposit into the TILC Reserve on the Effective Date the sum of \$650,000.00. Thereafter, each time the balance in the TILC Reserve drops below \$500,000.00, the Debtor shall make deposits into the TILC Reserve in the amount of \$9,000.00 per month on each Payment Date until such time as the balance in the TILC Reserve reaches or exceeds \$650,000.00. All funds in the TILC Reserve shall be controlled by CSFB 2001-CP4 Bland Road, LLC in accordance with the Loan Documents, and all requests by the Debtor for disbursement and all disbursements by CSFB 2001-CP4 Bland Road, LLC from the TILC Reserve shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the TILC Reserve shall be governed by the Loan Documents. CSFB 2001-CP4 Bland Road, LLC shall release funds from the TILC Reserve to pay for TILC work and invoices approved by CSFB 2001-CP4 Bland Road, LLC rather than following the parties' prior practice of reimbursing the Debtor for TILC payments already made from operating funds.

7.3.5.3 Replacement Reserve. The Debtor shall make no deposit into the Replacement Reserve on the Effective Date. Thereafter, on each Payment Date, the Debtor shall deposit into the Replacement Reserve the sum of \$1,500.00. All funds in the Replacement Reserve shall be controlled by CSFB 2001-CP4 Bland Road, LLC in accordance with the Loan Documents, and all requests by the Debtor for disbursement and all disbursements by CSFB 2001-CP4 Bland Road, LLC from the TILC Reserve shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the Replacement Reserve shall be governed by the Loan Documents.

7.3.6 Debtor's Bank Accounts, Lockbox Mechanism, and Monthly Sweep. The Debtor will continue to use its Lockbox Account at U.S. Bank (or such other bank as the Debtor and CSFB 2001-CP4 Bland Road, LLC may agree in writing) for deposit of all rents from tenants of Somerset Park. Each month, after making (a) the debt service payments to CSFB 2001-CP4 Bland Road, LLC on its Allowed Claims in Class 3 and Class 7, (b) the deposit into the Tax and Insurance Impound Account, (c) any deposit required into TILC Reserve, and (d) the deposit into Replacement Reserve, the remaining funds will be swept into the Debtor's operating bank account. The lockbox mechanism

shall be deactivated on the Effective Date, but subject to re-activation thereafter in accordance with the Cash Management Agreement and other Loan Documents.

7.3.7 New Guaranty. Wilk shall sign and deliver to the Lenders on the Effective Date a new full recourse written guaranty of payment (the "New Guaranty") for each of the loans (i.e., the Allowed Claims in Class 3, Class 4 and Class 7) in the event of a future bankruptcy of the Debtor or interference by the Debtor with the Lenders' exercising their rights to foreclose under the Deed of Trust and Security Agreements. The New Guaranty shall be in form and substance reasonably acceptable to the Lenders.

7.3.8 Property Management. On or before the Effective Date, a new third-party property manager shall take over from Falls of Neuse as manager of the Properties pursuant to the terms of a new property management agreement. Both the new third-party property manager and the new property management agreement shall be approved by the Lenders. The Debtor, Somerset Associates, LLC, Falls of Neuse, and Wilk shall cooperate fully with the new third-party property manager in discharging its duties.

7.3.9 Severance Payment. On the Effective Date, the Debtor will pay Somerset Associates, LLC the net sum of \$100,000.00 (the "Severance Payment") from Accumulated Cash Collateral in full satisfaction of any claims Somerset Associates, LLC and Falls of Neuse have or will have as a result of Falls of Neuse being terminated as manager of the Properties and being replaced by the third-party property manager. The amount of the Severance Payment is \$141,000.00 less a new value contribution to the Debtor of \$41,000.00 by Somerset Associates, LLC, the holder of the equity interest in the Debtor and the reorganized Debtor under the Plan.

7.3.10 Asset Management Fee. After the Effective Date, the Debtor shall pay to Somerset Associates, LLC on the eleventh (11th) day of each month an asset management fee in an amount equal to seventy-five one hundredths of one percent (0.75%) of the total rents collected from tenants of Somerset Park during the immediate prior month.

7.3.11 Adversary Proceeding. Adversary Proceeding No. 11-00053-8-SWH in the Chapter 11 Case shall be dismissed with prejudice on the Effective Date pursuant to a stipulation of dismissal by all parties thereto under Rule 7041 of the Federal Rules of Bankruptcy Procedure, each party to bear its own costs.

7.3.12 Note Purchase Option. The Debtor will have the option to purchase the notes held by the Lenders for a price equal to the balance then owed on the Allowed Secured Claims of the Lenders in Class 3 and Class 4, discounted by (a) 12.5% if the notes are purchased during the first year following the Effective Date, (b) 5.0% if the notes are purchased during the second year following the Effective Date, and (c) 2.5% if the notes are purchased during the third year following the Effective Date. The Debtor will not have the option of purchasing only one of the notes at a discount.

7.3.13 Loan Documents. All of the Loan Documents will survive and be effective in all respects except as modified by the Plan and except for the Debtor's covenants relating to insolvency and bankruptcy and any other covenants that the Debtor and the

Lenders agree in writing to waive. All existing Events of Default under the Loan Documents will be deemed cured on the Effective Date. With respect to approval of leases by the Lenders, the Debtor and the Lenders have agreed on a standard form lease and standard form subordination and non-disturbance agreement (“SNDA”) which may need to be modified for a particular lease transaction.

7.3.14 Mutual Releases. On the Effective Date, the following mutual releases shall take effect between the Lender Parties and the Debtor Parties:

7.3.14.1. The Debtor, for itself and each of the Debtor Parties, releases and forever discharges each of the Lender Parties from any and all claims, rights, demands, actions, obligations, liabilities, attorneys’ fee claims and causes of action of any and every kind, nature and character whatsoever, known or unknown, which the Debtor Parties have or may have against the Lender Parties based on any act or omission up to and including the Effective Date; and

7.3.14.2. The Lenders, for themselves and each of the Lender Parties, release and forever discharge each of the Debtor Parties from any and all claims, rights, demands, actions, obligations, liabilities, attorneys’ fee claims and causes of action of any and every kind, nature and character whatsoever, known or unknown, which the Lender Parties have or may have against the Debtor Parties based on any act or omission up to and including the Effective Date; provided that nothing herein shall release or discharge the Debtor Parties from any claim for breach or enforcement of the Plan, the Confirmation Order, and the Loan Documents.

7.3.15 Default Remedies. Upon the occurrence of an Event of Default which remains uncured after ten (10) days written notice by the Lenders to the Debtor, the Lenders shall be entitled to exercise the following remedies:

7.3.15.1 The Lenders may require the Debtor to transfer and convey all of its right, title and interest in and to the Properties and all other assets to the Lenders “free and clear” of all liens, claims and interests (except any ad valorem tax liens on the Properties) pursuant to section 1123(5)(D) of the Bankruptcy Code in full satisfaction of the Lenders’ Allowed Secured Claims in Classes 3 and 4 (the “Transfer”);

7.3.15.2 The Debtor shall execute such deeds, bills of sale, and other documents and take such other actions as the Lenders request to effectuate the Transfer and transition ownership and control of the Properties and other assets to the Lenders;

7.3.15.3 Upon the filing of a motion in aid of consummation by the Lenders and after notice and hearing, the Bankruptcy Court shall enter an order or orders to effectuate the Transfer;

7.3.15.4 The Transfer shall be exempt from stamp or transfer tax pursuant to section 1146 of the Bankruptcy Code;

7.3.15.5 The Transfer shall include all of the Debtor's then existing leases with its tenants, tenant security deposits, balances in the Debtor's operating bank account, Lockbox Accounts, Impound Account and Reserves, books and records of the Debtor, and other assets of the Debtor;

7.3.15.6 Upon consummation of the Transfer, the Lenders shall be obligated to make any remaining quarterly payments to the holders of Allowed Claims in Class 6 and to pay any remaining Quarterly Fees owed to the Court pursuant to the Plan;

7.3.15.7 In lieu of the Transfer, the Lenders may foreclose, have a receiver appointed, and exercise any and all other remedies in the Loan Documents or at law or in equity;

7.3.15.8 The Lenders' failure to give notice of an Event of Default or to pursue any remedy for an uncured Event of Default shall not waive, impair or otherwise affect the Lenders' right to give notice of any other Event of Default or to pursue any remedy (after notice) for any other uncured Event of Default. The Lenders shall not be obligated to enforce any of the rights and remedies hereunder or to remedy any circumstance leading to the occurrence of any Event of Default hereunder or failure to cure same;

7.3.15.9 Upon motion and after notice and hearing, the Bankruptcy Court shall decide any dispute between the Debtor and the Lenders as to whether an Event of Default has occurred, been properly noticed by the Lenders, or been timely cured by the Debtor;

7.3.15.10 After a Final Decree is entered and the Chapter 11 Case is closed, the Chapter 11 Case will thereafter be automatically reopened without payment of a fee upon the filing of a motion by the Lenders or the Debtor pursuant to paragraph 7.3.15.3 or 7.3.15.9 hereof.

