UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re	Case No. 91-14561-BKC-PGH
SOUTHEAST BANKING CORPORATION,	Chapter 11
Debtor. _____/	

AMENDED DISCLOSURE STATEMENT WITH RESPECT TO TRUSTEE'S THIRD AMENDED CHAPTER 11 PLAN OF REORGANIZATION

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DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS PROVIDED FOR PURPOSES OF SOLICITING VOTES ON THE TRUSTEE'S THIRD AMENDED CHAPTER 11 PLAN OF REORGANIZATION FOR SOUTHEAST BANKING CORPORATION (THE "PLAN"). THE INFORMATION MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT, REGARDING THE PLAN OR THE SOLICITATION OF VOTES ON THE PLAN.

ALL CREDITORS AND STOCKHOLDERS WHO ARE ENTITLED TO VOTE ON THE PLAN ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, THE EXHIBITS ANNEXED TO THE PLAN, AND THE PLAN SUPPLEMENT DOCUMENTS ONCE FILED. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE UNITED STATES BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OR CLAIMS OF SOUTHEAST BANKING CORPORATION SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

IN CONNECTION WITH ANY CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS THAT MAY ARISE, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST OR EQUITY INTERESTS IN SOUTHEAST BANKING CORPORATION. IF THE PLAN IS NOT CONFIRMED OR THE EFFECTIVE DATE FAILS TO OCCUR, NOTHING CONTAINED IN THE PLAN, DISCLOSURE STATEMENT OR, IF APPLICABLE, CONFIRMATION ORDER, SHALL BE BINDING ON ANY PARTY IN INTEREST IN CONNECTION WITH ANY OTHER PLAN, CONTESTED MATTER, OR ADVERSARY PROCEEDING BEFORE THE BANKRUPTCY COURT, WHETHER IN CHAPTER 11 OR UPON CONVERSION TO CHAPTER 7.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE TRUSTEE OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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AMENDED DISCLOSURE STATEMENT WITH RESPECT TO TRUSTEE'S THIRD AMENDED CHAPTER 11 PLAN OF REORGANIZATION FOR SOUTHEAST BANKING CORPORATION

I. INTRODUCTION

Jeffrey H. Beck, as Chapter 11 Trustee (the "Trustee") for the Estate of Southeast Banking Corporation, Debtor (the "Debtor") submits this Amended Disclosure Statement pursuant to Section 1125 of Title 11 of the United States Code (the "Bankruptcy Code"), in connection with the solicitation of votes on the Trustee's Third Amended Chapter 11 Plan of Reorganization for Southeast Banking Corporation, dated February 9, 2009 (DE #5560 (the "Plan"). **A true and correct copy of the Plan as filed with the Bankruptcy Court is attached as Appendix A to this Disclosure Statement. All capitalized terms used in this Disclosure Statement but not otherwise defined herein have the meanings ascribed to such terms in Article I of the Plan.**

This Disclosure Statement sets forth certain information regarding the Debtor's pre-petition operating and financial history, its reasons for seeking protection under Chapter 7 of the Bankruptcy Code and subsequently converting its case to a case under Chapter 11, significant events that have occurred during the bankruptcy case, and the anticipated organization, operations, and financing of the Debtor and the affiliated entities to be created following confirmation of the Plan. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of confirmation of the Plan, certain risk factors associated with the Plan and the securities to be issued under the Plan, and the manner in which Distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Interests entitled to vote under the Plan must follow in order for their votes to be counted.

By order dated February 9, 2009, the Bankruptcy Court has approved this Disclosure Statement as containing "adequate information" in accordance with Section 1125 of the Bankruptcy Code, and authorized its use in connection with the solicitation of votes with respect to the Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN,** but rather a determination that the information contained in this Disclosure Statement is adequate to enable a hypothetical, reasonable investor typical of Holders of Claims against or Interests in the Debtor to make an informed judgment as to whether to accept or reject the Plan. No solicitation of votes may be made except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code. In voting on the Plan, Holders of Interests entitled to vote should not rely on any information relating to the Debtor or its business other than that contained in this Disclosure Statement, the Plan, and all appendices, supplements, or exhibits to the Plan and Disclosure Statement.

Pursuant to the provisions of the Bankruptcy Code, only classes of Claims or Interests that are (i) "impaired" by a plan of reorganization and (ii) entitled to receive a Distribution under such plan are entitled to vote on the plan. In the Debtor's case, Claims in Classes 1, 2A, 2B, 2C, 2D, 2E, and 3 are Unimpaired under former Section 1124(3) of the Bankruptcy Code,[1] and therefore are conclusively presumed to have accepted the Plan and are not entitled to vote; Interests in Class 6 are Impaired, but will be deemed to

[1] Prior to its deletion in 1994, Section 1124(3) of the Bankruptcy Code provided that a class of claims or interests was impaired under a plan unless the plan provides that, on the effective date of the plan, the holder of such claim or interest receives, on account of such claim or interest, cash equal to –

(A) with respect to a claim, the allowed amount of such claim; or

(B) with respect to an interest, if applicable, the greater of –

(i) any fixed liquidation preference to which the terms of any security representing such interest entitle the holder of such interest; or

(ii) any fixed price at which the debtor, under the terms of the security, may redeem such security from such holder.

11 U.S.C. § 1124(3) (repealed).

have rejected the Plan without necessity of ballot; and thus only Interests in Classes 4 and 5, which are Impaired and are receiving a Distribution under the Plan, are entitled to vote to accept or reject the Plan.

FOR A DESCRIPTION OF THE PLAN AND VARIOUS RISKS AND OTHER FACTORS PERTAINING TO THE PLAN, PLEASE SEE SECTION VI OF THIS DISCLOSURE STATEMENT, ENTITLED "SUMMARY OF THE CHAPTER 11 PLAN OF REORGANIZATION," AND SECTION VII OF THIS DISCLOSURE STATEMENT, ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED."

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATING TO THE PLAN, CERTAIN EVENTS THAT HAVE OCCURRED IN THE BANKRUPTCY CASE, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE TRUSTEE BELIEVES THAT ALL SUCH SUMMARIES ARE FAIR AND ACCURATE AS OF THE DATE HEREOF, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF UNDERLYING DOCUMENTS AND TO THE EXTENT THAT THEY MAY CHANGE AS PERMITTED BY THE PLAN AND APPLICABLE LAW. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE TRUSTEE, EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. **NEITHER THE TRUSTEE NOR ANY OTHER PARTY WARRANTS OR REPRESENTS THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.**

NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT CONSTITUTES AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, IS ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR SHOULD BE CONSIDERED ADVICE ON THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION AS TO HOLDERS OF ALLOWED CLAIMS OR INTERESTS. **YOU SHOULD CONSULT YOUR PERSONAL COUNSEL OR TAX ADVISOR WITH RESPECT TO ANY QUESTIONS OR CONCERNS REGARDING TAX, SECURITIES, OR OTHER LEGAL CONSEQUENCES OF THE PLAN.**

CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BY ITS NATURE FORWARD-LOOKING, AND CONTAINS ESTIMATES, ASSUMPTIONS, AND PROJECTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS. Except with respect to the pro forma financial projections set forth in the attached Appendix B (the "Projections") and except as otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that may occur after the date hereof and that may have a material impact on the information contained in this Disclosure Statement. The Trustee does not undertake any obligation to, and does not intend to, update the Projections; thus, the Projections will not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Projections. Further, the Trustee does not anticipate that any amendments or supplements to this Disclosure Statement will be distributed to reflect such occurrences. Accordingly, the delivery of this Disclosure Statement will not under any circumstance imply that the information herein is correct or complete as of any time after the date hereof. Moreover, the Projections are based on assumptions that, although believed to be reasonable by the Trustee, may differ from actual results.

THE TRUSTEE BELIEVES THAT THE PLAN WILL ENABLE THE DEBTOR TO REORGANIZE SUCCESSFULLY AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11, AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR AND THE HOLDERS OF CLAIMS AND INTERESTS TREATED UNDER THE PLAN. ACCORDINGLY, THE TRUSTEE URGES THAT ALL HOLDERS IN CLASSES WHICH ARE ELIGIBLE TO VOTE CAST THEIR BALLOTS TO ACCEPT THE PLAN.

II. OVERVIEW OF THE PLAN

The Trustee's extensive efforts to identify potential investors and realize additional value through an equity infusion transaction are detailed in Section V.A.5. of this Disclosure Statement. As more fully described therein, over a period of one year or more, the Trustee, his general counsel and/or his investment bankers, discussed the proposed transaction with at least seven financial institutions believed

to have the sophistication and financial wherewithal to engage in such a transaction, engaged such third parties in negotiations, in several instances provided substantial due diligence, and received expressions of interest from a number of same. The Trustee is satisfied that the proposed Transaction with MLE that forms the basis for the Plan presents the best alternative available to the Estate to realize additional value for the benefit of Noteholders, general creditors and stockholders, because MLE offered the best terms, including the most significant investment of new value of all those who expressed serious interest in proceeding to negotiate a definitive transaction.

The following is a brief overview of the material provisions of the Plan and is qualified in its entirety by reference to the full text of the Plan. For a more detailed description of the terms and provisions of the Plan, see Section VI of this Disclosure Statement, entitled "Summary of the Chapter 11 Plan of Reorganization."

The Plan proposes to rehabilitate SEBC and certain of its non-debtor subsidiaries by recapitalizing SEBC through an investment of $1.639 billion[2] by Investor, and reorganizing SEBC into SEBC Financial Corporation ("Reorganized SEBC"), with a new holding company, SEBC Holdings, LP ("SEBC Holdings"). SEBC Holdings will own 60% of the common stock of Reorganized SEBC and a new subsidiary, SEBC Real Estate, LLC ("Real Estate LLC"), will acquire and hold SEBC's real estate-owning subsidiaries. The equity investment would be utilized by Reorganized SEBC to purchase from Investment Vehicle the Investment Vehicle Senior Securities (consisting of senior preferred equity). The Investment Vehicle, in turn, would use the proceeds from the issuance of the Investment Vehicle Senior Securities to Reorganized SEBC and other equity to acquire and manage a portfolio consisting of not less than $1.650 billion[3] face value in fixed-income instruments to be determined prior to Closing and to be acquired by the Investment Vehicle from an Affiliate of Investor. The face value of the Investment Vehicle Senior Securities must be mutually acceptable to the Investor and the Trustee. In addition, the financial characteristics of the Investment Vehicle Senior Securities will be used by the Investor and the Trustee to determine certain characteristics of the Reorganized SEBC Preferred Stock, including dividend rates and expected loss data. Income earned on Reorganized SEBC investments will, to the extent not needed to pay dividends on the SEBC Preferred Stock, be reinvested in high quality investments as specified in the Reorganized SEBC Charter. Upon the maturity, redemption, repayment, prepayment, sale, exchange or other disposition of the Investment Vehicle Senior Securities, the proceeds received must be reinvested in Eligible Portfolio Investments, which are limited to financial assets that have a fixed term and will generate sufficient income to pay quarterly dividends on the Reorganized SEBC Preferred Stock. The determination of such reinvestments will be made by the Reorganized SEBC Board, a majority of which will be determined by SEBC Holdings through the SEBC Holdings General Partner. Depending upon the success of the business, Reorganized SEBC could later undertake a broader array of financial businesses and/or distribute the allocable portion of the earnings from Investor's equity investment to SEBC's creditors and equity holders, including SEBC Holdings. SEBC Holdings is expected to seek the continued development and ultimate sale of the real estate assets in due course. Cash flows from these sales, together with dividends, if any, on the Reorganized SEBC Common Stock owned by SEBC Holdings, would be used to pay distributions on common and preferred limited partnership units to be issued by SEBC Holdings pursuant to the Plan.

The Plan designates three Classes of Claims (including five sub-Classes) and three Classes of Interests. These Classes take into account the differing nature and priority under the Bankruptcy Code of the various Claims and Interests.

The Trustee believes that the Plan provides the best means reasonably available for the Debtor's emergence from Chapter 11.

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[2] Subject to adjustment as set forth in Section 5.6(e) of the Plan and Section VI.G.7(b) and (d) of this Disclosure Statement.

[3] *Id.*

A. General Structure of the Plan

Claims and Interests are treated generally in accordance with the priorities established under the Bankruptcy Code. All creditors holding allowed pre-petition claims have already been paid 100% of the Petition Date amounts of their claims, as well as a substantial amount of post-petition interest through a series of Interim Distributions during the Chapter 7 Case. Due to their differing levels of priority, creditors have been classified in Classes 1, 2A, 2B, 2C, 2D, 2E, and 3 (with Distributions to Classes 1 and 2 subject to reallocation under the Global Settlement Order Reallocation Formula). The remaining Classes 4, 5, and 6 consist of SEBC Series A Preferred Stock, SEBC Series E Preferred Stock, and SEBC Common Stock Interests, respectively. Each Class of Claims (Classes 1, 2A, 2B, 2C, 2D, 2E, and 3) is Unimpaired under former Section 1124(3) of the Bankruptcy Code and therefore not entitled to vote on the Plan. Class 4 and 5 Interests are Impaired and therefore entitled to vote on the Plan. Class 6 Interests, although Impaired, will be deemed pursuant to the Solicitation Order to have rejected the Plan and therefore are not entitled to vote on the Plan.

1. General Overview of Certain Material Terms of the Plan.

The Plan proposes to recapitalize SEBC through an investment of $1.639 billion[4] by Investor and to reorganize SEBC with a new holding company, SEBC Holdings, which will own 60% of the common stock of Reorganized SEBC. In addition, SEBC Holdings will own a new real estate subsidiary, Real Estate LLC, to acquire and hold SEBC's real estate-owning subsidiaries. Reorganized SEBC Class B and C Common Stock, Reorganized SEBC Senior Preferred Stock, and Reorganized SEBC Series J Junior Preferred Stock will be issued to Investor; creditors of SEBC will receive a combination of Cash, SEBC Holdings Senior Preferred Units and SEBC Holdings Junior Preferred Units, and certain creditors will receive Reorganized SEBC Series K Junior Preferred Stock; preferred stockholders of SEBC will receive SEBC Holdings Junior Preferred Units; and common stockholders of SEBC will receive SEBC Holdings Common Units.

2. Summary of the Transaction.

In summary the Transaction involves:

(a) The creation of SEBC Holdings, which will become a public limited partnership organized to hold 60% of Reorganized SEBC Common Stock and 100% of the Real Estate LLC Membership Interests.

(b) The transfer of the Jacksonville Property to Real Estate LLC and the issuance by Real Estate LLC of a $9 million note to Reorganized SEBC.

(c) Subject to certain adjustments, the investment by Investor of $1.639 billion in Reorganized SEBC, in exchange for which Investor will receive $300 million aggregate face amount of Reorganized SEBC Series A Senior Preferred Stock; $718 million aggregate face amount of Reorganized SEBC Series B Senior Preferred Stock; $611 million aggregate face amount of Reorganized SEBC Series J Junior Preferred Stock; Reorganized SEBC Class B Common Stock representing 20% of the outstanding Reorganized SEBC Common Stock on a fully diluted basis; and Reorganized SEBC Class C Common Stock representing 20% of the outstanding Reorganized SEBC Common Stock on a fully diluted basis.

(d) Through its investment in Investment Vehicle, Reorganized SEBC will invest the proceeds in an initial investment portfolio that is assumed, for the purposes of the Projections, to return the London Inter-bank Offered Rate ("LIBOR") plus 200 basis points ("bps") for 5 years.

3. Creditors

[4] *Id.*

Under the terms of the Plan, creditors will receive their Pro Rata share of the following consideration in full satisfaction of their Claims of approximately $122 million[5] of post petition interest:

(a) $21 million Cash (x) plus the amount that Net Cash exceeds $8 million, or (y) minus the amount that Net Cash is less than $8 million;

(b) $10.5 million[6] face amount in a combination of Reorganized SEBC Series K Junior Preferred Stock and SEBC Holdings Senior Preferred Units. Investor will be obligated to purchase not less than an aggregate $6,500,000 face amount of SEBC Holdings Senior Preferred Units and Reorganized SEBC Series K Junior Preferred Stock in lieu of the issuance of such Units and/or Stock, such that creditors shall each receive (x) a Pro Rata share of $6,500,000 in Cash and (y) a Pro Rata share of an aggregate of $4,000,000[7] face amount SEBC Series K Junior Preferred Stock and/or SEBC Holdings Senior Preferred Units, provided, however, that only Qualified Creditors shall be eligible to receive, acquire, or hold Reorganized SEBC Series K Junior Preferred Stock and provided further, however, that the Disbursing Agent shall not distribute shares of Reorganized SEBC Series K Junior Preferred Stock to more than 250 holders of record for purposes of the registration and periodic reporting obligations of the Securities Exchange Act of 1934, as amended (the "Exchange Act");[8] and

(c) $18.7 million SEBC Holdings Junior Preferred Units.

As set forth in more detail throughout this Disclosure Statement and in particular in Section VI.G.7(b) and (d), the actual value of SEBC Holdings Senior Preferred Units and Reorganized SEBC Series K Junior Preferred Units issued to creditors under the Plan is subject to adjustment, and will be calculated two Business Days before the Closing Date, for (i) the five-year swap rate, (ii) the credit spread for the Investment Vehicle Senior Securities relative to LIBOR, (iii) occurrence of the Closing Date earlier than April 30, 2009, (iv) federal and state taxes and (v) fees and expenses directly attributable to the Transaction. Such calculations and adjustments shall be mutually acceptable to Investor and the Trustee.

Moreover, the amount of Distributed Cash to be distributed to creditors will depend on the total amount of Indenture Trustee Fees and Expenses and Administrative Expenses Allowed by the Bankruptcy Court. As set forth in detail in Section VI.C.1(b) and (e) of this Disclosure Statement, the Trustee estimates that the total amount of Indenture Trustee Fees and Expenses and Allowed Administrative Expenses may range from approximately $5.4 million at the low end to approximately $12.3 million at the high end. The Estate's Cash on hand as of February 4, 2009 was approximately $13.6 million, and as set forth in Section VI.C.1. of this Disclosure Statement, the $300,000 Professional Fee Contribution by Reorganized SEBC will be applied toward payment of Allowed Professional Fee Claims. Accordingly, the amount of Distributed Cash may range from approximately $21.5 million at the high end to less than $14.0 million at the low end.

Attached as Composite Appendix F are the following Summary Distribution Schedules: (i) Summary of Previous Distributions to Bondholders – Percentage of Claims Paid; (ii) Cash and Securities Per $1,000 Claim of Postpetition Interest Claim; (iii) Cash and Securities Per $1,000 of Original Claim (Bondholders Only); (iv) Cash and Securities Per $1,000 Face Value of Bond Claim (Bondholders Only); (v) Cash and Securities Per $1,000 of Original Claim (Non-Bondholders Only); (vi) Cash and Securities Per $1,000 Face Value of Bond Claim (Bondholders Only) (simplified version of (iv) above); and (vii) Cash and Securities Per $1,000 Face Value of Bond Claim (Bondholders Only) applying the Trustee's

[5] Calculated at the rate of 8% under the Global Settlement Order.

[6] *See* note 2, *supra*.

[7] *Id.*

[8] The details for the mechanism by which this purchase and issuance will be consummated will be set forth in the Securities Purchase Agreement, which will be included as part of the Plan Supplement.

hypothetical Global Settlement Order Reallocation Formula discussed in Section VI.C.2(g) of this Disclosure Statement.

4. Preferred Shareholders

All currently outstanding shares of Series A Preferred Stock and Series E Preferred Stock will be converted into SEBC Holdings Junior Preferred Units with a total combined face amount of $540,000.

5. Common Stockholders

All currently outstanding shares of Old SEBC Common Stock Interests will be converted into SEBC Holdings Common Units on a one-for-one basis. Reorganized SEBC will issue 60% of Reorganized SEBC Common Stock to SEBC Holdings, and Investor will purchase the remaining 40% of Reorganized SEBC Common Stock. After giving effect to those transactions, Holders of Old SEBC Common Stock Interests will own 100% of the Common Units of SEBC Holdings, which in turn will retain a total of 60% of Reorganized SEBC Common Stock. SEBC Holdings will own 100% of the equity interest in Real Estate LLC, subject, however to the Real Estate LLC Debt.

6. Reorganized SEBC

$1,625,600,000[9] of the $1,639,000,000[10] total Cash proceeds of the Transaction will be utilized by Reorganized SEBC to acquire an interest in the Investment Vehicle, which will purchase and hold the Investment Vehicle Initial Investments. Reorganized SEBC will also own the Real Estate LLC Debt, which will have a fixed coupon equal to 5% per annum.[11] In addition, the Real Estate LLC Debt will have a participating coupon. The participating coupon will be equal to 10% of all distributions on capital by Real Estate LLC in any year that exceed the 5% fixed coupon. Upon its redemption or the liquidation of Real Estate LLC, the holder of the Real Estate LLC Debt will be entitled to the sum of (a) its remaining unpaid face amount, (b) the 5% fixed coupon that has accrued but is unpaid and (c) 10% of the excess of (1) the cumulative sum, up to such date, of the realized and unrealized value of the total assets of Real Estate LLC, over (2) the sum of $33 million and the cumulative 5% fixed coupon. The Real Estate LLC Debt will not be callable by Real Estate LLC before the 2nd anniversary of the issuance of such debt. If the Real Estate LLC Debt is still outstanding on the 7th anniversary of its issuance (or, if earlier, the redemption of all Reorganized SEBC Senior Preferred Stock), it will be mandatorily convertible into 7-year term preferred equity units of Real Estate LLC, which will have terms that correspond to the terms of the Real Estate LLC Debt. The Real Estate LLC Debt will have such other terms and conditions as will be set forth in the Plan Supplement.

Reorganized SEBC will use the dividends earned on the Investment Vehicle Senior Securities to fund the ongoing operating expenses of Reorganized SEBC and dividends and redemption amounts on the various classes of preferred stock. The dividends on the Investment Vehicle Senior Securities are expected to exceed the dividend payments on the various classes of preferred stock issued by Reorganized SEBC and hence the entity is expected to have an aggregate value (includes dividends earned and residual cash) that will accrue to Holders of Reorganized SEBC Common Stock of $25.9 million for the period to April 30, 2014 (based on and subject to the assumptions set forth in the Projections; there can be no assurance that the results set forth in the Projections will actually be obtained and such results could be more or less depending on actual asset performance and other factors). The $4.5 million[12] in Reorganized SEBC Series K Junior Preferred Stock issued to Investor and/or creditors will rank ahead of Reorganized SEBC Common Stock, and will also benefit from a structural first loss position embedded in the Reorganized SEBC Series J Junior Preferred Stock.

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[9] *See* note 2, *supra*.

[10] *Id.*

[11] *Id.*

[12] *Id.*

7. SEBC Holdings

SEBC Holdings will own 60% of Reorganized SEBC Common Stock together with 100% of the common equity in Real Estate LLC. The common units in SEBC Holdings are projected to have a future value of $9.85 million at April 30, 2014 after servicing all the preferred equity units issued by it and after Real Estate LLC has serviced the Real Estate LLC Debt issued to Reorganized SEBC (based on and subject to the assumptions set forth in the Projections; there can be no assurance that the results set forth in the Projections will actually be obtained and such results could be more or less depending on actual asset performance and other factors). The performance of SEBC Holdings will in part depend on the performance of Reorganized SEBC, and in part on the development, exploitation and realization of value from the Jacksonville Property Subsidiaries.

B. Summary of Treatment of Claims and Interests under the Plan

The table below summarizes the classification and treatment of Claims and Interests under the Plan. All Allowed Claims have already been paid 100% of their Petition Date amounts, plus several payments of Postpetition Interest. The Claim amounts listed below therefore reflect the remaining amount of unpaid Postpetition Interest due to Holders of such Claims.

1. Valuation of SEBC Holdings

Solely for purposes of the Plan, the estimated reorganization value of the total preferred and common equity units of SEBC Holdings is assumed to be $33.5 million, as of an assumed Effective Date of April 30, 2009. The estimated reorganization value is based on a projected value of the real estate assets of $39.3 million at April 30, 2014, including both the excess mitigation credits and the partner receivables but excluding any value for the concurrency credits and the assumptions set forth in the Projections, including the interest rates and implicit discount rates assumed therein. Based on the assumed reorganization value of SEBC Holdings, Structured Capital Solutions, LLC ("SCS"), the Trustee's investment banker, has determined an imputed estimate of the future value for the common equity of SEBC Holdings at April 30, 2014 of $9.85 million.

The foregoing estimate of the reorganization value of SEBC Holdings is based on a number of assumptions, including the Closing of the Transaction and the successful reorganization of SEBC's business and finances in a timely manner, the implementation of Reorganized SEBC's business plan, the achievement of the forecasts reflected in the Projections, market conditions as of November 2008 continuing through the period covered by the Projections, and the Plan becoming effective in accordance with the estimates and other assumptions discussed herein. Accordingly, there can be no assurance that the estimated value of SEBC Holdings will be obtained and the actual value could be materially less or more than the estimates.

2. Valuation of Reorganized SEBC

Solely for purposes of the Plan, the estimated reorganization value of the total preferred stock of Reorganized SEBC is assumed to be $1,633.5 million, as of an assumed Effective Date of April 30, 2009, based upon the various interest rate, implicit discount rates and other assumptions set forth in the Projections.[13] This estimate will change to reflect movements in market rates. Based upon the assumed value of Reorganized SEBC, SCS has determined an imputed estimate of the aggregate value (includes dividends earned and residual cash) of the common equity of Reorganized SEBC of $25.9 million for the period to April 30, 2014.

The foregoing estimate of the reorganization value of Reorganized SEBC is based on a number of assumptions, including the Closing of the Transaction and a successful reorganization of SEBC's business and finances in a timely manner, the implementation of Reorganized SEBC's business plan, the

[13] *Id.*

achievement of the forecasts reflected in the Projections, market conditions as of November 2008 continuing through the period covered by the Projections, and the Plan becoming effective in accordance with the estimates and other assumptions discussed herein. Accordingly, there can be no assurance that the estimated value of Reorganized SEBC will be obtained and the actual value could be materially less or more than the estimates.

3. Projections and Assumptions

The Projections cover the operations of Reorganized SEBC and SEBC Holdings through April 30, 2014. These Projections are based on numerous assumptions, including confirmation and consummation of the Plan in accordance with its terms; realization of the operating strategy of Reorganized SEBC and SEBC Holdings; industry performance; no material adverse changes in applicable legislation or regulations, or the administration thereof, or generally accepted accounting principles ("GAAP"); no material adverse changes in general business and economic conditions; no material adverse changes in competition; adequate financing; the absence of material contingent or unliquidated litigation, indemnity, or other claims; and other matters, many of which will be beyond the control of Reorganized SEBC and SEBC Holdings and some or all of which may not materialize.

To the extent that the assumptions inherent in the Projections are based upon future business decisions and objectives, they are subject to change. In addition, although they are presented with numerical specificity and are based on assumptions considered reasonable by the Trustee, the assumptions and estimates underlying the Projections are subject to significant business, economic, and competitive uncertainties and contingencies, many of which will be beyond the control of Reorganized SEBC and SEBC Holdings. Accordingly, the Projections are only estimates and are necessarily speculative in nature. It can be expected that some or all of the assumptions in the Projections will not be realized and that actual results will vary from the Projections, which variations may be material and are likely to increase over time. In light of the foregoing, readers are cautioned not to place undue reliance on the Projections. The Projections were not prepared in accordance with standards for projections promulgated by the American Institute of Certified Public Accountants (the "AICPA"), based upon financial statements prepared in accordance with GAAP, or with a view to compliance with published guidelines of the SEC regarding projections or forecasts. Rather, the Projections have been developed by the Trustee and his advisors. The Trustee and his advisors considered a number of factors in developing the Projections, including, but not limited to, general economic conditions, market growth forecasts, and fresh start accounting adjustments. A more comprehensive discussion of the assumptions used in the Projections is found in the section entitled Summary of Significant Assumptions Adopted for Purposes of the Projections.

The Projections, financial information, and valuations for SEBC Holdings and Reorganized SEBC have not been audited, reviewed, or compiled by independent public accountants and do not purport to be in accordance with GAAP or any other comprehensive basis of accounting. The projected financial information contained in this Disclosure Statement should not be regarded as a representation or warranty by the Trustee, the Trustee's advisors, or any other Person that the Projections can or will be achieved. Neither MLE nor any of its Affiliates makes any representation or warranty as to, has independently verified or assumes any responsibility for the accuracy, completeness or sufficiency of the Projections.

The valuation assumptions are not a prediction or reflection of post-Confirmation value or trading prices, if any, of the SEBC Holdings Securities or the Reorganized SEBC Securities. Such securities may trade, if at all, at substantially lower or higher prices because of a number of factors, including, but not limited to, those discussed in Section VII herein. The value and trading prices of securities issued under a plan of reorganization are subject to many unforeseeable circumstances and therefore cannot be predicted. It is difficult to obtain accurate pricing for the assets and securities in the current market and economic conditions, and the Projections implicitly assume some normalization of financial markets.

Class Description	Summary of Treatment under Plan

Administrative Claims Estimated Allowed Claims: See Estimated Cash Projections attached as Appendix C	An Administrative Claim is a Claim for payment of an Administrative Expense, and is entitled to priority pursuant to Section 507(a)(1) of the Bankruptcy Code. With respect to each Allowed Administrative Claim, except as otherwise provided for in the Plan, and subject to the requirements of Sections 9.1 through 9.5 of the Plan, on the Effective Date or the date on which such Administrative Claim becomes payable pursuant to any agreement between Reorganized SEBC or the Trustee and the Holder of such Administrative Claim, the Holder of each such Allowed Administrative Claim shall receive from the Estate, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Claim or (ii) such different treatment (on terms no more favorable to the Holder than previously agreed to among the parties) as to which the Trustee or Reorganized SEBC and such Holder shall have agreed in writing. The Professional Fee Contribution shall also be used as a source for, or in reimbursement of, Allowed Professional Fee Claims. Administrative Claims are not classified and are treated as required by the Bankruptcy Code. The Holders of such Claims are not entitled to vote on the Plan.
Class 1, Senior Noteholder Claims Allowed Claims: $3,998,578 in unpaid post-petition interest remaining due.[14]	Class 1 Consists of Senior Noteholder Claims. All principal amounts due and owing with respect to the Senior Notes have been paid in full during the Chapter 7 Case, as a result of which the Holders of Senior Notes are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code. The Holders of the Senior Notes have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan. On the Distribution Date, Holders of Senior Notes shall receive, in full and final satisfaction of their Allowed Class 1 Claims, their Pro Rata share (with Classes 2 and 3) of: (i) Distributed Cash; (ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan, Holders of Senior Notes will ultimately receive from the Mixed Securities Distribution their Pro Rata share of $6.5 million in Cash and $4 million in securities, subject to adjustment as set forth in Section 5.6(e) of the Plan); and (iii) $18.7 million SEBC Holdings Junior Preferred Units. All of the foregoing consideration shall be reallocated among Holders of Senior Notes and Subordinated Notes in accordance with the provisions of the Global Settlement Order or such further order as may be entered by the Bankruptcy Court. In the event that the terms of the reallocation are not finalized by the Effective Date, the Effective Date may nevertheless occur and distributions may be made to the Holders of Allowed Class 1 Claims. Notwithstanding the foregoing, as additional consideration to the Holders of the Senior Notes, the Debtor or Reorganized SEBC shall pay, on or as soon as practicable after the Effective Date, in full in Cash, all of the Senior Indenture Trustee's reasonable Indenture Trustee Fees and Expenses incurred since July 31, 2002 (as provided in the Global Settlement Order), without application to or approval of the Bankruptcy Court and without a reduction to the recoveries of the Holders of the Senior Notes. In addition to the foregoing, nothing contained herein shall operate to preclude the Senior Indenture Trustee from distributing to the Holders of the Senior Notes any amounts withheld by the Senior Indenture Trustee from any

[14] Amount calculated at the 8% Postpetition Interest rate pursuant to the Global Settlement Order, after effectuating the reallocation of Postpetition Interest payments made previously under the Global Settlement Order.

	Interim Distribution as a reserve for Indenture Trustee Fees and Expenses in excess of the actual Indenture Trustee Fees and Expenses incurred. Class 1 Claims are Unimpaired. The Holders of such Claims are, therefore, not entitled to vote on the Plan.
Class 2, Subordinated Noteholder Claims Allowed Claims: $113,336,542 in unpaid post-petition interest remaining due.[15]	Class 2 Consists of Subordinated Noteholder Claims. All principal amounts due and owing with respect to the Subordinated Notes have been paid in full during the Chapter 7 Case, as a result of which the Holders of Subordinated Notes are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code. The Holders of the Subordinated Notes have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan. On the Distribution Date, Holders of Subordinated Notes shall receive, in full and final satisfaction of their Allowed Class 2 Claims, their Pro Rata Share (with Classes 1 and 3) of: (i) Distributed Cash; (ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan, Holders of Subordinated Notes will ultimately receive from the Mixed Securities Distribution their Pro Rata share of $6.5 million in Cash and $4 million in securities, subject to adjustment as set forth in Section 5.6(e) of the Plan); and (iii) $18.7 million SEBC Holdings Junior Preferred Units. All of the foregoing consideration shall be reallocated among Holders of Senior Notes and Subordinated Notes in accordance with the provisions of the Global Settlement Order or such further order as may be entered by the Bankruptcy Court. In the event that the terms of the reallocation are not finalized by the Effective Date, the Effective Date may nevertheless occur and distributions may be made to the Holders of Allowed Class 2 Claims. Notwithstanding the foregoing, as additional consideration to the Holders of the Subordinated Notes, the Debtor or Reorganized SEBC shall pay, on or as soon as practicable after the Effective Date, in full in Cash, all of the Subordinated Indenture Trustees' reasonable Indenture Trustee Fees and Expenses incurred since July 31, 2002 (as provided in the Global Settlement Order), without application to or approval of the Bankruptcy Court and without a reduction to the recoveries of the Holders of the Subordinated Notes. In addition to the foregoing, nothing contained herein shall operate to preclude the Subordinated Indenture Trustees from distributing to the Holders of the Subordinated Notes any amounts withheld by the Subordinated Indenture Trustees from any Interim Distribution as a reserve for Indenture Trustee Fees and Expenses in excess of the actual Indenture Trustee Fees and Expenses incurred. Class 2 Claims are Unimpaired. The Holders of such Claims are, therefore,

[15] *Id.*

	not entitled to vote on the Plan.
Class 3, General Unsecured Creditor Claims Allowed Claims: $5,027,150 in unpaid post-petition interest remaining due.[16]	Class 3 Consists of General Unsecured Creditor Claims. All principal amounts due and owing with respect to General Unsecured Claims have been paid in full during the Chapter 7 Case, as a result of which the Holders of General Unsecured Claims are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code. The Holders of the General Unsecured Claims have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan. On the Distribution Date, Holders of Allowed Class 3 Claims shall receive, in full and final satisfaction of their Allowed Class 3 Claims, their Pro Rata Share (with Classes 1 and 2) of: (i) Distributed Cash; (ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan, Holders of Allowed Class 3 Claims will ultimately receive from the Mixed Securities Distribution their Pro Rata share of $6.5 million in Cash and $4 million in securities, subject to adjustment as set forth in Section 5.6(e) of the Plan); and (iii) $18.7 million SEBC Holdings Junior Preferred Units. Class 3 Claims are Unimpaired. The Holders of such Claims are, therefore, not entitled to vote on the Plan.
Class 4, Series A Preferred Stock Interests Allowed Interests: 600,000 shares	Class 4 Interests consist of the Series A Preferred Stock Interests. On the Distribution Date, in full and final satisfaction of all Allowed Class 4 Interests, all shares of Series A Preferred Stock shall be converted into an aggregate of 300,000 units ($300,000 aggregate face amount) of SEBC Holdings Junior Preferred Units (the “Series A Exchange”). Effective upon the Series A Exchange, each certificate theretofore representing shares of Series A Preferred Stock (a “Series A Certificate”) shall no longer represent any interest in the capital stock of SEBC, and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Junior Preferred Units into which the Series A Preferred Stock Interests previously represented by the Series A Certificate shall have been converted. Class 4 Claims are Impaired. The Holders of such Interests are, therefore, entitled to vote on the Plan.
Class 5, Series E Preferred Stock Interests Allowed Interests: 240,000 shares	Class 5 Interests consist of the Series E Preferred Stock Interests. On the Distribution Date, in full and final satisfaction of all Allowed Class 5 Interests, all shares of Series E Preferred Stock shall be converted into an aggregate of 240,000 units ($240,000 aggregate face amount) of SEBC Holdings Junior Preferred Units (the “Series E Exchange”). Effective upon the Series E Exchange, each certificate theretofore representing shares of Series E Preferred Stock (a “Series E Certificate”) shall no longer represent any interest in the capital stock of SEBC, and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Junior Preferred Units into which the Series E Preferred Stock Interests previously represented by the Series E Certificate shall have been converted. Class 5 Claims are Impaired. The Holders of such Interests are, therefore,

[16] *Id.*

	entitled to vote on the Plan.
Class 6, SEBC Common Stock Interests Estimated Allowed Interests: 34,719,601 shares	Class 6 Interests consist of Old SEBC Common Stock Interests. On the Distribution Date, in full and final satisfaction of all Allowed Class 6 Interests, each of the shares of Old SEBC Common Stock Interests shall be converted into one (1) unit of SEBC Holdings Common Units (the "Common Stock Conversion"). Following the Common Stock Conversion, Holders of Allowed Class 6 Interests shall hold, in the aggregate, 100% of the SEBC Holdings Common Units. Effective upon the Common Stock Conversion, each Old SEBC Common Stock Certificate shall no longer represent any interest in the capital stock of SEBC and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Common Units into which the Old SEBC Common Stock Interests previously represented by the Old SEBC Common Stock Certificate shall have been converted. Class 6 Claims are Impaired by the Plan, and, pursuant to the Solicitation Order, are deemed to have rejected the Plan, and therefore are not entitled to vote on the Plan.

As of the Petition Date, 34,719,601 shares of Old SEBC Common Stock Interests were issued and outstanding. To the best of the Trustee's knowledge, however, the most recent listing of Holders of Old SEBC Common Stock Interests is a Depository Trust Company list containing the names of financial institutions and brokerage firms which hold Old SEBC Common Stock Interests in street name, accounting for only approximately 12.4 million of the more than 34 million shares issued and outstanding as of the Petition Date. Accordingly, Section VI.D.12(b) of the Disclosure Statement describes in detail the mechanism set forth in Section 6.7(b) of the Plan for Holders of Old SEBC Common Stock Interests to establish their Allowed Interests.

C. Post-Effective Date Structure

After the Effective Date, Reorganized SEBC Common Stock will be owned 60% by SEBC Holdings and 40% by Investor. Reorganized SEBC will own the Investment Vehicle Senior Securities and the Real Estate LLC Debt. SEBC Holdings will control Real Estate LLC, which will own the Jacksonville Property. A diagram of the post-Effective Date structure is attached as Appendix D to this Disclosure Statement.

THE TRUSTEE BELIEVES THAT THE PLAN PROVIDES THE BEST RECOVERIES POSSIBLE FOR HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR, AND THUS STRONGLY RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN.

III. PLAN VOTING INSTRUCTIONS AND PROCEDURES

A. Notice to Holders of Claims and Interests

Approval by the Bankruptcy Court of this Disclosure Statement means that the Bankruptcy Court has found that this Disclosure Statement contains information of a kind and in sufficient and adequate detail to enable Holders of Claims and Interests to make an informed judgment about whether to accept or reject the Plan. THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE EITHER A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR THEREIN OR AN ENDORSEMENT OF THE PLAN BY THE BANKRUPTCY COURT.

IF THE PLAN IS APPROVED BY THE REQUISITE VOTE OF HOLDERS OF INTERESTS ENTITLED TO VOTE AND IS SUBSEQUENTLY CONFIRMED BY THE BANKRUPTCY COURT, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTOR, WHETHER OR NOT THEY WERE ENTITLED TO VOTE OR DID VOTE ON THE PLAN AND WHETHER OR NOT THEY RECEIVE OR RETAIN ANY DISTRIBUTIONS OR PROPERTY UNDER THE PLAN. THUS ALL HOLDERS OF INTERESTS IN THE DEBTOR ENTITLED TO VOTE ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND ITS APPENDICES, SUPPLEMENTS AND EXHIBITS CAREFULLY AND IN THEIR ENTIRETY BEFORE DECIDING TO VOTE EITHER TO ACCEPT OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT AND THE PLAN ARE THE ONLY DOCUMENTS AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN. No solicitation of votes may be made except after distribution of this Disclosure Statement, and no Person has been authorized to distribute any information concerning the Debtor other than the information contained herein or therein. No such information should be relied upon in making a determination to vote to accept or reject the Plan.