7.4 Separate Classification and Treatment of Allowed Unsecured Claim. The Allowed Unsecured Claim of CSFB 2001-CP4 Bland Road, LLC shall be included and treated in Class 7.

7.5 Cancellation of Liens. Upon receiving all of the Plan payments to which they are entitled as holders of Allowed Claims in Classes 3, 4, and 7, the Lenders shall promptly take all steps necessary to cancel any and all deeds of trust and assignments of rents and leases relating to the Properties and terminate any and all financing statements relating to the Debtor's personal assets.

7.6 Impairment Status. The Class 3 Claim is impaired under the Plan.

ARTICLE VIII
TREATMENT OF ALLOWED SECURED CLAIM OF CSFB 2001-CP4 Falls of Neuse, LLC
(Class 4 Claim)

8.1 Description of Class. Class 4 is comprised of all Allowed Secured Claim of CSFB 2001-CP4 Falls of Neuse, LLC.

8.2 Amount of Allowed Secured Claim: The amount of the Allowed Secured Claim of CSFB 2001-CP4 Falls of Neuse Road, LLC shall be equal to the sum of (a) \$12,174,000 and (b) one-half of the Accumulated Cash Collateral.

8.3 Treatment of Class 4 Claim. The Allowed Secured Claim of CSFB 2001-CP4 Falls of Neuse, LLC shall be treated, as follows:

8.3.1 Liens. CSFB 2001-CP4 Bland Road, LLC shall retain its liens on all of the Debtor's property, real and personal, now existing and hereafter acquired, as provided in the Loan Documents.

8.3.2 Interest Only Payments. The Debtor shall make twenty-four (24) consecutive monthly payments of interest only at the Secured Rate to CSFB 2001-CP4 Falls of Neuse, LLC, beginning on April 11, 2013, and continuing thereafter on the eleventh (11th) day of each and every month through and including March 11, 2015.

8.3.3 Amortized Payments. After two years of interest only payments, the Allowed Secured Claim of CSFB 2001-CP4 Falls of Neuse, LLC shall be amortized over thirty (30) years at the Secured Rate, and the Debtor shall make thirty-six (36) consecutive equal monthly payments of principal and interest at the Secured Rate to CSFB 2001-CP4 Falls of Neuse, LLC in the amount set forth in the Amortized Payment Schedule, beginning on April 11, 2015, and continuing thereafter on the eleventh (11th) day of each and every month through and including March 11, 2018, at which time the entire outstanding principal balance of the Allowed Secured Claim of CSFB 2001-CP4 Falls of Neuse, LLC, together with all accrued but unpaid interest thereon, shall be due and payable in full.

8.3.4 Sale of Properties. The Allowed Secured Claim of CSFB 2001-CP4 Bland Road, LLC in Class 3 and the Allowed Secured Claim of CSFB 2001-CP4 Falls of Neuse, LLC in Class 4 shall be allocated for sale purposes among the Debtor's Properties, as follows: Somerset Park (50%), Somerset Center (33%), and Somerset Place (17%). The Allowed Secured Claims of the Lenders shall remain cross-collateralized as provided in the Loan Documents. The Debtor may sell any of the Properties for a price sufficient to pay off in full the amount of the Allowed Secured Claims of the Lenders allocated to that Property (the "Allocated Amount"). Any sale proceeds above the Allocated Amount shall go toward payment of the remaining Allowed Secured Claims of the Lenders allocated to the Debtor's other Properties. Upon payment to the Lenders of the proceeds from the Debtor's sale of any of the Properties in accordance with this paragraph, the Lenders shall release their liens on the Property or Properties for which the

allocated amounts of the Allowed Secured Claims of the Lenders have been paid in full and retain their liens on any unsold Property or Properties.

8.3.5 Impound Account and Reserves. The Debtor shall establish, fund, and thereafter maintain the Impound Account and Reserves for CSFB 2001-CP4 Falls of Neuse, LLC, as follows:

8.3.5.1 Tax and Insurance Impound Account. The Debtor shall deposit in the Tax and Insurance Impound Account, on the Effective Date and on each Payment Date, a sum equal to one-twelfth ($1/12^{\text{th}}$) of the annual insurance premiums and ad valorem taxes relating to Somerset Center and Somerset Place. All funds in the Tax and Insurance Impound Account shall be controlled by CSFB 2001-CP4 Falls of Neuse, LLC in accordance with the Loan Documents, and all disbursements from the Tax and Insurance Impound Account shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the Tax and Insurance Impound Account shall be governed by the Loan Documents.

8.3.5.2 TILC Reserve. The Debtor shall deposit into the TILC Reserve on the Effective Date the sum of \$650,000.00. Thereafter, each time the balance in the TILC Reserve drops below \$500,000.00, the Debtor shall make deposits into the TILC Reserve in the amount of \$9,000.00 per month on each Payment Date until such time as the balance in the TILC Reserve reaches or exceeds \$650,000.00. All funds in the TILC Reserve shall be controlled by CSFB 2001-CP4 Falls of Neuse, LLC in accordance with the Loan Documents, and all requests by the Debtor for disbursement and all disbursements by CSFB 2001-CP4 Falls of Neuse, LLC from the TILC Reserve shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the TILC Reserve shall be governed by the Loan Documents. CSFB 2001-CP4 Falls of Neuse, LLC shall release funds from the TILC Reserve to pay for TILC work and invoices approved by CSFB 2001-CP4 Falls of Neuse, LLC rather than following the parties' prior practice of reimbursing the Debtor for TILC payments already made from operating funds.

8.3.5.3 Replacement Reserve. The Debtor shall make no deposit into the Replacement Reserve on the Effective Date. Thereafter, on each Payment Date, the Debtor shall deposit into the Replacement Reserve the sum of \$1,500.00. All funds in the Replacement Reserve shall be controlled by CSFB 2001-CP4 Falls of Neuse, LLC in accordance with the Loan Documents, and all requests by the Debtor for disbursement and all disbursements by CSFB 2001-CP4 Falls of Neuse, LLC from the TILC Reserve shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the Replacement Reserve shall be governed by the Loan Documents.

8.3.6 Debtor's Bank Accounts, Lockbox Mechanism, and Monthly Sweep. The Debtor will continue to use its Lockbox Account at U.S. Bank (or such other bank as the Debtor and CSFB 2001-CP4 Falls of Neuse, LLC may agree in writing) for deposit of all rents from tenants of Somerset Park. Each month, after making (a) the debt service

payments to CSFB 2001-CP4 Falls of Neuse, LLC on its Allowed Claims in Class 3 and Class 7, (b) the deposit into the Tax and Insurance Impound Account, (c) any deposit required into TILC Reserve, and (d) the deposit into Replacement Reserve, the remaining funds will be swept into the Debtor's operating bank account. The lockbox mechanism shall be deactivated on the Effective Date, but subject to re-activation thereafter in accordance with the Cash Management Agreement and other Loan Documents.

8.3.7 New Guaranty. Wilk shall sign and deliver to the Lenders on the Effective Date a new full recourse written guaranty of payment (the "New Guaranty") for each of the loans (i.e., the Allowed Claims in Class 3, Class 4 and Class 7) in the event of a future bankruptcy of the Debtor or interference by the Debtor with the Lenders' exercising their rights to foreclose under the Deed of Trust and Security Agreements. The New Guaranty shall be in form and substance reasonably acceptable to the Lenders.

8.3.8 Property Management. On or before the Effective Date, a new third-party property manager shall take over from Falls of Neuse as manager of the Properties pursuant to the terms of a new property management agreement. Both the new third-party property manager and the new property management agreement shall be approved by the Lenders. The Debtor, Somerset Associates, LLC, Falls of Neuse, and Wilk shall cooperate fully with the new third-party property manager in discharging its duties.

8.3.9 Severance Payment. As provided in paragraph 7.3.9 above, on the Effective Date, the Debtor will pay Somerset Associates, LLC the net sum of \$100,000.00 (the "Severance Payment") from Accumulated Cash Collateral in full satisfaction of any claims Somerset Associates, LLC and Falls of Neuse have or will have as a result of Falls of Neuse being terminated as manager of the Properties and being replaced by the third-party property manager. The amount of the Severance Payment is \$141,000.00 less a new value contribution to the Debtor of \$41,000.00 by Somerset Associates, LLC, the holder of the equity interest in the Debtor and the reorganized Debtor under the Plan.

8.3.10 Asset Management Fee. After the Effective Date, the Debtor shall pay to Somerset Associates, LLC on the eleventh (11th) day of each month an asset management fee in an amount equal to seventy-five one hundredths of one percent (0.75%) of the total rents collected from tenants of Somerset Center and Somerset Place during the immediate prior month.

8.3.11 Adversary Proceeding. Adversary Proceeding No. 11-00053-8-SWH in the Chapter 11 Case shall be dismissed with prejudice on the Effective Date pursuant to a stipulation of dismissal by all parties thereto under Rule 7041 of the Federal Rules of Bankruptcy Procedure, each party to bear its own costs.

8.3.12 Note Purchase Option. The Debtor will have the option to purchase the notes held by the Lenders for a price equal to the balance then owed on the Allowed Secured Claims of the Lenders in Class 3 and Class 4, discounted by (a) 12.5% if the notes are purchased during the first year following the Effective Date, (b) 5.0% if the notes are purchased during the second year following the Effective Date, and (c) 2.5% if

the notes are purchased during the third year following the Effective Date. The Debtor will not have the option to purchase only one of the notes at a discount.

8.3.13 Loan Documents. All of the Loan Documents will survive and be effective in all respects except as modified by the Plan and except for the Debtor's covenants relating to insolvency and bankruptcy and any other covenants that the Debtor and the Lenders agree in writing to waive. All existing Events of Default under the Loan Documents will be deemed cured on the Effective Date. With respect to approval of leases by the Lenders, the Debtor and the Lenders have agreed on a standard form lease and standard form subordination and non-disturbance agreement ("SNDA") which may need to be modified for a particular lease transaction.

8.3.14 Mutual Releases. On the Effective Date, the following mutual releases shall take effect between the Lender Parties and the Debtor Parties:

8.3.14.1. The Debtor, for itself and each of the Debtor Parties, releases and forever discharges each of the Lender Parties from any and all claims, rights, demands, actions, obligations, liabilities, attorneys' fee claims and causes of action of any and every kind, nature and character whatsoever, known or unknown, which the Debtor Parties have or may have against the Lender Parties based on any act or omission up to and including the Effective Date; and

8.3.14.2. The Lenders, for themselves and each of the Lender Parties, release and forever discharge each of the Debtor Parties from any and all claims, rights, demands, actions, obligations, liabilities, attorneys' fee claims and causes of action of any and every kind, nature and character whatsoever, known or unknown, which the Lender Parties have or may have against the Debtor Parties based on any act or omission up to and including the Effective Date; provided that nothing herein shall release or discharge the Debtor Parties from any claim for breach or enforcement of the Plan, the Confirmation Order, and the Loan Documents.

8.3.15 Default Remedies. Upon the occurrence of an Event of Default which remains uncured after ten (10) days written notice by the Lenders to the Debtor, the Lenders shall be entitled to exercise the following remedies:

8.3.15.1 The Lenders may require the Debtor to transfer and convey all of its right, title and interest in and to the Properties and all other assets to the Lenders "free and clear" of all liens, claims and interests (except any ad valorem tax liens on the Properties) pursuant to section 1123(5)(D) of the Bankruptcy Code in full satisfaction of the Lenders' Allowed Secured Claims in Classes 3 and 4 (the "Transfer");

8.3.15.2 The Debtor shall execute such deeds, bills of sale, and other documents and take such other actions as the Lenders request to effectuate the Transfer and transition ownership and control of the Properties and other assets to the Lenders;

8.3.15.3 Upon the filing of a motion in aid of consummation by the Lenders and after notice and hearing, the Bankruptcy Court shall enter an order or orders to effectuate the Transfer;

8.3.15.4 The Transfer shall be exempt from stamp or transfer tax pursuant to section 1146 of the Bankruptcy Code;

8.3.15.5 The Transfer shall include all of the Debtor's then existing leases with its tenants, tenant security deposits, balances in the Debtor's operating bank account, Lockbox Accounts, Impound Account and Reserves, books and records of the Debtor, and other assets of the Debtor;

8.3.15.6 Upon consummation of the Transfer, the Lenders shall be obligated to make any remaining quarterly payments to the holders of Allowed Claims in Class 6 and to pay any remaining Quarterly Fees owed to the Court pursuant to the Plan;

8.3.15.7 In lieu of the Transfer, the Lenders may foreclose, have a receiver appointed, and exercise any and all other remedies in the Loan Documents or at law or in equity;

8.3.15.8 The Lenders' failure to give notice of an Event of Default or to pursue any remedy for an uncured Event of Default shall not waive, impair or otherwise affect the Lenders' right to give notice of any other Event of Default or to pursue any remedy (after notice) for any other uncured Event of Default. The Lenders shall not be obligated to enforce any of the rights and remedies hereunder or to remedy any circumstance leading to the occurrence of any Event of Default hereunder or failure to cure same;

8.3.15.9 Upon motion and after notice and hearing, the Bankruptcy Court shall decide any dispute between the Debtor and the Lenders as to whether an Event of Default has occurred, been properly noticed by the Lenders, or been timely cured by the Debtor;

8.3.15.10 After a Final Decree is entered and the Chapter 11 Case is closed, the Chapter 11 Case will thereafter be automatically reopened without payment of a fee upon the filing of a motion by the Lenders or the Debtor pursuant to paragraph 8.3.15.3 or 8.3.15.9 hereof.

8.4 Separate Classification and Treatment of Allowed Unsecured Claim. The Allowed Unsecured Claim of CSFB 2001-CP4 Falls of Neuse, LLC shall be included and treated in Class 7.

8.5 Cancellation of Liens. Upon receiving all of the Plan payments to which they are entitled as holders of Allowed Claims in Classes 3, 4, and 7, the Lenders shall promptly take all steps necessary to cancel any and all deeds of trust and assignments of rents and leases relating

to the Properties and terminate any and all financing statements relating to the Debtor's personal assets.

8.6 Impairment Status. The Class 4 Claim is impaired under the Plan.

ARTICLE IX
TREATMENT OF ALLOWED SMALL UNSECURED CLAIMS
(Class 5 Claims)

9.1 Description of Class. Class 5 is comprised of all Allowed Claims of less than \$10,000.

9.2 Treatment of Claims. Class 5 Claimants shall be paid 100% of their Allowed Claim 30 days after the Effective Date.

9.3 Impairment Status. Class 5 Claims are impaired under the Plan.

ARTICLE X
TREATMENT OF ALLOWED GENERAL UNSECURED CLAIMS
(Class 6 Claims)

10.1 Description of Class. Class 6 is comprised of all Allowed Claims not treated elsewhere in the Plan.

10.2 Treatment of Claims. The Debtor shall pay quarterly installments of \$31,250 to be split Pro Rata among Allowed Claims in Classes 6 and 7. Such payments shall commence to Class 6 three months after the Effective Date. Such payments shall continue until Class 6 Claimants have been paid 100% of their Class 6 Claims. Class 6 Claims shall accrue interest at the Federal Judgment Rate on the Confirmation Date.

10.3 Impairment Status. Class 6 Claims are impaired under the Plan.

ARTICLE XI
TREATMENT OF ALLOWED UNSECURED CLAIMS OF CSFB 2001-CP4 Bland Road, LLC
and CSFB 2001-CP4 Falls of Neuse, LLC
(Class 7 Claims)

11.1 Description of Class: Class 7 is comprised of the Allowed Unsecured Claims of CSFB 2001-CP4 Bland Road, LLC and CSFB 2001-CP4 Falls of Neuse, LLC, each of which is in the amount of \$1,000,000.00.

11.2 Treatment of Claims: The Debtor shall pay quarterly installments of \$31,250 to be split Pro Rata among Allowed Claims in Classes 6 and 7. Such payments shall commence to Class 7 three months after the Effective Date. Such payments shall continue until Class 7 Claimants have been paid 100% of their Class 7 Claims. Class 7 Claims shall accrue interest at the Federal Judgment Rate on the Confirmation Date.