B. Voting Rights

Pursuant to the provisions of the Bankruptcy Code, only Holders of Claims and Interests in Classes that are (a) treated as "impaired" by a plan of reorganization and (b) entitled to receive a distribution under such plan are entitled to vote on the plan. Under the Plan, Holders of Claims in Classes 1, 2A, 2B, 2C, 2D, 2E, and 3 are all Unimpaired under former Section 1124(3) of the Bankruptcy Code, and as such, are not entitled to vote on the Plan. Holders of Class 4 and 5 Interests are Impaired and therefore are entitled to vote on the Plan. Holders of Class 6 Interests will be deemed, pursuant to the Solicitation Order, to have rejected the Plan, and therefore their votes will not be solicited with respect to the Plan.

Because Class 6 is deemed to have rejected the Plan (and to the extent that any other Impaired Class rejects the Plan), the Trustee shall request Confirmation of the Plan, as it may be modified from time to time, by way of Cramdown. Likewise, in the event any party in interest may seek to object to Confirmation of the Plan based on any alleged inadequacy of the number of ballots cast to accept or reject for any Class of Interests, or the procedure by which ballots were solicited, the Trustee shall request Confirmation of the Plan, as it may be modified from time to time, by way of Cramdown. The Trustee reserves the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any exhibit, including to amend or modify it to satisfy the requirements of Section 1129(b) of the Bankruptcy Code, if necessary.

C. Solicitation Materials

The Trustee will send to all known Holders of Claims and Interests, at their last known addresses, copies of (a) the Disclosure Statement and Plan; (b) the notice of, among other things, (i) the date, time, and place of the hearing to consider confirmation of the Plan and related matters and (ii) the deadline for filing objections to confirmation of the Plan (the "Confirmation Hearing Notice"); (c) with respect to Holders of Class 4 and 5 interests only, one or more ballots (and return envelopes) to be used in voting to accept or to reject the Plan; (d) with respect to Noteholders and Holders of Allowed Class 3 Claims only, Creditor Questionnaires, and (e) other materials as authorized by the Bankruptcy Court. In addition, the Disclosure Statement, Plan, the Confirmation Hearing Notice, Creditor Questionnaire, and other materials as authorized by the Bankruptcy Court will be posted on the www.sebcglobalsettlement.com website. The Confirmation Hearing Notice will also be published one time in each of The Wall Street Journal (national edition), The Wall Street Journal (international edition), The New York Times, The Miami Herald, The Tampa Tribune, The St. Petersburg Times, The Orlando Sentinel, The Florida Times Union, The Charlotte Observer, The Los Angeles Times, Investors Business Daily, London Financial Times, the Luxembourg Wort, and on the PR Newswire service.

If you are the Holder of an Interest who is entitled to vote, but you did not receive a ballot, or if your ballot is damaged or illegible, or if you have any questions concerning voting procedures, you may contact the following:

Karina Dominguez
Greenberg Traurig, P.A.
1221 Brickell Avenue
Miami, FL 33131
Telephone (305) 579-7743
Facsimile (305) 579-0717
Email: dominguezk@gtlaw.com

D. Voting Procedures, Ballots, and Voting Deadline for Holders of Class 4 and 5 Interests

After carefully reviewing the Plan, this Disclosure Statement, and the detailed instructions accompanying your ballot, you are asked to indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the accompanying ballot. You should complete and sign your original ballot sent to you with this Disclosure Statement (copies will not be accepted) and return it as instructed in the envelope provided.

IN ORDER FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AS SET FORTH ABOVE AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN FEBRUARY 27, 2009 (THE "VOTING DEADLINE") BY THE FOLLOWING:

SOUTHEAST BANKING CORPORATION
c/o Jeffrey H. Beck, Chapter 11 Trustee
J Beck & Associates, Inc.
595 S. Federal Highway, Suite 600
Boca Raton, Florida 33432

UNLESS OTHERWISE PROVIDED IN THE INSTRUCTIONS ACCOMPANYING THE BALLOTS, FAXED BALLOTS WILL NOT BE ACCEPTED. BALLOTS THAT ARE RECEIVED BUT NOT SIGNED WILL NOT BE COUNTED. BALLOTS THAT ARE SIGNED BUT DO NOT SPECIFY WHETHER THE HOLDER ACCEPTS OR REJECTS THE PLAN WILL BE COUNTED AS AN ACCEPTANCE. DO NOT RETURN ANY STOCK CERTIFICATES OR OTHER EVIDENCES OF YOUR INTERESTS WITH YOUR BALLOT.

If you have any questions about the procedure for voting your Interest or the packet of materials that you have received, or if you wish to obtain, at your own expense unless otherwise specifically required by Bankruptcy Rule 3017(d), an additional copy of the Plan, this Disclosure Statement, or any appendices or exhibits to such documents, please contact:

Karina Dominguez
Greenberg Traurig, P.A.
1221 Brickell Avenue
Miami, FL 33131
Telephone (305) 579-7743
Facsimile (305) 579-0717
Email: dominguezk@gtlaw.com

For further information and general instructions on voting to accept or reject the Plan, see Section XII of this Disclosure Statement and the instructions accompanying your ballot.

THE TRUSTEE URGES ALL HOLDERS OF INTERESTS ENTITLED TO VOTE TO EXERCISE THEIR RIGHT BY COMPLETING THEIR BALLOTS AND RETURNING THEM BY THE VOTING DEADLINE.

E. Confirmation Hearing and Deadline for Objections to Confirmation

Pursuant to Section 1128 of the Bankruptcy Code and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled a Confirmation Hearing for March 9, 2009, at 9:30 a.m. prevailing Eastern Time. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequently adjourned Confirmation Hearing. Objections to Confirmation of the Plan must be made in writing and must specify in detail the name and address of the objector, all grounds for the objection, and the amount and Class of the Claim or Interest. Any such objection must be filed with the Bankruptcy Court on or before February 27, 2009. Objections to Confirmation of the Plan are governed by Bankruptcy Rule 9014.

IV. GENERAL INFORMATION CONCERNING THE DEBTOR

SEBC was the holding company of Southeast Bank, N.A. ("SEBNA") and its sister institution, Southeast Bank of West Florida ("SEBWF," together with SEBNA, the "Banks"), and the direct or indirect parent of a number of subsidiary corporations and affiliates, active and inactive, which at various times conducted substantial business throughout the State of Florida and beyond. The businesses of SEBC and its affiliates consisted of banking, real estate investment and development, insurance, mortgage banking, venture capital, and asset investment.

A. The Debtor's Historic Operations

SEBC was a bank holding company based in Miami, Florida. At the time of their failure the Banks had total assets of $10.5 billion and total deposits of $7.6 billion. Most of the assets were with SEBNA, which had 218 of the combined 224 branches and all but $100 million of the assets. Together, the two banks had approximately 6,200 employees, operating exclusively in Florida.

SEBC began as the First National Bank of Miami, which was founded on December 1, 1902 and became the largest bank in Florida by 1946. It was one of only two banks in Florida to survive the Great Depression of the 1930s. The bank changed its name to Southeast Bank in 1969, and throughout the 1960s and 1970s was the largest bank in Florida. Southeast Bank enjoyed a sterling reputation both in the community and in banking circles generally, and was occasionally referred to as "the Morgan of the South."

Although some regional economic problems began to weaken SEBNA in the early 1980s, it remained highly regarded in the Florida banking industry. In 1982, a hostile shareholder attempt to take control of the bank was rebuffed at a cost of $148 million. One year later, SEBNA ceded its position as the largest bank in Florida to Barnett Banks, Inc. ("Barnett"), and in succeeding years the SEBC board of directors rebuffed a series of merger overtures from Barnett while the economic franchise of Southeast Bank began what proved to be a steady decline.

In 1987, SEBNA lost $87 million on loans to lesser developed countries. In 1988 SEBNA bought First Federal Savings and Loan of Jacksonville, Florida, an acquisition that turned out to be unprofitable. Also during 1988, SEBNA began losing its deposit base to competitors. By June 30, 1990, it had fewer offices in Florida (246) than either First Union National Bank of Florida ("First Union") (390) or SunTrust Bank ("SunTrust") (369), and far fewer than Barnett (548). Although Florida's banking market was driven by consumer accounts and its economy was powered by small businesses, SEBNA was perceived in the corporate community as a bank that preferred to do business with large companies. SEBNA had developed a large Latin American private banking business, and the number of its uninsured deposits

was high for a bank of its size, making up almost 13 percent of all deposits at the end of 1990 and about $760 million, or 10 percent of all deposits, at the time of failure.

Between July 1990 and January 1991, SEBNA replaced its president and entered into a formal agreement with the Office of the Comptroller of the Currency ("OCC"), in which it agreed, among other things, to improve its real estate lending and credit administration procedures. The bank failed to comply with parts of the enforcement action, however, and continued to experience substantial losses, reporting a $172 million loss in 1990. SEBNA also experienced significant problems as a result of concentrated lending in commercial real estate, and weak underwriting and credit administration practices. As of August 31, 1991, real estate loans at SEBNA totaled $3.5 billion, or 45 percent of the bank's total loan and lease portfolio, and nonperforming assets equaled 10 percent of loans.

SEBNA reported a loss of $116.6 million for the first quarter of 1991 and $139 million for the second quarter of 1991. The announcement of the huge 1991 losses caused more depositors to withdraw their funds, and the bank's liquidity problems worsened. Total deposits declined from $11.2 billion at year-end 1990 to $8 billion at the end of August 1991, falling more than $1 billion in July and August alone. In September 1991, having already begun to borrow from the Federal Reserve's "discount window," SEBNA began to offer above-market-rate certificates of deposit in a further effort to generate liquidity.

SEBNA was by no means the only major banking institution facing financial challenges. Reacting to the well-publicized crisis in the industry that had already caused the number of bank failures to jump dramatically, the Federal Reserve agreed with Congress that it would limit its lending to undercapitalized banks to a period of 60 days out of any 120-day period. Accordingly, SEBNA was unable to obtain funding to meet its daily cash needs.

From June through early September 1991, SEBNA struggled to put together a proposal for open bank assistance from the FDIC. SEBNA officials worked closely with the FDIC in arranging for due diligence by teams from Barnett, First Union, NCNB Corporation, SunTrust, and a private investor group. SEBNA's President Douglas Ebert reported, however, that hopes "really dimmed" when a New York investment firm that could have provided additional capital broke off negotiations on September 13, 1991.

On September 19, 1991, the OCC notified the Federal Reserve that SEBNA was no longer a viable national association, and the Federal Reserve demanded immediate payment of its $568 million loan to SEBNA. With $10.4 billion in assets but inadequate liquidity SEBNA was unable to make payment and was closed by the OCC. On that same date the FDIC asserted its cross-guarantee authority and assessed SEBWF $143 million, the estimated cost of the FDIC's then-projected loss on SEBNA. With only $92.3 million in assets SEBWF was unable to fund this assessment, and thereupon was closed by the Florida Department of Banking and Finance (today known as of the Florida Office of Financial Regulation). At the time of its closing, SEBNA had approximately $409 million in equity capital and $430 million in loan loss reserves.

Barnett, First Union, and SunTrust all submitted bids for the two failed banks, and the bid from First Union was determined to be the least costly to the Bank Insurance Fund ("BIF"). The FDIC Board of Directors approved two purchase and assumption transactions with First Union, which paid a premium of $81 million to take over the failed banks' franchises. All depositors were protected because the FDIC determined that transferring all deposits to First Union resulted in the lowest cost transaction for the BIF. The transaction made First Union the second largest banking institution in Florida behind Barnett, and the 16th largest banking company in the United States.

On September 20, 1991, one day after the regulatory intervention of SEBNA and SEBWF, SEBC filed a voluntary petition under Chapter 7 of the Bankruptcy Code. On September 24, 1991, Jules I. Bagdan was appointed as Interim Chapter 7 Trustee.

B. Debtor's Capital Structure

Before the Petition Date, the Debtor was a party to the Senior Indenture, the 1972 Indenture, the 1984 Indenture, the 1985 Indenture, the 1987 Indenture, and the 1989 Indenture, in the total original principal amount of $349,456,945. In addition to the amounts due under the Notes, the Debtor was also indebted to other Holders of General Unsecured Claims in the total principal amount of $10,062,375 as of the Petition Date. There were no secured claims as of the Petition Date.

As noted above, all Allowed Claims have already been paid in full 100% of their Petition Date amounts, plus several payments of Postpetition Interest. Taking into account all prior payments of Postpetition Interest as reallocated under the Global Settlement Order, and applying the 8% Legal Rate of interest set forth in the Global Settlement Order, as of the Conversion Date, the total amount of indebtedness due on account of Postpetition Interest under the Senior Indenture is $3,998,578; the total amount of indebtedness due on account of Postpetition Interest under the Subordinated Indentures is $113,336,542, and the total amount of indebtedness due on account of Postpetition Interest to Holders of General Unsecured claims is $5,027,150.

1. The Senior Indenture

The Senior Indenture, dated as of March 1, 1983, between the Debtor and Manufacturers Hanover Trust Co., as Trustee, is for $57,250,000.00 in original principal amount of 11 1/4% Senior Notes due 1993. As of the Petition Date, the total amount of indebtedness claimed due under the Senior Indenture was $60,031,775. Through a series of Interim Distributions and implementation of the Global Settlement Order (defined below), the entire amount of pre-petition indebtedness due under the Senior Indenture has been paid in full, plus post-petition interest in the amount of $7,503,148. As of the Conversion Date, the remaining post-petition interest due under the Senior Indenture was $3,998,577.69.

2. The 1972 Indenture

The 1972 Indenture, dated as of October 15, 1972, between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, is for $35 million in original principal amount of 4 3/4% Convertible Subordinated Debentures due 1997. As of the Petition Date, the total amount of indebtedness claimed due under the 1972 Indenture was $12,334,529.00. Through a series of Interim Distributions and implementation of the Global Settlement Order, the entire amount of pre-petition indebtedness due under the 1972 Indenture has been paid in full, plus post-petition interest in the amount of $1,650,760.53. As of the Conversion Date, the remaining post-petition interest due under the 1972 Indenture was $4,832,828.51.

3. The 1984 Indenture

The 1984 Indenture, dated as of December 1, 1984, between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, is for $75 million in original principal amount of Floating Rate Subordinated Notes due 1996. As of the Petition Date, the total amount of indebtedness claimed due under the 1984 Indenture was $45,609,909.73. Through a series of Interim Distributions and implementation of the Global Settlement Order, the entire amount of pre-petition indebtedness due under the 1984 Indenture has been paid in full, plus post-petition interest in the amount of $6,104,377.41. As of the Conversion Date, the remaining post-petition interest due under the 1984 Indenture was $17,871,404.48.

4. The 1985 Indenture

The 1985 Indenture, dated as of November 1, 1985 between the Debtor and Morgan Guaranty Trust Co. of New York, as Trustee, is for $75 million in original principal amount of Floating Rate Subordinated Capital Notes due 1997. As of the Petition Date, the total amount of indebtedness claimed due under the 1985 Indenture was $76,759,981.25 Through a series of Interim Distributions and

implementation of the Global Settlement Order, the entire amount of pre-petition indebtedness due under the 1985 Indenture has been paid in full, plus post-petition interest in the amount of $10,273,466.86. As of the Conversion Date, the remaining post-petition interest due under the 1985 Indenture was $30,076,987.22.

5. The 1987 Indenture

The 1987 Indenture, dated as of April 1, 1987 between the Debtor and Morgan Guaranty Trust Company of New York, is for $50 million in original principal amount of 6½% Subordinated Capital Notes Due 1999. As of the Petition Date, the total amount of indebtedness claimed due under the 1987 Indenture was $50,049,865.14. Through a series of Interim Distributions and implementation of the Global Settlement Order, the entire amount of pre-petition indebtedness due under the 1987 Indenture has been paid in full, plus post-petition interest in the amount of $6,698,615.89. As of the Conversion Date, the remaining post-petition interest due under the 1987 Indenture was $19,611,119.37.

6. The 1989 Indenture

The 1989 Indenture, dated as of March 15, 1989 between the Debtor and Irving Trust Co., as Trustee, is for $100,000,000 in original principal amount of 10 1/2% Subordinated Notes due 2001. As of the Petition Date, the total amount of indebtedness claimed due under the 1989 Indenture was $104,670,884.92 Through a series of Interim Distributions and implementation of the Global Settlement Order, the entire amount of pre-petition indebtedness due under the 1989 Indenture has been paid in full, plus post-petition interest in the amount of $13,985,406.90. As of the Conversion Date, the remaining post-petition interest due under the 1989 Indenture was $40,944,202.28.

7. Other General Unsecured Claims

In addition to the indebtedness due under the various Indentures, the Debtor also had pre-petition indebtedness to Holders of other General Unsecured Claims, including claims of trade creditors and employees. Certain other general unsecured creditors formerly filed or held large claims against the Estate, but have waived or released their right to post-petition interest in connection with the settlement of claim objections (specifically, the following non-Noteholder unsecured creditors have waived their right to receive post-petition interest: John P. Bullard, Claim No. 903 ($496,502.00 principal claim); Douglas E. Ebert, Claim No. 525 ($596,720.69 principal claim); and Scott Holman, Claim No. 897 ($71.68 principal claim)). As of the Conversion Date, the remaining post-petition interest due with respect to those General Unsecured Claims entitled to Postpetition Interest was $5,027,149.99.

8. Preferred Stock

As of the Petition Date, the Debtor had two outstanding issues of Preferred Stock – Series A Preferred Stock and Series E Preferred Stock.

(a) The Series A Preferred Stock

The Series A Preferred Stock consists of 600,000 authorized shares of Adjustable Rate Cumulative Preferred Stock, Series A, with a stated value of $50 per share authorized and issued by the Debtor on April 20, 1987. The Series A Preferred Stock is nonvoting except in the event of default in payment of dividends, has no conversion rights, and has a liquidation preference of $50 per share plus accumulated and unpaid dividends. To the best of the Trustee's knowledge as of the date of this Disclosure Statement, all of the issued and outstanding shares of SEBC Series A Preferred Stock are held entirely by Atlantic Investment Company, an affiliate of Norfolk Southern Corporation.

(b) The Series E Preferred Stock

The Series E Preferred Stock consists of 240,000 authorized shares of 8.75% Cumulative Convertible Preferred Stock, Series E, with a stated value of $100 per share authorized and issued by the Debtor on May 26, 1989. The Series E Preferred Stock is nonvoting except in the event of default in payment of dividends and has a liquidation preference of $100 per share plus accumulated and unpaid dividends. Although the Series E Preferred Stock had originally been convertible into 3.125 shares of Common Stock per share of Series E Preferred Stock, those conversion rights were never exercised and have since lapsed. The Series E Preferred Stock was originally issued to American Pioneer Savings Bank ("American Pioneer") in December of 1989, with certain debt securities, in connection with the acquisition of several bank branches by SEBNA. American Pioneer was subsequently placed into receivership of the Resolution Trust Corporation. As of the date of this Disclosure Statement, to the best of the Trustee's knowledge, all of the issued and outstanding shares of SEBC Series E Preferred Stock are now held entirely by the FDIC, in its corporate capacity.

9. Common Stock

As of the Petition Date, SEBC had authorized 80,000,000 shares of Common Stock, with 34,719,601 shares issued and outstanding. There were also 7,424,989 authorized but unissued shares reserved for issuance upon the exercise of stock options, conversion of preferred stock and convertible debt instruments, or under dividend reinvestment and employee benefit plans.