11.3 Impairment Status. Class 7 Claims are impaired under the Plan.

ARTICLE XII
TREATMENT OF ALLOWED EQUITY INTERESTS
(Class 8 Interests)

12.1 Description of Class. Class 8 is comprised of Allowed Equity Interests in the Debtor.

12.2 Treatment. The existing Allowed Equity Interests in the Debtor shall remain the same as pre-petition.

12.3 Impairment Status. Class 8 Interests are unimpaired under the Plan.

ARTICLE XIII
PROVISION FOR TREATMENT OF ALLOWED CLAIMS UNDER UNEXPIRED LEASES
AND EXECUTORY CONTRACTS

13.1 Unexpired Leases and Executory Contracts. The confirmation of the Plan shall act as an acceptance of all existing leases on which the Debtor is the lessor. The confirmation of the Plan shall act as a rejection of all other executory contracts and leases, unless within 15 days of the Effective Date the Debtor files a motion to assume. All parties shall have thirty (30) days from the Effective Date to file proofs of claim for rejection damages.

ARTICLE XIV
CAUSES OF ACTION

14.1 Except as expressly provided otherwise in this Plan, the Debtor may pursue any causes of action arising under §§ 544, 545, 547, 548, 549, 550, or 553(b) of the Bankruptcy Code, or under any similar provisions of applicable state law to recover any preferences or fraudulent conveyances from any person other than the Lenders. Funds recovered as a result of such actions shall be applied first in reimbursement of attorney's fees and other costs of such actions, and then the remainder shall be the property of the Debtor.

ARTICLE XV
CONFIRMATION AS WAIVER AND RELEASE

15.1 Waiver against and Release of Debtor. Confirmation shall constitute waiver and release of the right to pursue litigation and causes of action against the Debtor, which release is supported by the requirements of this Plan and covenants contained herein.

ARTICLE XVI
POST-CONFIRMATION OPERATIONS

16.1 Post-Confirmation Operations. The Debtor shall be managed and operated in accordance with the terms of this Plan, the organizational documents, and North Carolina law.

16.2 Management of the Debtor. Management of the Debtor shall be vested as provided in the organizational documents. The Debtor anticipates that Wilk and Somerset

Associates, LLC, both of whom are Insiders, will continue to operate the Reorganized Debtor. The Debtor shall administer the terms of the confirmed Plan in all respects.

16.3 Professional Compensation. Professional fees and expenses will be paid on the Effective Date or as soon thereafter as they are approved by the Bankruptcy Court. Fees and expenses occurring following confirmation will be paid without prior Bankruptcy Court approval.

ARTICLE XVII EXECUTION OF THE PLAN

17.1 Payments. The Debtor will make payments of the Allowed Claims as provided in this Plan.

17.2 Event of Default. The Debtor's failure to make any payment as such payment becomes due under the Plan shall constitute an Event of Default of this Plan.

17.3 Remedies Upon Default. The Lenders' rights and remedies upon the occurrence of an Event of Default are set forth in paragraphs 7.3.15 and 8.3.15 above. For all other holders of claims and parties in interest, upon the occurrence of any Event of Default which is not excused, postponed, modified, or waived, and after giving Notice to the Debtor and an opportunity to cure within 15 days, they may exercise all rights and remedies available under this Plan and the Code and state law.

17.4 Revesting of Property of the Debtor. All of the assets of the Debtor will be retained by the Debtor and on the day an entry of an order confirming the Plan, the Debtor will hold all right, title and interest of the property of the Debtor. All Unclaimed property shall be forfeited to the Debtor.

ARTICLE XVIII MODIFICATION OF THE PLAN

18.1 Modification Prior to the Confirmation. Modification of the Plan may be proposed in writing by the Debtor at any time before the Confirmation Date, provided that such Plan, as modified, meets the requirements of §§1122 and 1123 of the Code, and that the Debtor has complied with §1125 of the Code.

18.2 Modification After Confirmation. This Plan may be modified at any time after the Confirmation Date and before its substantial consummation, provided that such Plan, as modified, meets the requirements of §§1122 and 1123 of the Code, and that the Court, after notice and a hearing confirms such Plan as modified.

18.3 Deemed Acceptance or Rejection of Modification. A holder of a claim or interest that has accepted or rejected the Plan, as the case may be, is deemed to have accepted the Plan as modified unless such holder files a notice to the contrary within the time period for such notice affixed by the Court.

18.4 Defects or Omissions. After confirmation, the proponent of the Plan may, with approval of the Court, remedy any defect or omission or reconcile any inconsistencies in the Plan, Disclosure Statement or the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of the Plan, Disclosure Statement or Confirmation Order, so long as the such remedy does not materially or adversely affect the interests of creditors and other parties in interest.

ARTICLE XIX OTHER PROVISIONS

19.1 Extension of Payment Dates. If any payment under the Plan falls due on a Saturday, Sunday, or other day which is not a Business Day, then such due date shall be extended to the next following Business Day.

19.2 Notices. Any notice to the Debtor under any obligations created or governed by this Plan must be in writing and sent by registered or certified mail, postage pre-paid, and addressed as follows (and to such other address as the Debtor may notify the creditor in writing):

Somerset Properties SPE, LLC
4505 Falls of Neuse Road, Suite 270
Raleigh, NC 27609

With Copies to:

William P. Janvier, Esq.
Janvier Law Firm, PLLC
1101 Haynes Street, Suite 102
Raleigh, NC 27604

19.3 Reduction of Notice Periods. The notice period applicable to service of any notices on the creditors otherwise applicable, pursuant to the provisions of the Code or this Plan, including any notice of hearing on application or allowance of compensation of professional persons pursuant to Section 330 of the Code, is reduced to a fifteen (15) day period, inclusive of the three days for mailing pursuant to Rule 9006(f) of the Bankruptcy Rules with the exception of any applicable notice period relating to modification of the Plan prior to or after confirmation pursuant to Sections 1122 and 1123 of the Code. If no objections are filed in writing with the Court within said fifteen (15) day notice period, any said motion may be allowed by the Court without the necessity of further notice or hearing.

19.4 Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of notes or equity securities under the Plan, the creation of any mortgage, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, deeds, or bills of sale or assignments of personal property executed in connection with any of the transactions contemplated under the Plan, will not be subject to any stamp, real estate transfer, mortgage recording, sales, use or other similar tax. All sale transactions consummated by the Debtor and approved by the Bankruptcy Court on and after the Filing Date through and including the Effective Date, including, without limitation,

the sale by the Debtor of owned property pursuant to section 363(b) of the Bankruptcy Code and the assumption, assignment and sale by the Debtor of unexpired leases of non-residential real property pursuant to section 365(a) of the Bankruptcy Code, will be deemed to have been made under, in furtherance of, or in connection with the Plan and, thus, will not be subject to any stamp, real estate transfer, mortgage recording or other similar tax. In addition, each of the relevant state or local governmental officials or agents will forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment consistent with the applicable provisions of this Plan.

19.5 Procedure for Payment of Professional Fees and Expense Reimbursement. Current counsel for the Debtor and Reorganized Debtor, and the current Court approved accountants for the Debtor and Reorganized Debtor shall not be subject to the fee application process for services rendered post-confirmation in furtherance or implementation of the confirmed Plan.

19.6 No Representations or Warranties Concerning Tax Attributes/Consequences. Neither Debtor nor the Reorganized Debtor make any representations or warranties to any creditor of the Debtor concerning the tax consequence of confirmation of this Plan, the effect of this Chapter 11 case, or as to the status of tax attributes of the Debtor or Reorganized Debtor.

19.7 Members and Managers of Reorganized Debtor. On the Effective Date, existing Managers shall succeed as managers of the Reorganized Debtor.

19.8 Transfer of Claims. Claims may be transferred and will be honored only in accordance with Bankruptcy Rule 3001.

ARTICLE XX RETENTION OF JURISDICTION

20.1 The Bankruptcy Court shall, after Confirmation, retain jurisdiction of this case to hear and determine the allowance of claims and all claims against the Debtor pursuant to Section 502 of the Code; to determine the allowance of timely filed claims resulting from the rejection of executory contracts; to determine any issues in pending adversary proceedings, and in adversary proceedings commenced post-confirmation, including, but not limited to, avoidance or turnover actions; to determine any dispute as to the classification or allowance of claims; to fix and determine all pre-confirmation professional fees and other costs of administration; to require the performance of any act contemplated by the provisions of this Plan necessary for the consummation of the Plan; to resolve all the matters as may be set forth in the Order of Confirmation. In the event an appeal is perfected from the Order confirming the Plan, the Bankruptcy Court shall also retain jurisdiction to enter such Orders regarding the disbursement of funds under the Plan or the consummation thereof as may be necessary to protect the interest of the Debtor, its creditors and parties in interest.

ARTICLE XXI DISCLOSURE STATEMENT

The attention of holders of claims and interests is directed to the Disclosure Statement.

ARTICLE XXII

CONFIRMATION FOR IMPAIRED CLASS NOT ACCEPTING THE PLAN

With respect to any impaired class of creditors not accepting the Plan by the requisite majority in number and two-thirds (2/3) in amount, the proponent of this Plan requests the Court to find that the Plan does not discriminate unfairly and is fair and equitable with respect to each class of claims or interests that is impaired under the Plan and that the Court should confirm the Plan without such acceptances by said impaired class or classes.

Respectfully submitted this the 27th day of February, 2013.

/s/ Kevin Wilk

Kevin Wilk, Agent
Somerset Properties SPE, LLC

JANVIER LAW FIRM, PLLC

/s/ William P. Janvier

William P. Janvier
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EXHIBIT A TO SECOND AMENDED PLAN OF REORGANIZATION

LOAN MODIFICATION AGREEMENT (CSFB 2001-CP4; Loan No. _____)

THIS LOAN MODIFICATION AGREEMENT ("**Agreement**") is executed as of the Effective Date, between CSFB 2001-CP4 _____, LLC, a North Carolina limited liability company ("**Lender**"), and Somerset Properties, SPE, LLC, a North Carolina limited liability company ("**Borrower**").

PRELIMINARY STATEMENT

A. Column Financial, Inc. ("**Original Lender**") made a loan ("**Loan**") in the amount of \$15,500,000 to Borrower on or about May 8, 2001 ("**Loan Date**"). The Loan is evidenced by a Promissory Note, dated as of the Loan Date, made by Borrower in favor of Original Lender and secured by a first Deed of Trust and Security Agreement ("**Security Instrument**") dated as of the Loan Date, and other documents evidencing or securing the Loan including those documents listed in **Exhibit B**. All of such documents are collectively referred to as the "**Loan Documents**."

B. A legal description of Borrower's real property subject to the Security Instrument and known as "_____" is attached hereto as **Exhibit A**. The Loan is also secured by Borrower's real property known as "_____" by being cross-collateralized with another secured loan to Borrower by Original Lender.

C. All of Original Lender's right, title and interest in and to the Loan have been transferred and assigned to Lender.

D. Borrower has initiated a Chapter 11 Case in the United States Bankruptcy Court for the Eastern District of North Carolina (the "**Court**"), Case No. 10-09210-8-SWH ("**Chapter 11 Case**").

E. This Agreement is entered into pursuant to the Second Amended Plan of Reorganization (the "**Plan**") as confirmed by order of the Court entered in the Chapter 11 Case on February __, 2013 ("**Confirmation Order**").

F. Lender and Borrower have agreed to modify the Loan Documents on the terms and conditions set forth in this Agreement.

In consideration of \$10.00 paid by each of the Parties to the other, the mutual covenants set forth below, and other good and valuable consideration, receipt and sufficiency of which are acknowledged, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 **Defined Terms.** The terms set forth below have the meaning ascribed to them for purposes of this Agreement.

"Accumulated Cash Collateral" means the total cash collateral on the Effective Date in the amount of \$_____.

"Amortized Payment Schedule" means a written schedule as agreed and signed by the Borrower and the Lenders promptly following the Effective Date or, if they cannot agree, as determined by the Bankruptcy Court, showing the equal monthly payments of principal and interest which the Borrower shall make to the Lenders on their Allowed Secured Claims commencing after two years of interest only payments under the Plan.

"Borrower Parties" means Borrower, its direct and indirect owners, Somerset Associates, LLC, Kevin Wilk, and Falls of Neuse Investments, LLC, and all of their current members, past and present predecessors, parents and subsidiaries, officers, directors, employees, agents and attorneys.

"Debtor Proceeding" means any proceeding for relief, protection, reorganization, liquidation, dissolution or similar relief for debtors under Title 11 of the U.S. Code or North Carolina insolvency laws providing relief for debtors.

"Effective Date" means the date occurring fifteen (15) days after the Confirmation Order becomes a Final Order.

"Impound Account and Reserves" means the Tax and Insurance Impound Account, TILC Reserve, and Replacement Reserve to be established and maintained by the Borrower for each of the Lenders.

"Indebtedness" has the meaning indicated in Section 2.2(b).

"Legal Requirements" means: all ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and courts; rules and regulations of the insurance service office, any insurance rating organization or other body exercising similar functions; and the provisions of applicable insurance policies in effect with respect to the Properties.

"Lender Parties" means Lender; Wells Fargo Bank, N.A., a national banking association, successor by merger to Wells Fargo Bank Minnesota, N.A., as trustee for the registered Holders of Credit Suisse First Boston Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2001-CP4 (the "Trust"); the Trust's certificate holders; Servicers; Related Lender; Wells Fargo Bank, N.A. and all of their current members, past and present predecessors, parents and subsidiaries, officers, directors, employees, agents and attorneys.

“Lockbox Accounts” means the Borrower’s bank accounts with U.S. Bank (or such other bank as the Borrower and the Lenders may agree in writing) subject to the lockbox controls of the Lenders pursuant to the Borrower’s cash management agreements with the Lenders

“Party” means any, and **“Parties”** means all, of the signatories to this Agreement.

“Payment Date” means the eleventh (11th) day of each month when a payment of interest and/or principal is due to be made by the Borrower to the Lenders in connection with the Secured Loans in accordance with the Plan.

“Properties” means Borrower’s three office building properties known as (i) Somerset Park located at 4401-4407 Bland Road, Raleigh, Wake County, North Carolina, (ii) Somerset Center located at 4505 Falls of Neuse Road, Raleigh, Wake County, North Carolina, and (iii) Somerset Place located at 4515 Falls of Neuse Road, Raleigh, Wake County, North Carolina, all of which secure the Secured Loans of Lender and Related Lender and each of which is a **“Property.”**

“Related Lender” means CSFB 2001-CP4 Falls of Neuse, LLC, a North Carolina limited liability company.

“Replacement Reserve” means a reserve established and maintained by Borrower in accordance with the Loan Documents (including Exhibit C-2 of the Deed of Trust and Security Agreement) for Lender in which Borrower is to deposit funds with Lender for payment of costs and expenses incurred by Borrower in connection with capital improvements, repairs and replacements.

“Secured Loans” mean the secured loans by the Lender and the Related Lender pursuant to Articles VII and VIII of the Plan, each of which is a **“Secured Loan.”**

“Servicer” means Midland Loan Services and LNR Partners, LLC (successor by statutory conversion to LNR Partners, Inc.) and any other Party appointed or serving as servicer in accordance with that certain Pooling and Servicing Agreement governing Lender.

“Tax and Insurance Impound Account” means an impound account established and maintained by the Borrower in accordance with the Loan Documents (including section 1.6 of the Deed of Trust and Security Agreement) for each of the Lenders into which the Borrower is to deposit funds with the Lender for payment of ad valorem taxes and insurance premiums.

“TILC Reserve” means a reserve established and maintained by the Borrower in accordance with the Loan Documents (including section 1.7 of the Deed of Trust and Security Agreement) for each of the Lenders into which the Borrower is to deposit funds with the Lender for payment of tenant improvements and leasing commissions (**“TILC”**).

“Unsecured Loans” mean the unsecured loans by the Lender and the Related Lender pursuant to Article XI of the Plan, each of which is an **“Unsecured Loan.”**

1.2 **Other Defined Terms.** Capitalized terms utilized in this Agreement and not defined in this Agreement shall have the meanings set forth in the Plan.

ARTICLE 2
ACKNOWLEDGMENTS, WARRANTIES AND REPRESENTATIONS

Borrower acknowledges, warrants, represents and agrees, as follows, as of the Effective Date:

2.1 **Authority of Borrower.** Borrower is a duly organized, validly existing limited liability company in good standing under the laws of the State of Delaware. Borrower has the power and authority to execute, deliver and perform its obligations under this Agreement. The certificate of formation ("**Borrower Articles**") and limited liability agreement of Borrower ("**Borrower Operating Agreement**") have not been modified or cancelled since the Loan Date. The execution, delivery and performance of this Agreement by Borrower does not and will not (i) violate any applicable Legal Requirements presently in effect having applicability to Borrower, Borrower Articles or Borrower Operating Agreement; or (ii) result in a breach or constitute or cause a default under any indenture, agreement, lease or instrument to which Borrower is a party or by which the Properties may be bound or affected.

2.2 **Status of Loan.**

(a) **Loan Documents.** The Loan Documents constitute valid and legally binding obligations of Borrower and are enforceable against Borrower and the Properties in accordance with their terms as modified by the Plan and Confirmation Order. There are no modifications, verbal or written, to the Loan Documents other than those, if any, described on **Exhibit B** and in this Agreement.