Any information that the Trustee has with respect to the identity of Holders of Old SEBC Common Stock Interests, however, is long-outdated and incomplete due to changes in address and circumstances over the many years since the list was compiled. To the best of the Trustee's knowledge, the most recent listing of Holders of Old SEBC Common Stock Interests is a Depository Trust Company list containing the names of financial institutions and brokerage firms which hold Old SEBC Common Stock Interests in street name, accounting for only approximately 12.4 million of the more than 34 million shares issued and outstanding as of the Petition Date. In light of this outdated and incomplete information with respect to Holders of Old SEBC Common Stock Interests, the Trustee requested the appointment of a Legal Representative for Holders of Old SEBC Common Stock Interests, as discussed in detail in Section V.B.2. of this Disclosure Statement. Section 6.7(b) of the Plan discusses in detail the mechanism for establishing the validity of Old SEBC Common Stock Interests and for redeeming Old SEBC Common Stock Certificates for new certificates representing the number of SEBC Holdings Common Units to which the Old SEBC Common Stock Interests previously represented by the Old SEBC Common Stock Certificate shall have been converted pursuant to Section 3.4 of the Plan.

V. THE BANKRUPTCY CASE

This Bankruptcy Case, until its conversion to Chapter 11 on September 17, 2007, was the largest Chapter 7 liquidation in the history of this District. As noted above, the Chapter 7 Case arose out of the "early intervention" and regulatory seizure by federal regulators of SEBC's principal banking subsidiary, SEBNA, and the related intervention and seizure by state regulators of SEBWF, on September 19, 1991, and the appointment of the FDIC as their Receiver. On the following day, September 20, 1991, SEBC's board of directors voted to authorize the filing of a voluntary Chapter 7 petition, and then promptly resigned along with all of SEBC's officers.

It is indeed rare, if not unprecedented, for a Chapter 7 case to be converted to a case under Chapter 11 almost sixteen years after its initial filing. The unique circumstances of this case require a lengthy explanation of the significant events in the Chapter 7 Case, which follows in this Section of the Disclosure Statement.

A. The Chapter 7 Case

1. The Trustees, Professionals, and the Ad Hoc Committee

(a) The Trustees

Jules I. Bagdan was appointed Interim Trustee on September 24, 1991, and served until his resignation was accepted by the United States Trustee on April 10, 1992. Upon acceptance of Mr. Bagdan's resignation, the U.S. Trustee appointed James S. Feltman as Interim Trustee. Mr. Feltman served as Interim Trustee until William A. Brandt, Jr. was elected as Trustee at the reconvened meeting of creditors on April 14, 1992.

Mr. Brandt served as Trustee until his resignation on April 1, 1998, at which time Jeffrey H. Beck was appointed as the fourth Trustee in the case. Mr. Beck also served as the duly qualified and appointed Successor Agent to the FDIC for the SEBNA Receivership until he was discharged from that role on October 31, 2008 by the United States District Court for the Southern District of Florida (the "District Court") in Case No. 08-22286-CIV-Cooke (discussed in Section V.A.3(c) of this Disclosure Statement).

(b) Retention of Professionals

(i) Debtor's Counsel

Upon filing its Chapter 7 petition, the Debtor was represented by Herbert Stettin, Esq., who was retained for the limited purpose of filing the Chapter 7 petition and schedules, appearing at the Bankruptcy Code Section 341 meeting of creditors, and providing limited information to the Trustee and his counsel.

(ii) Trustee's Attorneys

Interim Trustee Bagdan retained Greenberg Traurig, P.A. (then Greenberg, Traurig, Hoffman, Lipoff, Rosen & Quentel, P.A.) ("Greenberg Traurig") as his general counsel in September 1991. Greenberg Traurig continued to represent each successive Trustee as general counsel, including Trustees Feltman, Brandt, and Beck. The Trustees also retained various professionals over the course of the Chapter 7 Case, including special counsel, special litigation and appellate counsel, and litigation consultants.[17]

McDermott Will & Emery was retained as special ERISA counsel in March 1992 by Trustee Brandt in order to provide legal advice with respect to the Trustee's powers, duties and responsibilities under the Employee Retirement Income Security Act of 1974 ("ERISA") and other applicable law relating to employee benefits, and has continued to serve as special ERISA counsel to Trustee Beck in both the Chapter 7 and 11 phases of this case in connection with these issues, including the winding up of the Debtor's pension and other employee benefit and welfare plans.

Smith Hulsey & Busey ("Smith Hulsey") was retained as special counsel to the Trustee in December 2002 in connection with the sale of that certain property located in Jacksonville, Florida. Through its non-debtor subsidiaries, Southwest Properties, Inc., SWQ Holding, Inc. and Southwest Quadrant Joint Venture, the Estate retains an interest in vacant land located at the Southwest Quadrant of J. Turner Butler Boulevard and Southside Boulevard (the "Southwest Quadrant Property"). Smith

[17] Certain of these professionals, including Greenberg Traurig, McDermott Will & Emery, Smith Hulsey, and Kapila, have been retained by the Trustee in the Chapter 11 phase of the case pursuant to a series of orders entered since the conversion to Chapter 11 in September of 2007, to advise the Trustee in connection with issues relating to confirmation and implementation of the Plan.

Hulsey continues to serve as special counsel during the Chapter 11 phase of this case in connection with the sale of the Southwest Quadrant Property.

(iii) Trustee's Accountants

The Trustees also retained accountants and financial advisors over the course of the Chapter 7 Case. In April of 1998 Trustee Beck retained Kapila & Company ("Kapila") as accountants and financial advisors, to provide forensic and general accounting services, financial analyses, and assist in compliance with reporting requirements. Kapila was also retained for the Chapter 11 phase of the case, and continues to provide necessary financial consulting, accounting and tax services associated with preparation of the Plan and this Disclosure Statement.

(iv) Fee Auditor

Warren H. Smith was retained as Fee Auditor in March 2000, to conduct a comprehensive review and analysis of all interim and final fee applications filed by professionals retained by the Trustee, and all billing statements submitted by professionals providing services to non-debtor subsidiaries. During the course of his analyses, Mr. Smith reviews the reasonableness of the fees and expenses requested, and makes recommendations to the Bankruptcy Court with respect to the allowance, award and payment of amounts sought. Mr. Smith continues to serve as fee auditor in the Chapter 11 phase of the case.

(v) Trustee's Investment Banker

Most recently, the Trustee retained an investment banker, SCS, to determine whether it may be possible to enter into a business transaction with an investor willing to invest new equity which, if accomplished, would facilitate the reorganization of SEBC to engage in some of the financial service industry activities (not including banking) in which SEBC and its affiliates historically participated. The accomplishment of this objective would create additional value for creditors and shareholders not available in Chapter 7. SCS holds considerable experience in transactions of this type, and as a direct result of SCS's retention, this case was converted to Chapter 11 and the Trustee has been able to propose the Plan as a means for implementation of the Transaction by Investor. The terms of SCS's compensation are set forth in detail in Sections V.A.5, VI.C.1(c), and VI.G.11 herein.

(vi) Chapter 7 Professional Fee Claims

Numerous professionals and trustees sought and were paid Chapter 7 administrative fees and expenses as shown in detail in Appendix G. Professionals and trustees sought a total of $77,568,295.24 and $6,865,927.29 Chapter 7 fees and expenses, respectively. Of these amounts, from inception of this case through fee period January 2009 and award date December 17, 2008, professionals and trustees were paid a total of $61,223,036.86 and $4,778,149.48 Chapter 7 fees and expenses, respectively.

Certain professionals have recently filed applications to enhance their fees. In each case, the burden of proving entitlement to an upward enhancement of fees is on the applicant for enhanced fees. See Blum v. Stenson, 465 U.S. 886, 887 (1984). Courts only award fee enhancements, such as that sought by each of the parties, in exceptional and rare cases in which the results are extraordinary or superior as compared with what should be expected for the applicant's normal rates.

Greenberg Traurig, P.A. has already received $13,066,511.28 Chapter 7 fees, $1,238,585.12 Chapter 7 expenses, $1,441,712.80 Chapter 11 fees, and $44,204.95 Chapter 11 expenses in this case from inception through fee period January 2009 and award date December 17, 2008. The total gross amount of professional fees Greenberg Traurig, P.A. has requested for the Chapter 11 phase of the case (including the holdback amount, the fourth interim period, the deferred amount, and the good faith estimate) is $3,042,359.00. The estimated amount of Greenberg Traurig, P.A.'s fees to be incurred from the last date covered by the fourth interim and final Chapter 11 application through the date of the confirmation hearing ("Good Faith Estimate") is $650,000.00. The total gross amount of Greenberg

Traurig, P.A.'s requested reimbursable expenses for the Chapter 11 phase of the case (after the agreed reduction, and including the fourth interim period and good faith estimate) is $121,289.03. Greenberg Traurig, P.A. has requested an additional $4 million as a fee enhancement.[18] Greenberg Traurig, P.A.'s requested fee enhancement relates to its work in both the Chapter 7 and the Chapter 11 phases of this case. Greenberg Traurig, P.A. asserts that, due to the purported: (a) risk of non-recovery, (b) exceptional results, (c) extraordinary success achieved quickly, efficiently and effectively, and (d) results that far exceeded the initial expectations in this case, it is entitled to a fee enhancement in the total amount of $4 million—on top of its normal fees and expenses. Certain parties in interest have indicated that they may oppose Greenberg Traurig, P.A.'s request for a fee enhancement. The Court will decide whether Greenberg Traurig, P.A. receives all, or some portion, of its requested $4 million fee enhancement. The burden is on Greenberg Traurig, P.A. to show that it is entitled to enhanced fees.

In addition to the $2,388,945.50 Chapter 7 fees and $121,185.23 Chapter 7 expenses already paid to the Coffey Firms, and the $4,796,684.24 Chapter 7 fees and $821,462.03 Chapter 7 expenses already paid to the Josephs Jack law firm and its predecessors, the Coffey Firms and the Josephs Jack law firm together have requested an additional fee enhancement in an undisclosed amount. The Coffey Firms and the Josephs Jack law firm assert that, due to their purported: (a) exceptional results, (b) extraordinary efforts, (c) compensation delays and shortfalls, and (d) unique willingness and ability to undertake the representation, they each deserve a fee enhancement in some undisclosed amount to be determined by the Court—on top of their normal fees and expenses in this case. Certain parties in interest have indicated that they may oppose this request for an additional fee enhancement. The Court will decide whether the Coffey Firms and the Josephs Jack law firm receive a fee enhancement and the amount of any such enhancement. The burden is on the Coffey Firms and the Josephs Jack law firm to show that they are entitled to enhanced fees.

In addition to the $5,658,832.66 Chapter 7 fees and $1,260,477.58 Chapter 7 expenses already paid to Diamond, McCarthy, Taylor & Finley, LLP ("Diamond"), and the $2,921,653.71 Chapter 7 fees and $443,346.35 Chapter 7 expenses already paid to K&L Gates, LLP ("K&L Gates") and its predecessor, Diamond and K&L Gates together requested an additional fee enhancement in an amount to be determined by the Court. Such request was filed in an untimely manner, and Diamond and K&L Gates moved for the Court to extend retroactively the deadline for filing. On February 9, 2009, the Court denied that request, as a result of which, absent reversal of the Bankruptcy Court's ruling on rehearing or appeal, the request will not be considered. If the application is considered, Diamond and K&L Gates must establish that, due to their purported: (a) exceptional results, (b) extraordinary efforts, (c) compensation delays and shortfalls, and (d) unique willingness and ability to undertake the representation, they each deserve a fee enhancement in some amount to be determined by the Court—on top of their normal fees and expenses in this case. Certain parties in interest have indicated that they may oppose this request for an additional fee enhancement. The burden would be on Diamond and K&L Gates to show that they are entitled to enhanced fees.

(c) The Ad Hoc Committee

The Ad Hoc Committee was formed in approximately 1996 as a vehicle through which certain of the largest Holders of the Debtor's Subordinated Notes could take a more active role and exercise greater oversight in the Chapter 7 Case, initially for the purpose of obtaining additional information from Trustee Brandt about the status and pursuit of certain litigation claims asserted by the Estate against former officers, directors and professionals. In 1997 the Ad Hoc Committee sought the removal of Trustee Brandt, and has remained active in the Bankruptcy Case since the appointment and qualification of Trustee Beck in April of 1998.

[18] Additional information concerning Greenberg Traurig, P.A.'s Chapter 11 and Chapter 7 applications for fees and expenses may be found in Appendix H.

2. The Business of the Estate

Because this case was originally filed as a Chapter 7 liquidation case over sixteen years ago, and not as a Chapter 11 reorganization, the Debtor has had no management other than the Trustee and certain staff and employees employed by him.

Immediately upon its appointment as Receiver for the Banks on September 19, 1991, the FDIC sold substantially all of their assets to First Union in the purchase and assumption transactions referenced above. As a consequence of the seizure of the Banks, the sale of their assets and the resulting Chapter 7 filing, all of the officers and directors of SEBC and the Banks resigned or were terminated. Many of these individuals left the community or were hired by First Union or other banks, and were required to devote their attention to the business affairs of their new employers. As a result, the Trustees and their attorneys were required to marshal an overwhelming number of assets of all types with little assistance from the former officials having most knowledge of those assets. The difficulties of this task were exacerbated by a series of adversary proceedings and contested matters commenced by various parties almost immediately following entry of the order for relief in this Court.

In particular, on September 20, 1991 the FDIC commenced an adversary proceeding in the Bankruptcy Court seeking emergency relief to confirm ownership, dominion and control over the proceeds of a $28 million repurchase agreement between SEBC and SEBNA (the "FDIC Repo Adversary"). The litigation was ultimately resolved in favor of the SEBC Estate, upon the commitment by Trustee Brandt that the funds first be applied toward payment of unfunded medical benefits owed to employees of the Banks at the time of their seizure. The proceeds of the settlement proved sufficient to pay all accrued and approved medical benefits owed through October 31, 1991, thereby eliminating the prospect of hundreds of employee claims against the Estate, and return a surplus to the Estate of approximately $20,000.

The subject of employee benefits also came repeatedly before the Bankruptcy Court in the form of a series of contested matters, adversary proceedings, lawsuits and appeals (collectively, the "Employee Benefits Litigation") commenced by the former members of the SEBC Employee Benefits Committee which had previously administered certain of the Debtor's ERISA and non-ERISA-qualified employee benefit and welfare plans. Acting both to protect the Estate's interest in a projected surplus in the defined benefit pension plan and to ensure that all of the plans were properly administered so as to avoid incurring claims against the Estate for non-payment of approved benefits or a shortfall that would give rise to a claim against the Estate by the Pension Benefit Guaranty Corporation, Trustee Bagdan terminated the Employee Benefits Committee and assumed direct, day-to-day control over all of the benefit and welfare plans sponsored by the Debtor. Members of the Committee challenged the removal through litigation and appeals in the Bankruptcy Court and District Court, and ultimately dropped their litigation after the Trustee repeatedly prevailed in his efforts to maintain control over the plans. As a result, in addition to their administration of the SEBC Estate and, ultimately, the SEBNA Receivership, the Trustees for SEBC successfully administered, terminated and wound up the various benefit and welfare plans. Pension, 401(k) and Health Plan benefits totaling more than $90 million were paid to former employees, and Trustee Beck recovered more than $17 million for the Estate from the surplus in the overfunded pension plan.

In addition, the regulatory seizure of the Banks and resulting Chapter 7 filing by SEBC severed the identity of interest that had historically existed between and among SEBC and over 60 affiliated entities, creating uncertainty over the ownership and use of various assets under the SEBC umbrella. Diligent review of title documents and voluminous corporate records, many obtained from the FDIC and First Union by way of contested motions filed under Bankruptcy Rule 2004, confirmed that many of the assets necessary or incidental to operation of the SEBNA branch banking system – including certain of the branch sites at which First Union commenced operations after acquiring the SEBNA franchise from the FDIC – were owned or leased not by SEBNA but by a direct subsidiary of SEBC. As Trustees Bagdan and Brandt took the necessary corporate action to assume control over those non-debtor subsidiaries, the FDIC and First Union initiated a series of challenges (collectively, the "Branch Bank Challenges") in an effort to force the turnover of these assets to First Union. In each instance the

Trustees prevailed, often after litigation of contested matters with one or both of the FDIC and First Union, ultimately requiring First Union to purchase the disputed interests from the SEBC Estate at agreed market value.

The FDIC Repo Adversary, Employee Benefits Litigation and Branch Bank Challenges were by no means the only litigation surrounding the SEBC Estate. Over the course of the seventeen years that this Bankruptcy Case has been pending, the respective Trustees and their counsel have been involved in a myriad of matters before the Bankruptcy Court, in a series of related adversary proceedings, lawsuits and appeals in the District Court, the United States Court of Appeals for the Eleventh Circuit, the New York State Court of Appeals, and the United States Supreme Court. Overall, this case has involved proceedings before at least 22 different judges and magistrates of the state and federal courts in Florida, as well as more than twenty separate appeals.

In addition, the Trustees, through Court-approved actions conducted largely through non-debtor subsidiaries of SEBC, the FDIC as Receiver of SEBNA and Trustee Beck as Successor Agent to the FDIC as Receiver of SEBNA, continued the business activities of SEBC, including financial asset investment and disposition, real estate development and disposition, and disposition of mortgages and other SEBC assets. Indeed, some of those activities continue to today.

3. The Non-Debtor Subsidiaries, Real Estate Holdings, and Other Investments

(a) The Jacksonville Property.

SEBC owns several companies which own outright or interests in two parcels of real estate in Jacksonville, Florida. They are referred to as the "Southwest Quadrant Property" and the "Belfort Property," and will be addressed separately below.

(i) Southwest Quadrant Property

Through its wholly owned subsidiaries SWQ Properties, Inc. ("SWQ") and Southeast Properties, Inc. ("SEPI"), the Estate owns a 70% interest in undeveloped residential and commercially zoned acreage located south of J.T. Butler Boulevard and west of Southside Boulevard in Jacksonville, Florida. This property has been referred to over the period of ownership by the Estate's subsidiaries as the "Southwest Quadrant" property. Upon his appointment in 1998, Trustee Beck renegotiated and obtained Bankruptcy Court approval of a settlement of long-standing litigation with the co-owners of the property that had been negotiated by the prior Trustee but had not received final approval. Since 1998, Trustee Beck has engaged in a significant and orderly sequence of steps to address zoning, planning, access and wetlands issues in order to realize the full potential and maximize the value of the Southwest Quadrant property.

First, after engaging planning and engineering firms and engaging the local co-owners of the property for management and oversight assistance, the Trustee successfully moved to rezone and change land use plan treatment of this property to categories commensurate with the highest and best use of all but one of the properties for which changes would be necessary. Then, because of steps taken by local authorities which it was believed had the effect of inappropriately restricting access to the Southwest Quadrant property, the Trustee initiated litigation with the Jacksonville Transportation Authority ("JTA") on March 23, 2000, in the case styled *Southeast Properties, Inc., et al. v. Jacksonville Transportation Authority*, Case No. 00-2062-CA, Div. CV-G, Circuit Court, Duval County, Florida. After mediation on July 18, 2001 the parties agreed to a settlement, which was approved by the Bankruptcy Court on October 30, 2001. The settlement required the JTA to compensate SWQ, SEPI and their co-owners through a Cash payment of $2.25 million (of which 70% went to SWQ and SEPI in accordance with their ownership of the property). On August 24, 2004, a supplemental agreement to the settlement agreement was entered into between SWQ and JTA, which required the construction by JTA of the A.C. Skinner Parkway Extension, an urban four-lane divided roadway traversing the Southwest Quadrant property, which would provide excellent access to the property. In addition to the Cash and roadway, the JTA agreed to allow the Estate's subsidiaries and co-owners to utilize the construction costs over the Southwest Quadrant property as a means of obtaining a credit with local authorities toward what are

called "concurrency" impact fees that would otherwise be due upon the development of the property. Using this right, the Trustee negotiated a "Fair Share" impact fee credit agreement with the City of Jacksonville for a credit in excess of $5 million toward such concurrency impact fees. The roadway, which is estimated to have cost well in excess of $10 million, was partially completed in July 2005.

Because of the then-strength of the residential market, the lack of wetlands issues on a residential parcel at the Southwest Quadrant and the partial completion of the roadway, the Trustee determined to sell that residential parcel at the Southwest Quadrant. In July 2005, the Trustee was able to sell the residential parcel of approximately 32.5 upland acres for $400,000 per acre or $13 million (for the interest of both the Estate's subsidiaries and its co-owners) to D.R. Horton Homes.