(b) **Indebtedness.** The term "**Indebtedness**" collectively refers to the unpaid Principal and any and all other interest, advances, debts, obligations and liabilities of Borrower under the Loan Documents, the Plan, the Confirmation Order, or this Agreement, whether voluntary or involuntary, however arising, including, without limitation, advances made by a Servicer together with any interest thereon, and administrative charges payable under the Loan Documents.

(c) **Assignment of Leases.** The Assignment of Leases and Rents described in **Exhibit B** constitutes an absolute, unconditional, current, assignment of rents, issues and profits from the Properties, and all actions, if any, required to be taken by Lender to perfect its rights to collect such rents, issues and profits have been duly and properly taken by Lender. It is the intent of the Parties that Lender's security interest pursuant to the Assignment of Leases and Rents remains and shall at all times remain perfected.

2.3 **Financial Statements.** The financial statements of Borrower contained in the monthly operating reports filed in the Chapter 11 Case ("**Financial Statements**") are true, complete and accurate in every material respect and accurately reflect the financial condition of Borrower and the income and expenses related to the Properties, as of the date thereof. The Financial Statements have been prepared in accordance with the standards required by the Court and the Bankruptcy Administrator for monthly operating reports on a consistent basis throughout

the Chapter 11 Case. Borrower acknowledges that Lender relied upon the Financial Statements in consenting to the terms of the Plan and Confirmation Order and in entering into this Agreement.

2.4 **Title to Properties and Legal Proceedings.** There are no (a) pending or threatened suits, judgments, arbitration proceedings, administrative claims, executions or other legal or equitable actions or proceedings against Borrower or the Properties, (b) liens, deeds of trust (other than the Security Instrument), claims of lien or other encumbrances against the Properties, other than liens for 2013 ad valorem Properties taxes and the liens of Lender and Related Lender, which matters described in (a) or (b) could reasonably have a material adverse effect on Borrower or the Properties, or (c) pending or threatened condemnation proceedings or annexation proceedings affecting the Properties, nor any agreements to convey any portion of the Properties, or any rights thereto to any person or entity not disclosed in this Agreement, including, without limitation, any government or governmental agency.

2.5 **Status of the Properties.**

(a) **Compliance with Laws.** Borrower has not received any written notice from any governmental entity claiming that Borrower or the Properties is not presently in compliance with any Legal Requirements bearing upon the use and operation of the Properties, including, without limitation, any notice relating to building, zoning, environmental, life safety, wetlands, or handicapped accessibility laws, codes or regulations. To Borrower's actual knowledge, all permits, licenses or other evidences of authority to use and operate the Properties as it is presently being operated and as contemplated by the Loan Documents are current, valid and in full force and effect.

(b) **Taxes.** All real estate taxes, personal Properties taxes, sales taxes and similar liabilities, assessments or expenses currently due and payable with respect to the Properties have been fully and timely paid.

(c) **Hazardous Wastes.** Since the Loan Date: (i) no portion of the Properties has been used for or in connection with the handling, generation, use, storage or disposal of Hazardous Material in violation of Legal Requirements or the Loan Documents, (ii) Borrower has not become aware of any above ground or underground storage tanks located on or below the surface of any portion of the Properties, (iii) no portion of the Properties has been included on any governmental agency's list of sites on or under which Hazardous Material may be located, used, stored or generated or with respect to which remedial action may be necessary, (iv) all federal, state and local permits concerning or related to environmental protection and regulation at the Properties, if any, have been secured, are current and will continue to remain current, and Borrower is and will remain in compliance with the terms thereof, (v) to Borrower's knowledge, there have been no releases of Hazardous Materials on the Properties that could give rise to any action or to any liability for environmental matters under any law, rule, ordinance or common law theory, and (vi) Borrower is not aware of any environmental condition, situation or incident on, at, or concerning the Properties that could give rise to an action or to liability for environmental matters under any law, rule, ordinance or common law theory. Borrower will continue to comply with all of the covenants and agreements contained in the Loan Documents

relating to environmental matters and will promptly deliver to Lender any notices related to any matter described in this Section 2.5(c).

(d) **Rent Roll**. The rent roll attached as **Exhibit C ("Rent Roll")** is a true, complete and accurate summary of all Leases affecting the Properties and the financial terms thereof as of the date of the Rent Roll.

(e) **Leases**. The Leases indicated on the Rent Roll are the only leases affecting the Properties and are currently in full force and effect and, unless otherwise indicated in the Rent Roll, unmodified and without any default of any tenant thereunder. Borrower has not been notified of any landlord default under any of the Leases. Except as indicated in the Rent Roll, there are no leasing, broker's or finder's commissions of any kind due or to become due with respect to the Leases or the Properties. The rents and security deposits under the Leases shown on the Rent Roll are correct. Borrower has not received any prepaid rents or given any concessions for free or reduced rent under the Leases except as indicated in the Rent Roll and will not accept any prepaid rents for more than one month in advance.

2.6 **Debtor Proceeding**. Should an order for relief be entered in a future Chapter 11 Case of Borrower, whether commenced voluntarily or involuntarily: (i) Lender shall thereupon be entitled to and Borrower irrevocably consents to (A) relief from any automatic stay imposed by Section 362 of Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies otherwise available to Lender as provided in the Plan, Confirmation Order, this Agreement or as otherwise provided by law, Borrower irrevocably waiving any right to object to such relief, and acknowledging that no reorganization in bankruptcy is feasible and (B) an order from the bankruptcy court prohibiting Borrower's use of all "cash collateral" (as defined in Section 363 of the Bankruptcy Code); (ii) Borrower waives its exclusive right pursuant to Section 1121(b) of the Bankruptcy Code to file a plan of reorganization and irrevocably agrees and consents that Lender may file a plan immediately upon commencement of the Chapter 11 Case; (iii) if Lender moves pursuant to Section 1121(d) of the Bankruptcy Code for an order reducing the 120 day exclusive period, Borrower will not object to any such motion, and (iv) Borrower waives any rights it may have pursuant to Section 108(b) of the Bankruptcy Code. The provisions of this Section shall survive the termination of this Agreement.

ARTICLE 3 **COVENANTS OF BORROWER**

Borrower Parties covenant and agree with Lender that:

3.1 **Compliance with Loan Documents**. To the extent not inconsistent with the terms of this Agreement, Borrower agrees to comply with and be bound by all the terms, covenants and agreements, conditions and provisions set forth in the Loan Documents as modified by the Plan and Confirmation Order.

3.2 **Covenant Not To Sue**. In consideration of Lender's agreement to the terms of this Agreement, Borrower on behalf of itself and its partners, members and managers and each of their respective heirs, successors and assigns, covenant and agree never to institute or cause to be instituted or continue prosecution of any suit or other form of action or proceeding of any kind or

nature whatsoever against any of Lender Parties by reason of any act or omission from the beginning of the world to and including the Effective Date, including, without limitation, matters arising out of or relating to the Loan, its administration, or the Chapter 11 Case.

3.3 **Additional Documents.** On the Effective Date, in accordance with the Plan, Borrower shall deliver or cause to be delivered to Lender, in addition to this Agreement, an executed Loan Modification Agreement with the Related Lender, a New Guaranty executed by Borrower's principal, Kevin Wilk, in favor of Lender, a New Guaranty executed by Kevin Wilk in favor of Related Lender, and the Amortization Payment Schedule. Borrower shall thereafter execute and deliver to Lender such agreements, instruments, documents, financing statements and other writings as may be reasonably requested from time to time by Lender to perfect and to maintain the perfection of Lender's security interest in and to the Properties and to consummate the transactions contemplated by or in the Loan Documents, Plan, Confirmation Agreement, and this Agreement. The provisions of this Section shall survive termination of this Agreement

ARTICLE 4 **MODIFICATION OF LOAN DOCUMENTS**

4.1 Modification of Loan.

(a) **Secured Loan and Unsecured Loan.** Pursuant to the terms of the Plan and Confirmation Order, the Loan shall be divided into a Secured Loan and an Unsecured Loan as of the Effective Date.

(b) **Terms of Secured Loan.** Pursuant to the treatment of Lender's Allowed Secured Claim in Class 3 as provided in Article VII of the Plan, the terms of the Secured Loan are, as follows:

(i) **Amount.** The amount of the Secured Loan on the Effective Date is \$_____.

(ii) **Liens.** Lender shall retain its liens on all of Borrower's Properties, real and personal, now existing and hereafter acquired, as provided in the Loan Documents.

(iii) **Interest Rate.** Commencing on the Effective Date, the Secured Loan shall bear interest at the Secured Rate, defined in the Plan to be 5% per annum computed based on a three hundred sixty (360) day year and paid for the actual number of days elapsed for any whole or partial month in which interest is being calculated.