In addition to monitoring the completion of the balance of the JTA roadway, the next step in the sequence of readying the remainder of the property for development and sale was the completion of planning for the sale to third parties for development of the remaining acreage of the Southwest Quadrant property coupled with efforts to obtain a permit to fill certain of the wetlands areas of the property. In order to prepare for the requirements anticipated to be imposed for obtaining this wetlands fill permit, the Trustee sought and obtained Bankruptcy Court approval to purchase 110 "mitigation credits" from an appropriate regional mitigation bank at a cost of approximately $38,500 for each credit. Mitigation credits represent the commitment to convert upland acreage to wetlands within the same geographic area and water basin. The Trustee, utilizing the services of engineers and environmental consultants, filed in the summer of 2005 applications with the local water management district, the St. Johns River Water Management District and with the U.S. Army Corps of Engineers (the "Corps of Engineers"), for permission to fill certain wetland areas within the Southwest Quadrant property. The amount of upland acreage that will be available to be developed and sold depended upon the outcome of such permit applications to the regulatory authorities. A permit was approved in early April 2007 by the local water management district, and the Corps of Engineers even more recently approved the permit application regarding wetlands at the Southwest Quadrant property, largely in accord with the Estate's requested program and consistent with the permit earlier received from the local water management district. The Estate is in the process of employing a consultant to implement onsite mitigation required by the permits, and, as indicated above, the Estate had already purchased and now has allocated the other offsite mitigation credits needed for the permit.

The JTA roadway was completed in late 2006. In addition, a sale had been negotiated in late 2006 with Liberty Properties, Inc. for the sale of a parcel adjacent to the residential property sold to D.R. Horton. The buyer was to use the property to construct a facility to be leased to the U.S. General Services Administration and was subject to the buyer and this site being selected by that agency. The sale was conditioned upon the issuance of the wetlands permit sufficient to deliver to Liberty Properties approximately 11 upland acres for the construction of the anticipated facility. Unfortunately, the sale was cancelled by the buyer within the time period it was permitted to do so under the contract of sale. The Trustee believes that this was based, largely, on the fact that the wetlands permit had not been issued by both the local authority and the Corps of Engineers by the time a decision had to be made for the site selection for the anticipated facility.

As the permit application process had been completed, the Trustee initiated and recently has successfully completed one final rezoning application to fully complete the process of creating the maximum value from the Southwest Quadrant Property. As a result, the Southwest Quadrant Property is now fully entitled and ready for sale. As a result of the activities undertaken, there are now available for sale at the Southwest Quadrant Property 70 upland acres. Of the original 110 mitigation credits, not all have been required to be used for the mitigation at the Southwest Quadrant and Belfort Properties (the Belfort Property will be discussed below) and, accordingly, over 29 credits are still owned. Such unused credits will be resold. The Trustee has been advised that the value of such credits has increased and that such credits most recently have sold at the rate of $55,000 per credit and, accordingly, the sale could realize a total of approximately $1.6 million. In addition, pursuant to the settlement with the joint owners of the Southwest Quadrant Property, SWQ and SEPI advance the costs of planning, maintaining and entitling the Southwest Quadrant Property and the joint owners are obligated to repay their 30% share of

such sums plus interest at 8% per annum out of future sales of parcels of the Southwest Quadrant Property. The amount due to SWQ and SEPI as of now is approximately $1.7 million.

(ii) Belfort Property

Through Second Pioneer Corporation, a wholly owned subsidiary of First Pioneer Corporation, a wholly owned subsidiary of SEBC, a 100% interest is held in 7.32 acres of undeveloped commercially zoned land at the intersection of Skinner Parkway and Salisbury Road in Jacksonville, Florida referred to as the "Belfort Property." Since the current Trustee's appointment, marketing efforts have proceeded with several active offers and a sale contract approved by the Bankruptcy Court. Unfortunately, such contract offers and the approved contract were terminated by buyers for a number of reasons. The most important reason was the existence of wetlands on the property which would impair the use of the property for its highest and best use.

The Trustee determined that the full value of the Belfort Property parcel would not be obtained unless the wetlands issues there were properly addressed. Thus, the Trustee employed management assistance on the property and employed engineers and environmental consultants to seek a permit to fill the wetlands on the parcel from the local water management district, the St. Johns River Water Management District, and from the Corps of Engineers. The permit has been obtained from both agencies, utilizing a portion of the mitigation credits obtained for the Southwest Quadrant Property as described above. The Estate already has an exemption from local "concurrency" requirements (Cash contributions to local authorities in respect of traffic and other impacts of development of undeveloped property) and drainage rights in place, so this property is now ready for sale.

(b) Trivest Fund I, Ltd.

The Debtor also owns a 9.1058% interest in Trivest Fund I, Ltd., a limited partnership ("Trivest Fund I") that held a number of investments. A number of those investments have been liquidated over the years, with the Estate receiving its allocable distributable portion. As of the date of this Disclosure Statement the Trustee does not believe that there is any remaining value left in Trivest Fund I, and accordingly anticipates no further return from the Estate's 9.1058% interest in Trivest Fund I.

(c) SEBNA Receivership

Upon the closing of SEBNA by the OCC on September 19, 1991, the FDIC was appointed as the Receiver for SEBNA. FDIC remained as Receiver for SEBNA through April 1, 1998, when Trustee Beck was elected as Successor Agent under the terms of a settlement with the FDIC (discussed in Section V.A.4(c) of this Disclosure Statement). Following his election, the Successor Agent was charged with the responsibility of administering and winding up the affairs of the SEBNA Receivership, including the payment of dividends to the Trustee as sole shareholder for the benefit of the SEBC Estate.

The SEBNA Receivership has since been fully administered, with its only remaining asset as of June 30, 2008 being approximately $11,381,432 in Cash. Thus, on August 13, 2008, the Successor Agent commenced the SEBNA District Court Proceeding pursuant to 12 U.S.C. § 197(b), seeking entry of an order and final judgment approving his summary final accounting and discharging him as Successor Agent for the Receivership. By Order entered on October 31, 2008, the District Court approved the summary final accounting and discharged the Successor Agent. All Cash in the SEBNA Receivership has since been upstreamed to the Estate, and the Receivership has been closed. The total amount of Cash distributed to the Estate from the SEBNA Receivership was $136,451,991.

4. Significant Chapter 7 Events

(a) Claims Bar Date

Upon the filing of the Chapter 7 petition, the Clerk issued a Notice of Meeting of Creditors, Procedure to File Claims and Bar Date, fixing February 10, 1992 (the "Bar Date") as the date by which proofs of claim must be filed. That Notice was entered on the Bankruptcy Court docket on October 17, 1991. Upon expiration of the Bar Date and at various times throughout the pendency of the Chapter 7 Case, comprehensive analyses of claims and reconciliation of records on claims were conducted, and objections were filed as necessary and appropriate. As a result, claims of over $1.1 billion asserted against the Estate have been reduced to less than $400 million, and the creditors holding those allowed claims, both timely and late-filed, have been paid 100% of the Petition Date amounts of their claims and a substantial amount of Postpetition Interest through a series of Interim Distributions during the Chapter 7 Case.

(b) Trading Injunction Order

The New York Stock Exchange suspended trading in and delisted the equity securities of SEBC after it had filed for bankruptcy, which as noted above, included over 34 million shares of issued and outstanding Old SEBC Common Stock Interests. Although SEBC had previously engaged the services of a stock transfer agent, based on the status of the case as a Chapter 7 liquidation, Trustee Brandt determined that the cost of continuing to pay the fees typically charged by a stock transfer agent significantly outweighed the associated benefit of maintaining the list at that time, and accordingly terminated the services of the transfer agent several years ago.

In order to preserve certain tax attributes of SEBC which could be jeopardized upon an "ownership change" as that term is defined in Section 382 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), Trustee Brandt therefore sought and obtained a Trading Injunction Order from the Bankruptcy Court on July 7, 1994, prohibiting and enjoining the sale, trade or transfer of Old SEBC Common Stock Interests and Series E Preferred Stock by any Person or entity that owned, or would own after such sale, trade or transfer, 5% of the issued and outstanding shares of SEBC Common Stock or any amount of shares of the Series E Preferred Stock. The Trading Injunction Order remains in effect to date.

(c) FDIC Litigation and Settlement

Immediately upon the filing of this Bankruptcy Case, Trustee Bagdan and his counsel undertook to protect the Estate's interests against the FDIC, timely filing multiple claims in the SEBNA and SEBWF Receiverships back in December of 1991. The failure of the FDIC-Receiver to allow those claims within the statutorily prescribed period led to the commencement of separate litigation in the District Courts for the Northern and Southern Districts of Florida.[19] The original cases were consolidated in this District before the Honorable Stanley Marcus, and upon Judge Marcus' appointment to the United States Court of Appeals for the Eleventh Circuit, were transferred to the Honorable Daniel T.K. Hurley of the District Court as Case No. 93-0563-CIV-Hurley (the "Hurley Case"). Subsequently, special counsel for the Trustee filed two additional lawsuits against the FDIC, docketed in the District Court for the Southern District of Florida as Case Nos. 95-2602-CIV-Davis and 97-2297-CIV-Davis (collectively, the "Davis Cases," and with the Hurley Case, the "FDIC Litigation").

During the early stages of the Hurley Case, the FDIC agreed in connection with cross-motions for summary judgment to pay some $152 million to the Estate in respect of the claims arising under certain

[19] Pursuant to 12 U.S.C. § 1821(d)(6)(A), the Trustee was required initially to file a separate lawsuit in respect of each of the Banks in the District Court within which its principal place of business was located. Thus, the SEBNA action was filed in this District, and the SEBWF action was filed in the Northern District of Florida, which encompasses the former Pensacola headquarters of SEBWF.

subordinated capital notes issued to the Debtor by SEBNA.[20] The Trustee and his counsel also caused the United States Supreme Court to grant certiorari, vacate a ruling of the Eleventh Circuit, and remand certain counts of the Hurley Case for further consideration of the novel legal issues raised by claims previously dismissed by the District Court. Certain of these claims were reinstated before the District Court, and all were encompassed within the ultimate settlement with the FDIC.

Under the terms of the FDIC Settlement, the Trustee obtained the relief sought in Count I in the Hurley Case pursuant to Section 197 of the National Bank Act, 12 U.S.C. §197 – the calling of a meeting of SEBNA shareholders for the purpose of electing a Successor Agent to replace the FDIC-Receiver. Following his election, the Successor Agent was charged with the responsibility of administering and winding up the affairs of the SEBNA Receivership, including the payment of dividends to the Trustee as sole shareholder for the benefit of the SEBC Estate.

At that time (August of 1997), the SEBNA Receivership had assets valued at $125.2 million (almost entirely in Cash), and estimated liabilities of $98.4 million. The settlement reduced those liabilities by some $84 million, thereby increasing the surplus in the SEBNA Receivership for the ultimate benefit of the SEBC Estate.

In exchange for obtaining control of the SEBNA Receivership through the election of a Successor Agent, the Trustee voluntarily dismissed all of the FDIC Litigation with prejudice, and exchanged expansive mutual releases with the FDIC and other named defendants in the FDIC Litigation.

As a condition precedent to the FDIC Settlement, all holders of allowed claims against the SEBNA Receivership, other than the FDIC in its corporate capacity (the "FDIC Corporate"), were paid the balance of accrued post-petition interest on their claims at the rate of 5.57% from September 19, 1997. These payments, estimated in the amount of $6.5 million to the Trustee in respect of the subordinated capital notes claim and approximately $1 million to other holders of allowed claims, were made by the FDIC-Receiver. The FDIC-Corporate withdrew its claim to post-petition interest in the amount of $84 million, and agreed to no further distributions from the SEBNA Receivership.

The FDIC-Receiver also released more than $30 million in claims pending against the SEBC Chapter 7 Estate (Claim No. 802 filed on behalf of the SEBNA Receivership on February 10, 1992). By prior Agreed Orders dated November 29, 1993 the Bankruptcy Court approved the withdrawal of other portions of that claim, and the entirety of separate Claim No. 803 filed on behalf of the SEBWF Receivership.

The Successor Agent assumed the unpaid liabilities and expenses of the SEBNA Receivership, and remained liable for all liabilities and expenses incurred from and after the closing of the settlement. Upon withdrawal of the $84 million claim for post-petition interest by the FDIC-Corporate and payment of $6.5 million to the Trustee and $1 million to other creditors as the remainder of post-petition interest on their claims, the liabilities of the SEBNA Receivership were reduced to less than $6.4 million.

(d) The Global Settlement Order

Beginning in 1993 the Chapter 7 Trustee made a series of Interim Distributions to creditors of the Estate, including the Holders of the Senior Notes and the Subordinated Notes, as described in more detail in Section V.A.4.(e). of this Disclosure Statement. As a result of the Sixth Interim Distribution made on or about July 31, 2002, all Allowed, timely-filed general unsecured Claims (including all Allowed Claims arising from the Senior Notes and Subordinated Notes) were paid in full, in Cash, including interest through the Petition Date (i.e., pre-petition interest), but without interest since such date (i.e., post-petition interest). Under the scheme of priorities established in the Bankruptcy Code, the Trustee

[20] The Trustee also received a partial payment of interest on the subordinated capital notes claim in November of 1996, in the amount of $16,988,116, which was made available for inclusion in future distributions to creditors upon final approval of the settlement with the FDIC.

was required next to pay those Allowed Claims that were filed after the bar date established by the Bankruptcy Court back in 1992, and then to pay post-petition interest on all Allowed Claims. In addition, the Trustee had to pay ongoing Administrative Expenses relating to the Bankruptcy Case, which expenses take priority over the payment of post-petition interest. The Trustee estimated that after the resolution and payment of the late-filed Claims and the payment of such Administrative Expenses, there would be additional funds on hand with which to pay some amount of post-petition interest to creditors.

A dispute arose between the Holder of a majority of the Senior Notes and certain Holders of Subordinated Notes (and their respective Indenture Trustees) regarding the effect of the subordination provisions contained in the Subordinated Note Indentures on the respective rights of Senior Noteholders and Subordinated Noteholders to receive post-petition interest, after the Estate had paid all Allowed Claims in full as described above. The majority Senior Noteholder and the Senior Indenture Trustee contended that (i) Holders of the Senior Notes were entitled to receive all distributions of post-petition interest that would otherwise be distributed on a pro rata basis to Subordinated Noteholders, until the Senior Noteholders received all of their post-petition interest, and (ii) for purposes of the reallocation, the post-petition interest on the Senior Notes should be calculated and compounded at the 11.25% contract rate under the Senior Indenture. The Ad Hoc Committee and the Subordinated Indenture Trustees asserted that (i) the subordination provisions of the various Indentures did not apply to distributions of post-petition interest under the Bankruptcy Code, (ii) the post-petition interest on all Claims should be calculated at the "legal rate" (as discussed below), not the contract rate; and (iii) they were entitled to receive distributions of post-petition interest on a ratable basis with Senior Noteholders. The Global Settlement Order resolved these and other important issues.

An additional dispute developed relating to the Claims of the various Indenture Trustees to receive attorneys' fees and expenses and Indenture Trustee fees and expenses under their respective Indentures, as well as the Claim of the majority Senior Noteholder and Ad Hoc Committee for reimbursement of their attorneys' fees and expenses. The Global Settlement Order also resolved these issues, as well as a number of other issues.

The statute under which post-petition interest is payable speaks of the "legal rate" of interest, without specifying that rate, and does not make clear whether interest is compounded on an annual or other periodic basis. Two of the Subordinated Notes provide for floating interest rates, while the other Senior and Subordinated Notes carry fixed rates ranging from 4.75% to 11.25%. The Global Settlement Order provided for a uniform post-petition interest rate of 5.57% per annum through May 31, 2002 for all Allowed Claims, based on the statutory federal judgment rate in effect at the time the Bankruptcy Case was filed, and for no compounding of interest. Upon conversion of the case to Chapter 11, however, the rate of interest would increase to 8% per annum from the Petition Date, and the Allowed Claim of each creditor eligible to receive post-petition interest shall include an amount equal to the difference between (i) post-petition interest on its Allowed Claim at the rate of 8% per annum through May 31, 2002 and (ii) the aggregate amount of distributions made to such creditor on account of post-petition interest during the Chapter 7 Case.

The Global Settlement Order also anticipated that the conversion of the Chapter 7 Case to Chapter 11 would be for SEBC to take advantage of restructuring opportunities to create value apart from the disposition of the real estate and investments or pre-petition claim challenges in existence at the time of the Global Settlement Order. The Global Settlement Order contemplated that the disposition of the real estate and investments as they remained at the time of promulgation of such plan would be transferred into a liquidating trust for disposition and distribution of proceeds to creditors. Such a chapter 11 plan was defined in the Global Settlement Order as a "Qualified Plan" and the Noteholders agreed to support such a plan provided that it comports with the provisions of the Global Settlement Order.

The Global Settlement Order defines a mechanism whereby a determination was to be made as to any increased value to be distributed through a Qualified Plan, calling that increased value the "Chapter 11 Attributable Distribution" ("CEAD"). The calculation of the amount of such value from a Qualified Plan to be treated as CEAD would be reached by reducing the value of distributions from the Qualified Plan by the incremental costs ("Chapter 11 Costs") of achieving the negotiation and

consummation of such Qualified Plan. The Global Settlement Order then provides how the distributions to the Noteholders from a Qualified Plan will be allocated between Senior and Subordinated Noteholders, providing essentially that the CEAD (net of Chapter 11 Costs) would be distributed 50% to Senior Noteholders pro rata and 50% to Subordinated Noteholders pro rata. The currently pending Plan is not a Qualified Plan as contemplated in the Global Settlement Order because it restructures the whole of SEBC, including a means of disposition of remaining real estate and investments as well as other assets.

The Indentures governing the several issues of Subordinated Notes contain various subordination provisions which require that certain amounts owed in respect of the Senior Notes be "paid in full" prior to any payment on the Subordinated Notes. From 1994 through 1999 certain Holders of the Senior and Subordinated Notes and their respective Indenture Trustees were involved in litigation and a series of appeals over the application of those provisions to the Senior Noteholders' claims for post-petition interest at the contract rate out of that portion of the Interim Distributions allocable to Subordinated Noteholders; however, it was unclear whether the disposition of that litigation resolved the issue of whether the distribution of post-petition interest on the Subordinated Notes is subordinated to distributions of post-petition interest on the Senior Notes. The Global Settlement Order adopted a formula under which a portion of the post-petition interest payable in respect of the Subordinated Notes is reallocated to Holders of the Senior Notes until the Senior Noteholders have received, out of the distribution of post-petition interest otherwise allocable to the Holders of Subordinated Notes, up to 48% of the difference between (i) approximately $13 million and (ii) the Senior Noteholders' ratable share of the distributions of post-petition interest to creditors.

In addition to the payment and reallocation of post-petition interest as described above, the Global Settlement Order also provided that certain of the parties who participated in the settlement negotiations would receive payment or reimbursement from the Estate of their attorneys' fees incurred in connection with the Chapter 7 Case through July 31, 2002. This portion of the Global Settlement Order resolved an appeal pending in the District Court, in which the Senior Indenture Trustee and majority Holder of the Senior Notes were seeking the payment of some $1.35 million in fees.

Under the Global Settlement Order, the Senior and Subordinated Indenture Trustees (but not any individual Holder of Senior or Subordinated Notes) received certain post-petition attorneys' fees as provided under the terms of the various Indentures, and the Ad Hoc Committee also received payment of attorneys' fees relating to its activity in the Chapter 7 Case over the past several years. Any other creditor asserting a right to recover attorneys' fees from the Estate was afforded a period of time within which to file a claim for those fees, as incurred through and including July 31, 2002. However, the Chapter 7 Trustee and all other parties in interest in the Bankruptcy Case reserved the right to object to any such claim for fees.

(e) Interim Distributions

At various times during the pendency of the Chapter 7 Case, creditors and bondholders have received or became entitled to receive nine Interim Distributions totaling in excess of $422 million, representing a 100% return on the principal amount of Allowed unsecured Claims and two installments of Postpetition Interest on such Claims in the amount of $47,649,997.

The first of these distributions was approved by a series of Orders issued April 15, June 25 and September 3, 1993, which authorized an initial Interim Distribution of not more than $50 million (the "First Interim Distribution"). Pursuant to the subordination provisions of the Indentures governing the various issues of Notes, all of the amounts paid in respect of the Subordinated Notes were remitted over to JPMorgan Chase Bank in its capacity as Indenture Trustee under the Senior Indenture ("Chase") (BNY Senior has since replaced Chase as successor Indenture Trustee under the Senior Indenture), and the Subordinated Noteholders received none of the proceeds.

The Second Interim Distribution of $115 million was authorized by Order dated March 14, 1995, and proceeded in and after April of 1995. As with the First Interim Distribution, this distribution was paid to creditors holding Allowed Claims and to the Senior and Subordinated Indenture Trustees. This time,

the Subordinated Indenture Trustees remitted over to Chase an amount calculated as sufficient to pay the outstanding principal balance and all pre-petition interest owed on the Senior Notes, and paid the balance of the distribution proceeds as an initial dividend to Subordinated Noteholders.

The Third Interim Distribution of $36 million was approved by Order dated July 22, 1997. Unlike the First and Second Interim Distributions, however, the Third Interim Distribution was paid directly to the Subordinated Noteholders, rather than through the Subordinated Indenture Trustees. By subsequent Order Granting Emergency Motion for Further Authority to Effectuate Third Interim Distribution dated September 30, 1997, the Bankruptcy Court also approved the forms of various notices and distribution instructions to the Subordinated Noteholders, and letters of transmittal governing the presentment and processing of their bonds.

The change in distribution procedures with respect to the Third Interim Distribution was the result of the commencement in September 1994 of Adversary Proceeding No. 94-0941-BKC-PGH-A (the "Debt Securities Litigation"), wherein the Senior Indenture Trustees contended that the subordination provisions of the Subordinated Indentures entitled the Senior Noteholders to receive post-petition interest, interest on delinquent payments of interest, attorneys' fees and costs prior to any distribution in respect of the Subordinated Notes. Because of the uncertainty created by the Debt Securities Litigation and the provisions in the Indentures to the effect that payments received by the Subordinated Indenture Trustees are deemed to be held "in trust" for the benefit of Senior Noteholders until the Senior Noteholders are "paid in full," the Interim Distributions were made directly to the Holders of the Subordinated Notes rather than through the Subordinated Indenture Trustees. In addition, the Bankruptcy Court established special distribution procedures intended to facilitate the recapture of any funds which might later have been determined to be payable to the Senior Noteholders in respect of the interest, fees and costs at issue in the Debt Securities Litigation. These procedures included the execution and delivery of certain letters of transmittal which, among other things, contained an undertaking to submit to the jurisdiction of the Bankruptcy Court, repay the proceeds of any Interim Distribution if so ordered by the Bankruptcy Court, and indemnify the Trustee in connection with the Interim Distributions. These special distribution procedures remained effective for the Fourth and Fifth Interim Distributions as well, due to the uncertainties created by the Debt Securities Litigation.

The Fourth Interim Distribution of $100 million was approved by Order dated September 3, 1998. As with the Third Interim Distribution, the Fourth Interim Distribution Order approved separate forms of transmittal documents governing the presentment and processing of the "U.S. Bonds" (consisting of the Notes issued under the 1972 Indenture, the 1987 Indenture, and the 1989 Indenture) and "Eurobonds" (consisting of the Notes issued under the 1984 Indenture and 1985 Indenture). In addition, that Order approved the engagement and payment of a $160,000 processing fee to a processing agent and a European sub-agent, established a record date of August 31, 1998 for the Fourth Interim Distribution in respect of the U.S. Bonds, and approved a foreign advertising budget to reach the Holders of the Eurobonds.

The Fifth Interim Distribution of $40 million was approved by Order dated June 17, 1999. That Order provided that the Fifth Interim Distribution would be made on the same terms and pursuant to the same procedures as the Third and Fourth Interim Distributions, and would be payable to creditors holding Allowed Claims, Subordinated Noteholders, and into a "Disputed Claims Reserve" in respect of disputed, unliquidated or contingent Claims which had not been fully reserved.

Prior to the completion of the Third, Fourth, and Fifth Interim Distributions, however, the Debt Securities Litigation was finally resolved and disposed of by the Eleventh Circuit Court of Appeals. *Chemical Bank v. First Trust of New York, Nat'l Ass'n (In re Southeast Banking Corp.)*, 179 F.3d 1307 (11th Cir. 1999) (*"Southeast V"*). On that basis, the Trustee filed a motion dated February 22, 2000, seeking authority to dispense with those special distribution procedures established by the Bankruptcy Court in consideration of the Debt Securities Litigation, and to disburse the remaining proceeds from those Interim Distributions directly to the Senior and Subordinated Indenture Trustees. The Trustee's motion was granted by Order dated March 27, 2000. Accordingly, as with the First and Second Interim Distributions, the Trustee distributed the remaining proceeds directly to the Indenture Trustees and

dispensed with those special distribution procedures established in connection with the Third, Fourth and Fifth Interim Distributions.

The Eleventh Circuit's final judgment in *Southeast V* affirmed the Bankruptcy Court's decision that the subordination provisions did not extend to the Senior Noteholders' post-petition interest, fees and costs, and eliminated the need to maintain special distribution procedures in respect of amounts paid to the Subordinated Noteholders in the Interim Distributions. Based on their successful resolution of the Debt Securities Litigation, the Subordinated Indenture Trustees were once again in a position to assume responsibility for the remainder of the Third, Fourth and Fifth Interim Distributions, and all future distributions.

The Sixth Interim Distribution was approved by Order dated July 30, 2001, and authorized payment in full of Allowed timely-filed unsecured Claims, without interest from the Petition Date. Pursuant to that Order the Trustee proceeded to make that distribution in two installments, bringing the total amount paid in the six Interim Distributions to $359,519,319.

By a series of Orders entered in January through March of 2002, the Trustee obtained authority to settle certain long-pending litigation against the Debtor's former directors, officers and professionals (as discussed in more detail in Section V.A.4.(f)(ii) of this Disclosure Statement). Additionally, the Trustee sought and obtained authority to cause the reversion to the Estate of a surplus in the pension plan formerly maintained by the Debtor. The approval and funding of these settlements and reversion of the pension plan surplus brought sufficient Cash into the Estate to complete the final installment of the Sixth Interim Distribution, pay a Seventh Interim Distribution in respect of Allowed late-filed Claims in full under Section 726(a)(3) of the Bankruptcy Code, and make an Eighth Interim Distribution of $30 million in Postpetition Interest under Bankruptcy Code Section 726(a)(5).

Accordingly, by Order dated September 29, 2003, the Bankruptcy Court approved a Seventh Interim Distribution in the amount of $23,593,970, to pay all Allowed late-filed Claims in full, without Postpetition Interest, and allocate an additional amount to the Disputed Claims Reserve. By further Order dated November 3, 2003, the Bankruptcy Court approved the Eighth Interim Distribution of $30 million.

In connection with the First Interim Distribution, the Bankruptcy Court approved the creation of the Disputed Claims Reserve for the purpose of preserving the rights and interests of creditors whose Claims could not be fixed or estimated by the date of that distribution. The Disputed Claims Reserve was not a segregated account, but was formalized by an accounting entry reflecting an allocation for Claims that had yet to be resolved. With each succeeding Interim Distribution the Bankruptcy Court approved the credit or allocation of additional amounts to the Disputed Claims Reserve in respect of Claims identified as disputed, contingent or unliquidated at the time of the particular distribution. As each of these Claims was resolved the accounting for the Disputed Claims Reserve was adjusted, and funds held in respect of Claims later Allowed, in whole or in part, were distributed to the claimant so as to equalize the proportional dividend to that claimant with that paid to other general creditors.

As all of the other disputed and unliquidated Claims were resolved, the sole remaining claim covered by the Disputed Claims Reserve was the "FDIC Claim," defined in the Global Settlement Order as the Claim arising under the FDIC Subordinated Notes originally issued by the Debtor to American Pioneer Savings & Loan. In December of 2004, the Trustee and the Ad Hoc Committee reached an agreement with the FDIC pursuant to which:

(i) the FDIC Claim was deemed allowed for distribution in the reduced amount of $15,954,158.10, of which amount $5.5 million was paid immediately to the FDIC-Corporate in full and final satisfaction of the claim and $10,454,158.10 was deemed subordinated to the Senior Notes under the FDIC Subordination Provisions and made available for substantial reallocation to the Subordinated Indenture Trustees, all as contemplated pursuant to the Global Settlement Order, and

(ii) the balance of $10,454,158.10 included in the Disputed Claims Reserve in respect of the FDIC Claim would be released for distribution to other creditors under the formula approved in the Global Settlement Order.

The Ninth Interim Distribution was approved by Order dated March 16, 2005, and authorized payment of a second installment of Postpetition Interest in the amount of $10,454,158 to creditors holding Qualified Claims (as defined in the Global Settlement Order). The Subordinated Noteholders received $9,349,601.55 of the $10,454,158 distribution on a pro rata basis in respect of Postpetition Interest. Under the reallocation formula approved in the Global Settlement Order, the Subordinated Noteholders received an additional $339,479.30 reallocated from the pro rata amount payable to the Senior Noteholders. As a result of the reallocation, Subordinated Noteholders received a total of $9,689,080.85. The amount of $397,307.90 payable in respect of Qualified Claims held by other creditors remained unaffected by the reallocation, and was paid directly by the Trustee.

As a result of these distributions, creditors and bondholders of SEBC have received more than $420 million in Cash, representing a return of 100% of the principal amount of Allowed unsecured Claims, plus several payments of Postpetition Interest.

(f) Other Significant Litigation

(i) Deloitte Litigation (Case No. 93-1830-CIV-MOORE (S.D. Fla.))

The Deloitte Litigation was commenced in 1993 by Trustee Brandt against Deloitte & Touche and Deloitte, Haskins and Sells, collectively n/k/a Deloitte & Touche USA, L.L.P. and/or Deloitte & Touche, L.L.P. (the "Deloitte Litigation"), which served as SEBC's and SEBNA's outside auditors and accountants from at least 1986 through the date the Banks were seized.

The commencement of the Deloitte Litigation was the result of the Chapter 7 Trustee's investigation into certain activities and events that led to SEBNA's financial difficulties and ultimate seizure by the FDIC. The District Court dismissed the Trustee's suit on the basis of a finding that the statute of limitations had run on the claim and that the Trustee could not plead a basis to overcome the statute of limitations. The Deloitte Litigation was the subject of an appeal from the District Court to the United States Court of Appeals for the Eleventh Circuit, *Beck v. Deloitte & Touche*, Case No. 97-4068 which reversed the ruling of the District Court. Following reversal and remand by the Eleventh Circuit of the District Court's order, the parties engaged in substantial discovery relating to the claims and defenses asserted in the Deloitte Litigation.

Without conceding as to the merits of each other's positions, the parties reached a settlement, which was approved by the Bankruptcy Court on January 22, 2002, wherein Deloitte agreed to pay the Estate a lump sum of $4.95 million, and exchange releases with the Trustee on behalf of the Estate.

(ii) Former Directors & Officers Litigation, Case No. 92-1600-CIV-MOORE (S.D. Fla.)

In 1992 Trustee Brandt commenced litigation against certain former officers and directors of SEBC or SEBNA (the "D&O Litigation") during all or part of the period from 1986 through the date the Banks were seized and National Union Fire Insurance Company of Pittsburgh, Pennsylvania ("National Union") and Great American Insurance Company ("Great American"), as the D&Os' insurers.

The commencement of the D&O Litigation was the result of the Trustee's investigation into certain activities and events that led to SEBNA's financial difficulties and ultimate seizure by the FDIC. Prior to the bankruptcy filing, on behalf of the Defendants and other officers and directors, SEBC provided notice to National Union under its Directors' and Officers' Liability Policy No. 435-03-66 issued to SEBC (the "National Union Policy") and to Great American under its Excess Directors' and Officers' Liability Policy No. DFX0009079 issued to SEBC (the "Great American Policy") (together, the "Policies"), of

potential claims which might be, and in fact were in whole or in part, subsequently made against the defendants in D&O Litigation.

The action was the subject of a series of decisions in the District Court which ultimately dismissed the suit as a sanction for such Court's finding of misconduct by Trustee Brandt. An appeal was taken of such decision to the United States Court of Appeals for the Eleventh Circuit and prosecuted by Trustee Beck. Following the reversal in part and remand by the Eleventh Circuit of the District Court's order dismissing the D&O Litigation, the parties engaged in substantial discovery relating to the claims and defenses asserted in the D&O Litigation.

Certain of the D&Os asserted various claims against the Estate, most of which relate either to claims for deferred compensation or for indemnification. These claims included the estimated general unsecured compensation claims (in the aggregate amount of $11,134,424.09) and other unliquidated claims (for indemnification) asserted by eleven (11) former directors and officers of SEBC. The unliquidated indemnification claims asserted by the D&Os were estimated in the maximum amount of $5 million.

In connection with the Third Interim Distribution, counsel for certain of the director and officer claimants advised special counsel for the Trustee that the attorneys' fees and related costs incurred in the successful defense of the D&O Litigation were approximately $2,180,000. Thus, the total amount of estimated D&O Claims, including estimated amounts established by an estimated claims order of $16,134,424.09, plus the additional D&O claims of $2,180,000 was $18,314,424.09.

Subsequent to the Fifth Distribution, the Trustee settled claims asserted by three of the former directors and officers of SEBC included within the aggregate estimated reserve for "Directors and Officers" (collectively, the "Previously Settled Claims"):

(1) Kristen M. Hudak (with an estimated priority claim of $2,000 and an estimated general unsecured claim of $1,619,847.83, for a total estimated claim of $1,621,847.83, which has now been settled and reduced to an allowed general unsecured claim of $600,000);

(2) William D. Plechaty (with an estimated priority claim of $2,000 and an estimated general unsecured claim of $847,284.47, for a total estimated claim of $849,284.47, which has now been settled and reduced to an allowed general unsecured claim of $400,000); and

(3) John Porta (with an estimated priority claim of $2,000 and an estimated general unsecured claim of $2,174,697.00, for a total estimated claim of $2,176,697.00, which has now been settled and reduced to an allowed general unsecured claim of $1,522,288).

Thus, the aggregate amount of estimated claims resolved by these three (3) settlements was $4,647,829.30 (of which $4,641,829.30 had been estimated as general unsecured claims, and $6,000 have been estimated as priority claims).

Trustee Beck, following the continuing discovery and trial preparation by all parties to the D&O suit, engaged in settlement discussions with the D&O defendants and mediation of disputes. After such negotiation, a settlement was negotiated with all remaining defendants ("D&O Settlement"). The D&O Settlement provided for the release of all remaining D&O Claims against the Estate (including indemnification claims), with the exception of Douglas E. Ebert, whose claim was ultimately allowed as an unsecured, non-priority claim in the total aggregate amount of $596,720.69 (subject to certain limitations on his entitlement to distributions as set forth in a stipulation with the Trustee settling his claim, approved by the Bankruptcy Court on June 19, 2003); Charles J. Zwick, who would preserve the ability to negotiate or arbitrate a claim in the amount of no more than $320,000, with the balance of the Zwick claim being immediately disallowed; and Castle W. Jordan, who would be limited to a claim in the amount of $1,539.23, with the remainder of his claim disallowed. Thus, as a result of the D&O Settlement, the amount of estimated claims for the D&Os were reduced from nearly $14 million to less than $2 million,

representing a reduction of the estimated claim reserves of nearly $12 million, and the D&Os paid the Estate (through their insurance carrier) $9 million.

(iii) Ross & Hardies/Steel Hector & Davis Litigation

In 1992 Trustee Brandt retained attorney J. Joseph Bainton and the firm of Whitman & Ransom to investigate and pursue potential claims against the Debtor's former directors and officers and certain of its professionals. Thereafter, attorney Bainton, who by then had joined the law firm of Ross & Hardies, filed a series of lawsuits against a number of defendants in the District Court for the Southern District of Florida, including an action against the Debtor's former outside general counsel, the Miami-based law firm of Steel Hector & Davis. The District Court dismissed the suit and an appeal was taken by the Estate to the United States Court of Appeals for the Eleventh Circuit. Trustee Beck prosecuted such appeal and the decision of the District Court dismissing the suit was overturned by the Court of Appeals. Following that, as a result of certain actions undertaken and in the various litigation matters handled by Ross & Hardies, Trustee Beck subsequently asserted claims against Ross & Hardies as well. As the suit against Steel Hector & Davis proceeded to discovery and pretrial preparations, settlement discussions and mediation ensued including both the Ross & Hardies firm and Steel Hector & Davis firm. A settlement was ultimately negotiated by Trustee Beck with both firms. The separate claims against the Steel Hector and Ross & Hardies firms were resolved by the Bankruptcy Court's approval of a single combined settlement with their common insurer for an aggregate payment to the Estate of $26 million in 2002.

(iv) The Brandt Settlement

Trustee Brandt's resignation as Chapter 7 Trustee on April 1, 1998 left unresolved his final award of fees and expenses, including time billed within the Section 326(a) cap by his firm, Development Specialists, Inc. During Mr. Brandt's tenure as Chapter 7 Trustee the Bankruptcy Court had awarded and authorized payment from the Estate of interim fees in the amount of $4,332,904 and interim expense reimbursement of $230,213, and withheld ruling on an additional $805,960 in interim fees. By Application filed February 17, 2004 Mr. Brandt sought the allowance, award and payment of an additional $12,748,946 in fees and reimbursement of $2,299,789 in expenses (including amounts expended in prior litigation defending his actions as Chapter 7 Trustee), bringing the total sought together with interim awards to $19,611,852.

Appearing through special counsel, Trustee Beck objected to the Brandt final fee application and identified certain claims that could possibly have been asserted against Mr. Brandt by or on behalf of the Chapter 7 Estate. After submitting to mediation before the Hon. Herbert Stettin, Trustee Beck and Mr. Brandt entered into a Settlement Agreement providing, among other things, for a final award of total fees and expenses to former Trustee Brandt of $7,863,117, representing $11.75 million less than the amount sought in the Brandt final fee application and $3.3 million in excess of the amounts paid to him on an interim basis. Included in the $3.3 million was the $805,960 in fees on which the Bankruptcy Court had previously withheld ruling, and an additional $2,494,000 in excess of Mr. Brandt's total hourly fees for services rendered as Chapter 7 Trustee. The settlement further provided for the mutual release of all claims between the Chapter 7 Estate and Mr. Brandt, with certain limited exceptions reserved by Mr. Brandt solely for defensive purposes against third parties.

Trustee Beck's Motion seeking approval of the proposed settlement was filed on March 19, 2004, and met with a series of Objections filed by various parties in interest. Following a final evidentiary hearing on June 16 and 17, 2004, the Bankruptcy Court entered its 45-page *Order Approving Settlement Agreement and Awarding Final Compensation, Overruling Objections and Discharging Former Trustee William A. Brandt, Jr.* on August 6, 2004 (DE #4623) (the "Brandt Settlement Order"). Several parties in interest timely appealed from the Brandt Settlement Order, which was referred by U.S. District Judge K. Michael Moore to U.S. Magistrate Barry L. Garber. By Report and Recommendation issued on March 9, 2006, Magistrate Garber recommended that the Brandt Settlement Order be affirmed in part and remanded in part for determination of an issue associated with one of Mr. Brandt's defenses. By Order dated July 10, 2006, Judge Moore affirmed the Brandt Settlement Order in its entirety, rejecting the

recommendation for remand. No further appeal was taken, the Brandt Settlement Order became final, and the additional fees awarded by that Order were paid in Cash by the Estate.

(g) Other Significant Case Activity

(i) Artwork sales

Among the assets of the Chapter 7 Estate were approximately 4,300 pieces of investment-quality artwork, including modern paintings, sculptures, lithographs and prints (collectively, the "Artwork"), which as of the Petition Date were located at the corporate headquarters of SEBC in downtown Miami and in more than 225 branch bank locations of SEBNA. After retrieving and assembling all of the Artwork in a bonded storage facility in downtown Miami, Trustee Brandt retained Sotheby's, Inc. to sell approximately 49 of the "museum quality" works deemed representative of the collection. Although the auction was successful in marketing all but a few of the consigned works at or above market price, Sotheby's advised that the vast majority of the works in the collection were not well-suited for auction.