(iv) **Interest Only Payments.** Borrower shall make twenty-four (24) consecutive monthly payments of interest only at the Secured Rate to Lender, beginning on April 11, 2013, and continuing thereafter on the eleventh (11th) day of each and every month through and including March 11, 2015.

(v) **Amortized Payments.** After two years of interest only payments, the Secured Loan of Lender shall be amortized over thirty (30) years at the Secured Rate, and Borrower shall make thirty-six (36) consecutive equal monthly payments of principal and interest at the Secured Rate to Lender in the amount set forth in the Amortized Payment

Schedule, beginning on April 11, 2015, and continuing thereafter on the eleventh (11th) day of each and every month through and including March 11, 2018, at which time the entire outstanding principal balance of the Secured Loan of Lender, together with all accrued but unpaid interest thereon, shall be due and payable in full.

(vi) **Sale of Properties.** The Secured Loan of Lender and the Secured Loan of Related Lender shall be allocated for sale purposes among the Borrower's Properties, as follows: Somerset Park (50%), Somerset Center (33%), and Somerset Place (17%). The Allowed Secured Claims of the Lenders shall remain cross-collateralized as provided in the Loan Documents. The Borrower may sell any of the Properties for a price sufficient to pay off in full the amount of the Allowed Secured Claims of the Lenders allocated to that Property (the "**Allocated Amount**"). Any sale proceeds above the Allocated Amount shall go toward payment of the remaining Allowed Secured Claims of the Lenders allocated to the Borrower's other Properties. Upon payment to the Lenders of the proceeds from the Borrower's sale of any of the Properties in accordance with this paragraph, the Lenders shall release their liens on the Property or Properties for which the allocated amounts of the Allowed Secured Claims of the Lenders have been paid in full and retain their liens on any unsold Property or Properties.

(vii) **Impound Account and Reserves.** Borrower shall establish, fund, and thereafter maintain the Impound Account and Reserves for Lender, as follows:

a. **Tax and Insurance Impound Account.** Borrower shall deposit in the Tax and Insurance Impound Account, on the Effective Date and on each Payment Date, a sum equal to one-twelfth (1/12th) of the annual insurance premiums and ad valorem taxes relating to _____. All funds in the Tax and Insurance Impound Account shall be controlled by Lender in accordance with the Loan Documents, and all disbursements from the Tax and Insurance Impound Account shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the Tax and Insurance Impound Account shall be governed by the Loan Documents.

b. **TILC Reserve.** Borrower shall deposit into the TILC Reserve on the Effective Date the sum of \$650,000.00. Thereafter, each time the balance in the TILC Reserve drops below \$500,000.00, Borrower shall make deposits into the TILC Reserve in the amount of \$9,000.00 per month on each Payment Date until such time as the balance in the TILC Reserve reaches or exceeds \$650,000.00. All funds in the TILC Reserve shall be controlled by Lender in accordance with the Loan Documents, and all requests by the Borrower for disbursement and all disbursements by Lender from the TILC Reserve shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the TILC Reserve shall be governed by the Loan Documents. Lender shall release funds from the TILC Reserve to pay for TILC work and invoices approved by Lender rather than following the parties' prior practice of reimbursing Borrower for TILC payments already made from operating funds.

c. **Replacement Reserve.** Borrower shall make no deposit into the Replacement Reserve on the Effective Date. Thereafter, on each Payment Date, Borrower shall deposit into the Replacement Reserve the sum of \$1,500.00. All funds in the Replacement Reserve shall be controlled by Lender in accordance with the Loan Documents, and all requests by the Borrower for disbursement and all disbursements by Lender from the TILC

Reserve shall be governed by the Loan Documents. Except as altered by the Plan, all aspects of the Replacement Reserve shall be governed by the Loan Documents.

(viii) **Borrower's Bank Accounts, Lockbox Mechanism, and Monthly Sweep.** Borrower will continue to use its Lockbox Account at U.S. Bank (or such other bank as Borrower and Lender may agree in writing) for deposit of all rents from tenants of _____. Each month, after making (a) the debt service payments to Lender on its Secured Loan and Unsecured Loan, (b) the deposit into the Tax and Insurance Impound Account, (c) any deposit required into TILC Reserve, and (d) the deposit into Replacement Reserve, the remaining funds will be swept into Borrower's operating bank account. The lockbox mechanism shall be deactivated on the Effective Date, but subject to re-activation thereafter in accordance with the Cash Management Agreement and other Loan Documents.

(ix) **New Guaranty.** Kevin Wilk shall sign and deliver to Lender on the Effective Date a new full recourse written guaranty of payment (the "**New Guaranty**") for the Secured Loan and Unsecured Loan of Lender in the event of a future bankruptcy of Borrower or interference by Borrower with Lender's exercising its rights to foreclose under the Deed of Trust and Security Agreement. The New Guaranty shall be in form and substance reasonably acceptable to the Lender.

(x) **Property Management.** On or before the Effective Date, a new third-party property manager shall take over from Falls of Neuse as manager of the Properties pursuant to the terms of a new property management agreement. Both the new third-party property manager and the new property management agreement shall be approved by the Lender. Borrower, Somerset Associates, LLC, Falls of Neuse Investments, LLC, and Kevin Wilk shall cooperate fully with the new third-party property manager in discharging its duties.

(xi) **Severance Payment.** On the Effective Date, Borrower will pay Somerset Associates, LLC the net sum of \$100,000.00 (the "**Severance Payment**") from Accumulated Cash Collateral in full satisfaction of any claims Somerset Associates, LLC and Falls of Neuse Investments, LLC have or will have as a result of Falls of Neuse Investments, LLC being terminated a manager of the Properties and being replaced by the third-party property manager. The amount of the Severance Payment is \$141,000.00 less a new value contribution to Borrower of \$41,000.00 by Somerset Associates, LLC, the holder of the equity interest in the Borrower and the reorganized Borrower under the Plan.

(xii) **Asset Management Fee.** After the Effective Date, Borrower shall pay to Somerset Associates, LLC on the eleventh (11th) day of each month an asset management fee in an amount equal to seventy-five one hundredths of one percent (0.75%) of the total rents collected from tenants of _____ during the immediate prior month.

(xiii) **Note Purchase Option.** Borrower will have the option to purchase the notes held by Lender and Related Lender for a price equal to the balance then owed on the Secured Loans of Lender and Related Lender, discounted by (a) 12.5% if the notes are purchased during the first year following the Effective Date, (b) 5.0% if the notes are purchased during the second year following the Effective Date, and (c) 2.5% if the notes are purchased

during the third year following the Effective Date. Borrower will not have the option of purchasing only one of the notes at a discount.

(xiv) **Loan Documents.** All of the Loan Documents will survive and be effective in all respects except as modified by the Plan and this Agreement and except for Borrower's covenants relating to insolvency and bankruptcy and any other covenants that Borrower and Lender agree in writing to waive. All existing Events of Default under the Loan Documents will be deemed cured on the Effective Date. With respect to approval of leases by Lender, Borrower and Lender have agreed on a standard form lease and standard form subordination and non-disturbance agreement which may need to be modified for a particular lease transaction.

(xv) **Mutual Releases.** On the Effective Date, mutual releases shall take effect between the Lender Parties and the Borrower Parties as provided in the Plan.

(xvi) **Cancellation of Liens.** Upon receiving all of the payments to which Lender is entitled under the Plan for its Secured Loan and Unsecured Loan, Lender shall promptly take all steps necessary to cancel any and all deeds of trust and assignments of rents and leases relating to the Properties and terminate any and all financing statements relating to Borrower's personal assets.

(c) **Terms of Unsecured Loan.** Pursuant to the treatment of Lender's Allowed Unsecured Claim in Class 7 as provided in Article XI of the Plan, Lender shall have an Unsecured Loan in the amount of \$1,000,000.00 on the Effective Date, which shall accrue interest at the Federal Judgment Rate on the Confirmation Date and shall be paid, as follows: Borrower shall pay quarterly installments of \$31,250 to be split Pro Rata among Allowed Claims in Classes 6 and 7 under the Plan. Such payments shall commence to Lender on the Unsecured Loan treated in Class 7 three months after the Effective Date. Such payments shall continue until Lender has been paid 100% of its Unsecured Loan.

(d) **Event of Default.** As provided in paragraph 1.29 of the Plan, an Event of Default shall occur under the Loan Documents and the Plan if and when Borrower fails to make any payment to Lender, Related Lender, or any other person as such payment becomes due under the Plan.