After investigating and assessing a variety of liquidation alternatives, Trustee Brandt determined that selling the remainder of the collection by direct retail sale to the public would provide the greatest net return to the Estate. On November 17, 1993, the Trustee filed a Motion seeking authority to undertake all actions deemed reasonably necessary to create and operate a retail art gallery, and approval of a budget for the operation of the retail gallery for a period of two years. By Order dated February 23, 1994, the Motion was granted, and the Trustee was authorized to create and operate a retail gallery and offer the Artwork for sale to the general public free and clear of all liens, claims and encumbrances. In order to open and operate the gallery, and pursuant to Section 322(a) of the Bankruptcy Code, 11 U.S.C. § 322(a), Trustee Brandt filed a bond on July 29, 1994 in the amount of $1 million, which was maintained throughout the operation of the gallery. The lease of the gallery premises terminated on November 15, 1996, by which date all of the Artwork had been sold at retail. Liquidation of the Artwork through the retail gallery resulted in income to the Estate of $530,000, after deducting all operating expenses of the gallery.

(ii) Sale of the Banking Center Properties

Immediately after his appointment in 1991, Trustee Bagdan and his counsel commenced efforts to obtain from the FDIC, First Union and former counsel for SEBC and SEBNA all of the transaction and title documents for all of the real estate formerly used in operation of SEBNA branch banks. Over the course of a comprehensive review of those files, Trustee Brandt determined that a great number of properties, including all or some portion of at least five of the banking center properties – a Dadeland Banking Center Drive-In, West Flagler Banking Center, Coral Way Banking Center Drive-In, Coral Way Banking Center Parking Lot and Hollywood Hills Banking Center Parking Lot (collectively the "Banking Center Properties") – were owned or controlled by the SEBC Estate and accordingly not included in the FDIC's sale of SEBNA assets to First Union. Accordingly, Trustee Brandt made demand upon First Union to purchase the properties at fair value or cease operations and vacate those sites. After a protracted process of negotiations with both First Union and the FDIC, Trustee Brandt filed a Motion dated October 19, 1993 seeking authority to sell and/or assume and assign the various fee and leasehold interests in the Banking Center Properties to First Union. By Order dated November 29, 1993, the Bankruptcy Court authorized the sale of the Banking Center Properties to First Union for $2,124,000, paid in Cash at closing.

(iii) Dadeland Xtra Property

Among the more intriguing assets of the Chapter 7 Estate was the fee interest in a parcel of real property located along North Kendall Drive in Miami, Florida, almost directly across from the Dadeland Mall. Although located in a prime retail area in Miami-Dade County, the Dadeland Xtra Property was valued at only $340,000 in the Debtor's Schedules based upon the encumbrance of a ground lease dating back to March 1, 1969. In January of 1986 a predecessor of Xtra Super Food Centers, Inc. ("Xtra") acquired the leasehold interests, and began shortly thereafter to operate an "Xtra Super Food Center" on the property.

In September of 1992 Xtra exercised the first of five 10-year renewal options under the ground lease. During that 10-year renewal term the annual rent payable to the Estate was less than $34,000, and the restrictive terms of the ground lease permitted the Trustee to increase the rent only once at the beginning of each 10-year renewal period at the maximum rate of 17%. Thus, even at maximum increases, the annual rent due under the ground lease could never exceed $70,000 a year, through the year 2042.

It need hardly be said that the existence of the ground lease substantially reduced the value of the Dadeland Xtra Property, and the term of that lease made it virtually impossible for the Estate to realize that value during the course of even this lengthy bankruptcy case. On or about March 10, 1996, however, Xtra ceased operation of the Super Food Center and removed its inventory and equipment from the premises, without notice to the Trustee. Although continuing to pay rent, taxes and other expenses required under the ground lease, Xtra completely vacated the premises and posted a sign at the main entrance reading, “Store Closed” “Out of Business.”

As a result, on May 13, 1996 Trustee Brandt filed a motion seeking to reject the unexpired ground lease (the “Rejection Motion”) on the basis that Xtra had vacated the premises and was in violation of the “opening hours” clause and other non-monetary covenants, the lease could be rejected without allowing Xtra to “remain in possession” under the form of Section 365(h)(1) of the Bankruptcy Code then in effect. The Rejection Motion sought to terminate the lease, formally evict Xtra from the premises, and prohibit Xtra from assigning its interest under the ground lease to a third party.

Following several months of contentious litigation over the Rejection Motion, Trustee Brandt and representatives of Xtra began to negotiate a resolution of the dispute in a joint effort to market the Dadeland Xtra Property to third parties. After negotiations failed Trustee Brandt resumed his efforts to pursue the Rejection Motion, while an affiliate of Xtra to which the lease had been assigned during the negotiation period entered into an agreement to assign the leasehold interest to Publix Supermarkets, Inc. for $6,250,000. Following further litigation Trustee Brandt entered into a proposed settlement agreement providing for sale of the fee interest in the Dadeland Xtra Property to Publix for $1,350,000. The settlement was brought before the Bankruptcy Court by way of a motion filed on December 31, 1997 and approved by the Bankruptcy Court on February 2, 1998, and the purchase price was paid in Cash at closing.

(iv) Other significant asset sales

At various times during the Chapter 7 phase of the case, Trustees Brandt and Beck sold interests held by the Estate in a number of other properties and investments. A brief summary of the more significant sales is as follows:

- Southeast Venture Capital – By Motion and Order dated May 22, 1992 and June 23, 1992, respectively, Trustee Brandt sought and obtained authority to sell the Estate’s interest as sole limited partner of Southeast Venture Capital Ltd. I and Southeast Venture Capital Ltd. II to the general partners of each of those entities. The combined purchase price was $2,800,000, paid in Cash at closing.

- Southeast Switch, Inc. – By Motion and Order dated June 2, 1992 and June 23, 1992, respectively, Trustee Brandt sought and obtained authority to sell all of the Estate’s 7% equity interest in Southeast Switch, a corporation that owned and operated an electronic funds transfer system commonly known as the Honor System, accessible through an extensive network of automatic teller machines and point-of-sale terminals throughout the southeastern United States. The shares in Southeast Switch were sold at $5.55 per share, three times the stated book value as of December 31, 1991, for a total purchase price of $1,250,000, paid in Cash at closing.

- Doral Property – By Motion and Order dated December 15, 1992 and December 22, 1992, respectively, Trustee Brandt sought and obtained approval of an advertising budget and bidding procedures governing the sale of a 27-acre parcel of vacant land in west Miami-Dade County and known as the Doral Property. By Order dated February 26, 1993, the Bankruptcy Court authorized the sale of the Doral Property for $4,300,000, paid in Cash at closing.

- Fort Caroline Cove Property – By Motion and Order dated September 23, 1993, and October 28, 1993, respectively, Trustee Brandt sought and obtained approval of an advertising budget and bidding procedures governing the sale of a 24-acre parcel of raw land located in Duval County, Florida, known as the Fort Caroline Cove Property. By Order dated November 29, 1993, the Bankruptcy Court authorized the sale of the Fort Caroline Cove Property for $701,000, paid in Cash at closing.

- The Ranch Property – By Motion dated March 2, 1994, Trustee Brandt sought authorization to sell seventeen developed but unimproved residential lots located in Travis and Burnett Counties, Texas, known as the Ranch Property. By Order dated April 1, 1994, the Bankruptcy Court authorized the sale of the Ranch Property for $800,000, pursuant to the terms and conditions set forth in the Sale Motion, paid in Cash at closing.

- Morgan Street Property – By Motion and Order dated March 8, 1994 and April 7, 1994, respectively, Trustee Brandt sought and obtained approval of an advertising budget and bidding procedures governing the sale of a parcel of predominantly vacant land located at 408 Morgan Street, Tampa, Florida, known as the Morgan Street Property. By Order dated May 16, 1994, the Bankruptcy Court authorized the sale of the Morgan Street Property for $1,576,000, paid in Cash at closing.

- Ponte Vedra Property – By Motion dated March 29, 1995, Trustee Brandt sought authorization to sell a property located in Hillsborough County, Florida, known as the Ponte Vedra Property. By Order dated April 26, 1995, the Bankruptcy Court authorized the sale of the Ponte Vedra Property for $350,000, pursuant to the terms and conditions set forth in the Sale Motion, paid in Cash at closing.

- The Tallahassee Townhouse – By Motion dated December 28, 1995, Trustee Brandt sought authorization to sell a condominium unit located at 1618 View Lane, #6, Tallahassee, Florida, known as the Tallahassee Townhouse. By Order dated January 12, 1996, the Bankruptcy Court authorized the sale of the Tallahassee Townhouse for $55,000, pursuant to the terms and conditions set forth in the Deposit Receipt and Contract for Sale and Purchase Agreement attached to the Motion, paid in Cash at closing.

- Fort Caroline Cove Model Home – By Motion dated March 4, 1996, Trustee Brandt sought authorization to sell a property owned by a non-debtor subsidiary in Tallahassee, Florida, known as the Fort Caroline Cove Model Home. By Order dated March 19, 1996, the Bankruptcy Court authorized the sale of the Fort Caroline Cove Model Home for $74,000, pursuant to the terms and conditions set forth in the Deposit Receipt and Purchase and Sale Agreement attached to the Motion, paid in Cash at closing.

- The Ranch – By Motion dated May 28, 1996, Trustee Brandt sought authorization to take necessary corporate action to facilitate the sale of a property owned by a non-debtor subsidiary in Spicewood, Texas, known as The Ranch. By Order dated June 17, 1996, the Bankruptcy Court authorized the sale of The Ranch for $140,000, pursuant to the terms and conditions set forth in the Unimproved Property Earnest Money Contract attached to the Motion, paid in Cash at closing.

- Ponte Vedra Pointe Parcels “C” and “D” – By Motion dated May 31, 1996, Trustee Brandt sought authorization to take necessary corporate action to facilitate the sale of property

owned by a non-debtor subsidiary in St. Johns County, Florida, known as Ponte Vedra Pointe Parcels “C” and “D”. By Order dated June 17, 1996, the Bankruptcy Court authorized the sale of Ponte Vedra Pointe Parcels “C” and “D” for $500,000, pursuant to the terms and conditions set forth in the Purchase and Sale Agreement attached to the Motion, paid in Cash at closing.

- The Crossings – By Motion dated July 23, 1996, Trustee Brandt sought authorization to take necessary corporate action to facilitate the sale of a property owned by a non-debtor subsidiary in St. Johns County, Florida, known as The Crossings. By Order dated August 20, 1996, the Bankruptcy Court authorized the sale of The Crossings for $500,000, pursuant to the terms and conditions set forth in the Purchase and Sale Agreement attached to the Motion, paid in Cash at closing.

- Ponte Vedra Parcels “F” and “G” – By Motion dated June 23, 1997, Trustee Brandt sought authorization to take necessary corporate action to facilitate the sale of a series of out-parcels located in Ponte Vedra County, Florida, known as Ponte Vedra Parcels “F” and “G”. By Order dated July 22, 1997, the Bankruptcy Court authorized the sale of Ponte Vedra Parcels “F” and “G” for $925,000, pursuant to the terms and conditions set forth in the Sale Motion, paid in Cash at closing.

- Latin American Agribusiness Development Corporation – By Motion dated February 17, 1998, Trustee Brandt sought authority to sell forty (40) shares of common stock in Latin American Agribusiness Development Corporation ("LAADC"), a private investment and development company. Following Mr. Brandt's resignation Trustee Beck restructured the sale process, and on May 7, 1998 the Bankruptcy Court entered a Sale Procedures Order which recognized the $800,000 bid of Gabriel Capital, L.P. as the stalking horse bid and approved a break-up fee in the amount of $75,000, subject to higher and better offers and the contractual right of first refusal held by LAADC to purchase its own shares. Pursuant to a public auction conducted before the Bankruptcy Court on July 6, 1998, the shares were sold to LAADC for the sum of $1.8 million in cash, from which the Estate realized net proceeds of $1.725 million, after payment of the previously-approved break-up fee. The sale was confirmed by Order dated July 30, 1998, and the net purchase price of $1.725 million was paid to the Estate in Cash at closing.

- Belfort Property – By Motion dated May 17, 2001, Trustee Beck sought authorization to take necessary corporate action to facilitate the sale by a non-debtor subsidiary of a portion of the Belfort Property. By Order dated June 13, 2001, the Bankruptcy Court authorized the sale of such portion of the Belfort Property for $1,913,416, pursuant to the terms and conditions set forth in the Purchase and Sale Agreement attached to the Motion, paid in Cash at closing.

- Wometco Enterprises, Inc. – By Motion and Order dated July 8, 2005 and August 4, 2005, respectively, Trustee Beck sought and obtained authority to sell the Estate’s 30,000 shares of Convertible Preferred Stock in Wometco (27,700 shares of Series A and 2,300 shares of Series B), for the stipulated preferred stock put price of $426,000, paid in Cash to the Estate at closing.

Through the series of transactions described above the Estate realized in excess of $19,175,000 in Cash, much of it from assets which were carried on the books of the Debtor at far lesser values, or not reflected on those records at all.

(v) Federal Tax Refunds

For a period of several years prior to the regulatory intervention of the Banks and the filing of the Chapter 7 Case, the Debtor filed consolidated tax returns for itself and its eligible affiliates, including the Banks (collectively, the “SEBC Taxpayer Group”). In September of 1992 the Internal Revenue Service

issued two Notices of Deficiency, asserting that taxes were due and owing from the Debtor and all members of the SEBC Taxpayer Group in the amounts of $686,727, $8,774,110, and $7,824,307 for the taxable years ending December 31, 1986, 1988 and 1989, respectively. In addition to this asserted deficiency of over $17 million, the IRS also filed a proof of claim in the Chapter 7 Case in the amount of $28,375,877.24, of which $27,613,879.13 was asserted as a priority claim, in respect of the taxable years ending December 31, 1983 through December 31, 1990.

Notwithstanding the asserted tax liability of more than $45 million, Trustee Brandt and his counsel believed on the basis of the limited information initially available to them that the Estate was entitled to a significant tax refund – unliquidated in amount and disputed in ownership by the FDIC in its capacity as Receiver for SEBNA – in respect of the taxable years ending on or prior to December 31, 1991. In order to preserve that right Trustee Brandt filed an appeal in the United States Tax Court, as a means of disputing the Notices of Deficiency. Because the Notices of Deficiency sought to impose joint and several liability on each member of the Taxpayer Group, the FDIC ultimately agreed as a matter of mutual interest to work cooperatively with the Trustee to respond jointly to the Notices and, more importantly, to file a consolidated tax return and joint request for tax refund for the tax year ending December 31, 1991.

After entering into a Tax Escrow Agreement with the FDIC approved by the Bankruptcy Court in an Order entered on April 1, 1993, the Trustee engaged in protracted negotiations with the IRS and FDIC for more than two years before reaching a comprehensive settlement of the tax liabilities and refund rights. On November 16, 1995 the Trustee filed a Motion seeking approval of a settlement of the Tax Appeal, pursuant to which:

- The SEBC Taxpayer Group received an immediate tax refund in the amount of $567,555.00 for the eight-year period comprised of tax years ending December 31, 1983 through December 31, 1990;

- The SEBC Taxpayer Group received an additional tax refund in excess of $15 million for the tax year ending December 31, 1991, upon approval of the Joint Congressional Committee on Taxation as required in respect of any refund in excess of $1 million for any single tax year;

- The full $28,375,877.24 amount of the IRS proof of claim was eliminated.

The Bankruptcy Court approved the proposed settlement by Order dated November 21, 1995. Thereafter, in connection with the FDIC Settlement described in Section V.A.4(c) of this Disclosure Statement, the FDIC relinquished all of its right, title and interest in the tax escrow, and the Chapter 7 Estate ultimately received the entire federal tax refund in an amount in excess of $15 million.

5. Efforts to Realize Additional Value through an Equity Infusion Transaction

Beginning in 2005 while the case was still pending as a case under Chapter 7, the Trustee began considering various alternatives to implement a transaction to rehabilitate SEBC, including a transaction involving the investment of SEBC's remaining Cash or investment by a third party. After consultation with the Indenture Trustees and certain significant Noteholders who had signed confidentiality agreements (the "Confidentiality Parties"), the Trustee determined that creditors would support the efforts of the Trustee and his Professionals (including their expenditure of time and money) to attract a suitable third party investor.

Accordingly, working with the Confidentiality Parties the Trustee sought to select counsel capable of soliciting and implementing a transaction with a third party investor to rehabilitate SEBC and maximize value not only for creditors, but also for SEBC's equity holders. The Trustee identified several candidate law firms, and ultimately conducted a telephonic interview of two firms, each of which presented proposals of potential transaction structures. Based on those interviews and the respective proposals, the Trustee selected Greenberg Traurig (already the Trustee's general counsel) as counsel with respect to the proposed transaction.

Greenberg Traurig attorneys worked with the Trustee from September 2005 through November 2006 to refine the proposed transaction structure in order to obtain the maximum value from SEBC's remaining assets, and then began discussions with at least five potential investors. In conjunction with those discussions, the Trustee and his attorneys encouraged each potential investor to propose alternative transaction structures as well. Unfortunately, these conversations did not prove successful in developing a mutually agreeable transaction structure with any of the proposed investors during this time period.

As noted in Section V.A.1(b)(v) of this Disclosure Statement, after the initial lack of success by Greenberg Traurig in finding a suitable counterparty for the transaction on its own, the Trustee sought and obtained approval to retain SCS as investment banker for the Estate for purposes of pursuing such a transaction and finding a suitable counterparty. By order entered on April 4, 2007, the Bankruptcy Court approved SCS's retention nunc pro tunc to February 1, 2007, and approved a percentage fee structure for SCS based on the aggregate third party consideration provided for in the transaction. Specifically, if the Plan is confirmed and the Transaction is consummated, SCS will be entitled to the SCS Structuring Fee of .04% (4 bps) of the Aggregate Purchase Price (but excluding for the purposes of this calculation from the Aggregate Purchase Price the total combined value of the 5,000,000 shares of Reorganized SEBC Class B Common Stock and the 5,000,000 shares of Reorganized SEBC Class C Common Stock purchased by Investor pursuant to Section 5.6(c) of the Plan) payable on or before the first quarterly dividend payment date for Reorganized SEBC after the Effective Date, and the SCS Annual Fee of .08% (8 bps) of the Aggregate Purchase Price (but excluding for the purposes of this calculation from the Aggregate Purchase Price the total combined value of the 5,000,000 shares of Reorganized SEBC Class B Common Stock and the 5,000,000 shares of Reorganized SEBC Class C Common Stock purchased by Investor pursuant to Section 5.6(c) of the Plan) per annum payable in four equal quarterly installments on each quarterly dividend payment date for Reorganized SEBC for so long as the Transaction remains outstanding, commencing on the first quarterly dividend payment date for Reorganized SEBC after the Effective Date.

After being retained by the Estate, SCS discussed the proposed transaction with at least seven financial institutions believed to have the sophistication and financial wherewithal to engage in such a transaction. SCS also encouraged these potential investors to propose alternative transactions. Only one financial institution made such a proposal; however, it too agreed that given certain limitations arising from SEBC's bankruptcy status, the SCS proposal was best suited for SEBC.

Other potential investors declined to proceed further because they sought an investment grade counterparty who could make certain representations and warranties that neither the Trustee nor SEBC could provide. One potential investor would only consider a transaction up to a total of no more than nine times the value of all subordinated equity, which would have resulted in a transaction of less than $200 million. Another investor proposed a transaction of $500 million. MLE, on the other hand, had the most practical proposal and after initial due diligence proposed investing approximately $1.5 billion.

Thus, after due consideration and numerous discussions with each of these financial institutions, by the middle of 2007 the Trustee decided to proceed directly with MLE based on, among other things, (i) the size of the proposed transaction with MLE; (ii) the fact that it was ready to proceed without indemnities from SEBC or its stakeholders; (iii) its reputation; and (iv) its familiarity with the transaction structure.

The selection of MLE then led to further negotiations resulting in a non-binding letter of intent dated June 28, 2007, between the Trustee and MLE. After executing the letter of intent and conferring with creditors and other parties in interest who had signed confidentiality agreements, on August 16, 2007, the Trustee filed a motion to convert the Chapter 7 Case to Chapter 11 as the first step toward implementing a transaction with MLE. After a hearing on September 11, 2007, the Bankruptcy Court entered an order on September 17, 2007, converting the Chapter 7 Case to Chapter 11. On November 14, 2007, the Trustee then entered into a enhanced non-binding letter of intent with MLE, which further refined the terms of the proposed Transaction.