(e) **Default Remedies.** Upon the occurrence of an Event of Default which remains uncured after ten (10) days written notice by Lender to Borrower, Lender shall be entitled to exercise the following remedies:

(i) Lender may require Borrower to transfer and convey all of its right, title and interest in and to the Properties and all other assets to the Lender and Related Lender "free and clear" of all liens, claims and interests (except any ad valorem tax liens on the Properties) pursuant to section 1123(5)(D) of the Bankruptcy Code in full satisfaction of the Secured Loans of Lender and Related Lender, i.e., Lenders' Allowed Secured Claims in Classes 3 and 4 under the Plan (the "**Transfer**").

(ii) Borrower shall execute such deeds, bills of sale, and other documents and take such other actions as the Lender requests to effectuate the Transfer and

transition ownership and control of the Properties and other assets to the Lender and Related Lender.

(iii) Upon the filing of a motion in aid of consummation by the Lender and after notice and hearing, the Court shall enter an order or orders to effectuate the Transfer.

(iv) The Transfer shall be exempt from stamp or transfer tax pursuant to section 1146 of the Bankruptcy Code.

(v) The Transfer shall include all of Borrower's then existing leases with its tenants, tenant security deposits, balances in Borrower's operating bank account, Lockbox Accounts, Impound Account and Reserves, books and records of Borrower, and other assets of the Borrower.

(vi) Upon consummation of the Transfer, Lender and Related Lender shall be obligated to make any remaining quarterly payments to the holders of Allowed Claims in Class 6 and to pay any remaining Quarterly Fees owed to the Court pursuant to the Plan.

(vii) In lieu of the Transfer, Lender may foreclose, have a receiver appointed, and exercise any and all other remedies in the Loan Documents or at law or in equity.

(viii) Failure by Lender to give notice of an Event of Default or to pursue any remedy for an uncured Event of Default shall not waive, impair or otherwise affect Lender's right to give notice of any other Event of Default or to pursue any remedy (after notice) for any other uncured Event of Default. Lender shall not be obligated to enforce any of the rights and remedies hereunder or to remedy any circumstance leading to the occurrence of any Event of Default hereunder or failure to cure same.

(ix) Upon motion and after notice and hearing, the Court shall decide any dispute between Borrower and Lender as to whether an Event of Default has occurred, been properly noticed by Lender, or been timely cured by Borrower.

(x) After a Final Decree is entered and the Chapter 11 Case is closed, the Chapter 11 Case will thereafter be automatically reopened without payment of a fee upon the filing of a motion by the Lenders or the Borrower pursuant to paragraph 7.3.15.3, paragraph 7.3.15.9, paragraph 8.3.15.3, or paragraph 8.3.15.9 of the Plan.

ARTICLE 5 **MISCELLANEOUS**

5.1 **Survival of Provisions.** Except as expressly otherwise provided in this Agreement and the Plan, the covenants, acknowledgments, representations, agreements and obligations in this Agreement shall survive the payment in full of the Loan.

5.2 **No Limitation of Remedies.** No right, power or remedy conferred upon or reserved to or by Lender in this Agreement is intended to be exclusive of any other right, power or remedy conferred upon or reserved to or by Lender under this Agreement, the Loan Documents or at law. Each and every remedy shall be cumulative and concurrent, and shall be

in addition to each and every other right, power and remedy given under this Agreement, the Loan Documents or now or subsequently existing at law.

5.3 **Successors or Assigns.** Whenever any Party is named or referred to in this Agreement, the heirs, executors, legal representatives, successors, successors-in-title and assigns of such Party shall be included. All covenants and agreements in this Agreement shall bind and inure to the benefit of the heirs, executors, legal representatives, successors, successors-in-title and assigns of the Parties, whether so expressed or not.

5.4 **Conflict.** In the event of any conflict between any terms of this Agreement and any of the other Loan Documents, the terms of this Agreement shall govern and control. In the event of any conflict between any terms of this Agreement and the Plan, the terms of the Plan shall govern and control.

5.5 **Invalid Provision to Affect No Others.** If, from any circumstances whatsoever, fulfillment of any provision of this Agreement or any related transaction at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity. If any clause or provision operates or would prospectively operate to invalidate this Agreement, in whole or in part, then such clause or provision only shall be deemed deleted, as though not contained, and the remainder of this Agreement shall remain operative and in full force and effect.

5.6 **Notices.** Any and all notices, elections, approvals, consents, demands, requests and responses ("**Communications**") permitted or required to be given under this Agreement or the Loan Documents shall not be effective unless in writing, signed by or on behalf of the Party giving the same, and sent by hand delivery or overnight courier service (such as Federal Express), to the Party to be notified at the address of such Party set forth below or at such other address within the continental United States as such other Party may designate by notice specifically designated as a notice of change of address and given in accordance with this Section. Any Communications shall be effective upon the earlier of their receipt or three days after mailing in the manner indicated in this Section. Receipt of Communications shall occur upon actual delivery but if attempted delivery is refused or rejected, the date of refusal or rejection shall be deemed the date of receipt. Any Communication, if given to Lender, must be addressed as follows, subject to change as provided above:

CSFB 2001-CP4 _____, LLC
c/o LNR Partners, LLC
1601 Washington Avenue, Suite 700
Miami Beach, Florida 33139
Attn: Greg Kaliman
Phone: (305) 695-5653
Fax: (305) 695-5119
Re: CSFB 2001-CP4; Loan No. 030227622

And:

Womble Carlyle Sandridge & Rice, LLP
One West Fourth Street
Winston-Salem, North Carolina 27101
Attn: William B. Sullivan, Esq.
Phone: (336) 721-3506
Fax: (336) 733-8365

and, if given to Borrower, must be addressed as follows, notwithstanding any other address set forth in the Loan Documents to the contrary, subject to change as provided above:

Somerset Properties SPE, LLC

Attention: Kevin Wilk
Phone: _____
Fax: _____

And:

Janvier Law Firm, PLLC
1101 Haynes Street, Suite 102
Raleigh, North Carolina 27604
Attention: William P. Janvier, Esq.
Phone: (919) 582-2323
Fax: (866) 809-2379

5.7 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State in which the Properties are located.

5.8 **Headings.** The headings of the articles, sections and subsections of this Agreement are for the convenience of reference only, are not to be considered a part of this Agreement and shall not be used to construe, limit or otherwise affect this Agreement.

5.9 **Modifications.** The terms of this Agreement may not be changed, modified, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the Party against whom the enforcement of the change, modification, waiver, discharge or termination is asserted. Except as modified by this Agreement, the Loan Documents shall remain unmodified and in full force and effect.

5.10 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

5.11 **Waiver of Trial by Jury.** EACH OF BORROWER AND LENDER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION

BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, THE LOAN AGREEMENT, THE NOTE, THE SECURITY INSTRUMENT, OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ANY OF BORROWER OR LENDER RELATING TO THE LOAN AND THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THIS AGREEMENT.

The Parties have executed and delivered this Agreement, as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

LENDER:

CSFB 2001-CP4 _____, LLC, a North Carolina limited
liability company

By: LNR Partners, LLC, a Florida limited liability
company, as Manager

By: _____

Print Name: _____

Print Name: _____

Signed, sealed and delivered
in the presence of:

BORROWER:

Somerset Properties SPE, LLC, a North Carolina limited
liability company, by its manager, Somerset Properties,
LC, a North Carolina limited liability company

By: _____
Kevin Wilk, Member of Manager

Print Name: _____

Print Name: _____

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

LOAN DOCUMENTS

1. Promissory Note dated May 8, 2001, in the original principal amount of \$15,500,000.00, and allonges
2. Deed of Trust and Security Agreement made as of and recorded May 8, 2001, in Book 008912, Pages 01169-01232, Wake County Register of Deeds
3. Assignment of Leases and Rents made as of and recorded May 8, 2001, Book 008912, Pages 01233-01243, Wake County Register of Deeds
4. Cash Management Agreement made as of May 8, 2001
5. UCC financing statements filed with the Wake County Register of Deeds and the North Carolina Secretary of State
6. Hazardous Substances Indemnity Agreement made as of May 8, 2001
7. Indemnity and Guaranty Agreement made as of May 8, 2001
8. Loan assignment documents recorded with the Wake County Register of Deeds February 11, 2002, Book 009286, Pages 01165-01169, and June 10, 2010, Book 013967, Pages 00979-00984
9. Note and Deed of Trust Assumption Agreement executed as of November 1, 2007, and recorded November 2, 2007, in Book 012822, Pages 00134-00167, Wake County Register of Deeds.
10. New Guaranty by Kevin Wilk in favor of Lender
11. Amortized Payment Schedule.
12. This Agreement

[Add Additional Documents as Appropriate]

EXHIBIT C

RENT ROLL