B. The Chapter 11 Case

Upon conversion to the Chapter 11 Case on September 17, 2007, the Trustee now seeks to rehabilitate the Debtor through the Plan, causing it to undertake operations in the financial services (but non-banking) industry and utilize certain of its remaining assets.

1. The Trustee and His Professionals

Jeffrey H. Beck, the last Chapter 7 Trustee, was appointed as Chapter 11 Trustee. The Chapter 11 Trustee has retained Greenberg Traurig as his general counsel, Kapila as his accountant, MWE as his ERISA counsel, Smith as fee auditor, and SCS as financial advisor. SCS was likewise retained on behalf of the Chapter 11 Estate under the compensation terms previously approved in the Chapter 7 Case.

Numerous professionals and Trustee Beck sought and were paid Chapter 11 administrative fees and expenses as shown in detail in Appendix G. Professionals and Trustee Beck sought a total of $5,134,375.30 and $131,329.31 Chapter 11 fees and expenses, respectively. Of these amounts, from inception of this case through fee period January 2009 and award date December 17, 2008, professionals and Trustee Beck were paid a total of $2,385,480.58 and $52,940.49 Chapter 11 fees and expenses, respectively.

2. Creditor and Equity Representatives

No creditors or equity committees have been appointed pursuant to 11 U.S.C. § 1102.

Upon conversion of the Chapter 7 Case to the Chapter 11 Case, however, and with the possibility that there would be value for Holders of Interests in SEBC under a Plan, the Trustee requested that the Bankruptcy Court appoint a Legal Representative to represent the interests of Holders of Old SEBC Common Stock Interests – the vast majority of whom were and continue to be unknown to the Trustee – with respect to Plan-related matters. Specifically, the Trustee requested that the Bankruptcy Court appoint a Legal Representative to represent and further the interests of the Holders of Old SEBC Common Stock Interests generally in connection with the process of developing, negotiating and confirming the Plan with the Trustee, MLE, and other constituents; advising on the form and substance of notice to Holders of Old SEBC Common Stock Interests and their participation in the Plan process, including communication with Holders of Old SEBC Common Stock Interests regarding Plan issues; and otherwise acting on their behalf in connection with issues arising in connection with the confirmation of a Plan.

By Order entered on November 21, 2007 (the "Legal Representative Order"), the Bankruptcy Court authorized the appointment of a Legal Representative, and appointed Jerry M. Markowitz, Esq., to fill that role. In the Legal Representative Order, the Bankruptcy Court authorized the Legal Representative to (a) negotiate on behalf of the Holders of Old SEBC Common Stock Interests with the Trustee, MLE, and other constituencies in connection with the development, negotiation and confirmation of the Plan; (b) advise on the form and substance of supplemental notice to Holders of Old SEBC Common Stock Interests and their participation in the Plan process, including communication with Holders of Old SEBC Common Stock Interests regarding Plan issues; (c) otherwise act on behalf of Holders of Old SEBC Common Stock Interests in connection with issues arising in connection with the development, confirmation and implementation of the Plan; (d) retain counsel, and enter into such confidentiality and other agreements as may be necessary to discharge the foregoing duties and responsibilities; (e) appear both individually and through counsel, as appropriate, and be heard before the Bankruptcy Court as a party in interest pursuant to 11 U.S.C. § 1109(b) with respect to any issue falling within the scope of the duties described in the Legal Representative Order; and (f) seek payment of reasonable fees and reimbursement of expenses from the Estate for his services and those of his chosen counsel pursuant to 11 U.S.C. §§ 330 and 331.

Pursuant to an application by the Legal Representative, by Order entered on July 14, 2008, the Bankruptcy Court authorized the Legal Representative to employ Mesirow Financial Consulting ("MFC") as his financial advisor. Since their respective retentions, both the Legal Representative and MFC have taken an active role in negotiating for, advising the Trustee with respect to, and otherwise acting on behalf of, the Holders of Old SEBC Common Stock Interests.

3. Claims Bar Date

Because all pre-petition Claims have long since been administered in the Chapter 7 Case, by Order Directing that There Be No New or Additional Bar Date for Filing Proofs of Claim in This Converted Chapter 11 Case entered on September 28, 2007, the Bankruptcy Court directed that the Bar Date fixed in the Chapter 7 Case remain the claims bar date and that no new or additional bar date for filing proofs of claim be allowed.

4. Administrative Claims Bar Date

Pursuant to the Administrative Claim Bar Date Order, the Bankruptcy Court established January 26, 2009 as the deadline by which all Persons holding or wishing to assert a claim (as defined in section 101(5) of the Bankruptcy Code) against the Estate, which has not already been Allowed and paid in full, must file a request for the allowance and payment of such Administrative Claim or be forever barred from filing or asserting such Administrative Claim against the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, any successor thereto, or their respective properties.

All requests for payment of an Administrative Claim (other than as set forth in Sections 3.1, 9.1, 9.2, 9.3, 9.4, or 9.5 of the Plan or as otherwise ordered by the Bankruptcy Court), including all final requests for payment of Professional Fee Claims pursuant to Sections 327, 328, 330, 331, or 503(b) of the Bankruptcy Code, must be made by application filed with the Bankruptcy Court and served on necessary parties in interest on or before the Administrative Claims Bar Date. All timely filed Administrative Claims, including all Professional Fee Claims, will be considered at the Confirmation Hearing. Any such applications may contain a good faith estimate of additional Professional Fee Claims to be incurred through and including the Effective Date (a "Good Faith Estimate"). Should a Professional wish to increase or decrease the amount of its Good Faith Estimate contained in a timely-filed Professional Fee Claim, such Professional must file a supplement to its Professional Fee Claim no later than ten days before the date first set for the Confirmation Hearing. Objections to such applications must be filed and served on the Trustee, his counsel, counsel for MLE, the requesting Professional, the Fee Auditor Warren H. Smith, and such other parties in interest as the Bankruptcy Court may direct, within such time as may be provided under applicable Rules of the Bankruptcy Court or fixed by Order of the Bankruptcy Court. In the event that of any objection to any Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim. To the extent any asserted Administrative Claim, the amount of which is deducted from Available Cash to compute Net Cash, is disallowed, Cash in the amount of such disallowed Administrative Claim (or any portion thereof that is disallowed) shall be transferred to SEBC Holdings, whereupon such amount shall be subject to a mandatory dividend payable to holders of SEBC Holdings Junior Preferred Units on or before the next quarterly dividend date for SEBC Holdings after the date by which all such disputed Administrative Claims are finally resolved.

Any Holder of an Administrative Claim who fails to file a timely request for the allowance of an Administrative Claim: (i) shall be forever barred, estopped and enjoined from asserting such Administrative Claim against the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, any successor thereto, or their respective properties (or filing a request for the allowance thereof), and the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, any successor thereto, and their respective properties shall be forever discharged from any and all indebtedness or liability with respect to such Administrative Claim; and (ii) such Holder shall not be permitted to participate in any Distribution under the Plan on account of such Administrative Claim.

5. Further Negotiation of the Transaction

After the Trustee entered into the November 14, 2007 enhanced non-binding letter of intent with MLE, the Trustee and his Professionals continued to negotiate the Transaction and the numerous documents to implement the Transaction, including the Plan, with MLE and its professionals. As a result of those negotiations, the Master Subscription Agreement was signed on November 19, 2008, and on November 20, 2008, the Trustee filed the Trustee's Chapter 11 Plan of Reorganization seeking approval of the Transaction set forth in the Master Subscription Agreement. On December 10, 2008, the Trustee then filed the Trustee's First Amended Chapter 11 Plan of Reorganization dated December 9, 2008, on February 6, 2009, the Trustee filed the Trustee's Second Amended Chapter 11 Plan of Reorganization dated February 6, 2009, and on February 9, 2009, the Trustee filed the Trustee's Third Amended Chapter 11 Plan of Reorganization.

VI. SUMMARY OF THE CHAPTER 11 PLAN OF REORGANIZATION

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS UNDER THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, AND TO THE EXHIBITS ATTACHED THERETO.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS.

THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN WILL CONTROL THE TREATMENT OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTOR UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR, REORGANIZED SEBC, SEBC HOLDINGS, REAL ESTATE LLC, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND/OR SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

A. Overall Structure of the Plan

Chapter 11 is the principal business reorganization Chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of its creditors and shareholders. Upon the filing of a petition for relief under the Bankruptcy Code, Section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose before the commencement of the Bankruptcy Case.

The consummation of a plan of reorganization is the principal objective of a Chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the Bankruptcy Court makes the plan binding upon the debtor, any issuer of securities under the plan, any Person acquiring property under the plan, and any creditor of, or equity security holder in, the debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan. Subject to certain limited exceptions, and other than as provided in the plan itself or the confirmation order, the confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes for such debt the obligations specified under the confirmed plan, and terminates all rights and interests of equity security holders.

The terms of the Plan are based upon, among other things, the Trustee's assessment of the Debtor's ability to achieve the goals of its business plan, make the Distributions contemplated under the Plan, and pay its continuing obligations in the ordinary course of its business. Under the Plan, Claims against and Interests in the Debtor are divided into Classes according to their relative seniority and other criteria.

If the Plan is confirmed by the Bankruptcy Court and consummated, Claims and Interests will be modified and receive Distributions constituting a partial recovery on such Claims and Interests. On the Effective Date, Reorganized SEBC and SEBC Holdings will distribute Cash and certain Reorganized SEBC Securities and SEBC Holdings Securities in respect of each Class of Claims and Interests as provided in the Plan. The Classes of Claims against and Interests in the Debtor created under the Plan, the treatment of those Classes under the Plan, and the other property to be distributed under the Plan, are described below.

B. Reorganized Capital Structure Created by Plan

The Plan sets forth the capital structure of Reorganized SEBC upon its emergence from Chapter 11, which is summarized as follows:

1. Reorganized SEBC

Reorganized SEBC will emerge from Chapter 11 owning various financial securities including the Investment Vehicle Senior Securities and the Real Estate LLC Debt. Reorganized SEBC Common Stock will be owned 60% by SEBC Holdings and 40% by Investor. Investor will also own Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock, and Reorganized SEBC Series J Junior Preferred Stock. Qualified Creditors of SEBC will own Reorganized SEBC Series K Junior Preferred Stock, a portion of which will be purchased by Investor pursuant to the Securities Purchase Agreement (as described in Section VI.B.4. below).

2. Real Estate LLC

All Cash in each of the Jacksonville Property Subsidiaries will be upstreamed to the Estate on or before the Effective Date. The Jacksonville Property Subsidiaries will then each be converted into Florida limited liability companies, and the equity interests held by the Estate in each such entity will then be transferred to Real Estate LLC. Real Estate LLC will issue the Real Estate LLC Debt to Reorganized SEBC, and SEBC Holdings will acquire 100% of the Real Estate LLC Membership Interests. Real Estate LLC shall continue to manage, develop, and possibly dispose of the Jacksonville Property in such manner as is calculated to maximize the value and return to each of these entities. Appraisals prepared by Broom, Moody, Johnson & Grainger, Inc. (the "Appraisals") value the Jacksonville Property at $34.5 million including joint venture partner receivables and excess mitigation credits but excluding any value for concurrency credits.

3. SEBC Holdings

SEBC Holdings will be established to hold 60% of Reorganized SEBC Common Stock and 100% of Real Estate LLC Membership Interests. All outstanding SEBC Holdings Common Units will be owned by Holders of Old SEBC Common Stock Interests. Holders of Series A Preferred Stock and Series E Preferred Stock will own $.54 million aggregate face amount of SEBC Holdings Junior Preferred Units, and Holders of Claims will own $18.7 million aggregate face amount of SEBC Holdings Junior Preferred Units and up to $6 million aggregate face amount of SEBC Holdings Senior Preferred Units,[21] a portion of which will be purchased by Investor pursuant to the Securities Purchase Agreement (as described in Section VI.B.4. below).

[21] *See* note 2, *supra*.

4. Securities Purchase for Cash

A portion of the consideration to be distributed under the Plan is the Mixed Securities Distribution, which will be $10.5 million in total consideration consisting of $6 million face amount in SEBC Holdings Senior Preferred Units and $4.5 million face amount in Reorganized SEBC Series K Junior Preferred Stock, subject, however, to adjustment pursuant to Section 5.6(e) of the Plan.

On the Effective Date, Investor will purchase for Cash, pursuant to the Securities Purchase Agreement, not less than an aggregate $6,500,000 face amount of SEBC Holdings Senior Preferred Units and Reorganized SEBC Series K Junior Preferred Stock in lieu of the issuance of such units and/or stock to Holders of Noteholder Claims and Allowed Class 3 Claims. Such purchase by Investor shall be implemented so that the Holders of Noteholder Claims and Allowed Class 3 Claims shall each receive (x) a Pro Rata share of $6,500,000 in Cash and (y) a Pro Rata share of an aggregate $4,000,000 face amount in SEBC Series K Junior Preferred Stock and/or SEBC Holdings Senior Preferred Units,[22] provided, however, that only Qualified Creditors shall be eligible to receive, acquire, or hold Reorganized SEBC Series K Junior Preferred Stock and provided further, however, that the Disbursing Agent will not distribute shares of Reorganized SEBC Series K Junior Preferred Stock to more than 250 holders of record for purposes of the registration and periodic reporting obligations of the Exchange Act.

C. Classification and Treatment of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan of reorganization must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with Section 1122 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Claims, which, pursuant to Section 1123(a)(1), do not need to be classified). The Trustee also is required, under Section 1122 of the Bankruptcy Code, to classify Claims against and Interests in the Debtor into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The Trustee believes that the Plan has classified all Claims and Interests in compliance with the provisions of Section 1122 of the Bankruptcy Code and applicable case law, but it is possible that a Holder of a Claim or Interest may challenge the Trustee's classification of Claims and Interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In that event, the Trustee intends, to the extent permitted by the Bankruptcy Code, the Plan, and the Bankruptcy Court, to make such reasonable modifications of the classifications under the Plan to permit confirmation and to use the Plan acceptances received for purposes of obtaining the approval of the reconstituted Class or Classes of which each accepting Holder ultimately is deemed to be a member. Any such reclassification could adversely affect the Class in which such Holder initially was a member, or any other Class under the Plan, by changing the composition of such Class and the vote required of that Class for approval of the Plan.

The classification of Claims and Interests and the nature of Distributions to members of each Class are summarized below. The Trustee believes that the consideration provided under the Plan to Holders of Claims and Interests reflects an appropriate resolution of their Claims and Interests, taking into account the differing nature and priority (including applicable contractual and statutory subordination) of such Claims and Interests as resolved in the Global Settlement Order, and the fair value of the Debtor's assets. In the event that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Trustee will seek confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. Specifically, Section 1129(b) of the Bankruptcy Code permits confirmation of a Chapter 11 plan in certain circumstances even if the Plan has not been accepted by all Impaired Classes of Claims and Interests. *See* Section X.H. below. Although the Trustee believes that the Plan can be confirmed under Section 1129(b), there can be no assurance that the Bankruptcy Court will find that the requirements to do so have been satisfied.

[22] *Id.*

1. Treatment of Unclassified Claims under the Plan – Administrative Claims

An Administrative Claim is defined in the Plan as any cost or expense of administration in the Bankruptcy Case under Section 503 of the Bankruptcy Code, including, without express or implied limitation, any actual and necessary costs and expenses of preserving the Estate, any expenses of Professionals under Sections 330 and 331 of the Bankruptcy Code, any actual and necessary costs and expenses of operating the businesses of the Debtor, any indebtedness or obligations incurred or assumed by the Trustee on behalf of the Debtor and the Estate in connection with the conduct of the Debtor's business or for the acquisition or lease of property or the rendition of services, any allowed compensation or reimbursement of expenses under Section 503(b)(2)-(5) of the Bankruptcy Code, and any fees or charges assessed against the Estate.

Under the Plan, except as otherwise provided for therein, and subject to the requirements of Sections 9.1 through 9.5 of the Plan, on the Effective Date or the date on which such Administrative Claim becomes payable pursuant to any agreement between Reorganized SEBC or the Trustee and the Holder of such Administrative Claim, the Holder of each such Allowed Administrative Claim shall receive from the Estate, in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Administrative Claim, (i) Cash equal to the unpaid portion of such Allowed Administrative Claim or (ii) such different treatment (on terms no more favorable to the Holder than previously agreed to among the parties) as to which the Trustee or Reorganized SEBC and such Holder shall have agreed in writing. The Professional Fee Contribution, which consists of $300,000 in Cash to be paid by Reorganized SEBC to the Disbursing Agent on the first quarterly dividend payment date for Reorganized SEBC after the Effective Date, shall also be used as a source for, or in reimbursement of, Allowed Professional Fee Claims.

The Plan provides that all requests for payment of an Administrative Claim (other than as set forth in Sections 3.1, 9.1, 9.2, 9.3, 9.4, or 9.5 of the Plan) must be made by application filed with the Bankruptcy Court and served on counsel for the Trustee on or before the Administrative Claims Bar Date. In the event that the Trustee objects to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim. To the extent any asserted Administrative Claim, the amount of which is deducted from Available Cash to compute Net Cash, is disallowed, Cash in the amount of such disallowed Administrative Claim (or any portion thereof that is disallowed) will be transferred to SEBC Holdings, whereupon such amount will be subject to a mandatory dividend payable to holders of SEBC Holdings Junior Preferred Units on or before the next quarterly dividend date for SEBC Holdings after the date by which all such disputed Administrative Claims are finally resolved.

(a) Payment of Professional Fee Claims

Unless otherwise ordered by the Bankruptcy Court, all final requests for payment of Professional Fee Claims pursuant to Sections 327, 328, 330, 331, or 503(b) of the Bankruptcy Code must be made by application filed with the Bankruptcy Court and served on necessary parties in interest on or before the Administrative Claims Bar Date. All such timely filed and served applications, including requests for fee enchancements, shall be heard on March 16, 2009 at 9:30 a.m. Any such applications may contain a good faith estimate of additional Professional Fee Claims to be incurred through and including the Effective Date. Objections to such applications must be filed and served on the Trustee, his counsel, counsel for MLE, the requesting Professional, the Fee Auditor Warren H. Smith, and such other parties in interest as the Bankruptcy Court may direct, within such time as may be provided under applicable Rules of the Bankruptcy Court or fixed by Order of the Bankruptcy Court.

(b) Payment of Indenture Trustee Fees and Expenses

To the extent the Indenture Trustee Fees and Expenses are paid in Cash in full by the Trustee, the Disbursing Agent, or Reorganized SEBC, distributions received by Noteholders pursuant to the Plan shall not be reduced on account of the fees and expenses of the Indenture Trustees.

Within fifteen (15) days after the Bankruptcy Court enters an Order approving the Disclosure Statement, the Indenture Trustees shall serve on the Trustee reasonably substantiating documents in support of the Indenture Trustee Fees and Expenses incurred after July 31, 2002 to such date by the Indenture Trustees, together with a detailed, reasonable estimate of any fees and expenses to be incurred through the Effective Date. Such estimate may include, without limitation, projected fees and expenses relating to surrender and cancellation of the Notes and making distributions to Noteholders under the Plan. On or as soon as reasonably practicable after the Effective Date, the Trustee or Reorganized SEBC shall pay in Cash the undisputed amount of the Indenture Trustee Fees and Expenses without the need for the Indenture Trustees to file applications for the allowance thereof with the Bankruptcy Court, pursuant to Sections 3.2(a) and (b) of the Plan. If, before the Effective Date, the Trustee objects in writing to all or a portion of the Indenture Trustee Fees and Expenses, (a) the Trustee shall pay the undisputed portion of the Indenture Trustee Fees and Expenses as provided above and (b) such Indenture Trustee may, in its sole discretion, either (i) submit the disputed portion of the Indenture Trustee Expense to the Bankruptcy Court for resolution or (ii) exercise its rights under the Indentures to ensure full payment of the Indenture Trustee Fees and Expenses. The allowance of the disputed portion of the Indenture Trustee Fees and Expenses shall be determined under a "reasonableness" standard. In connection with such allowance, the Indenture Trustees shall not be required to file fee applications or comply with guidelines and rules applicable to fee applications, and shall not be subject to Sections 330 or 503(b) of the Bankruptcy Code. Nothing in the Plan or the Confirmation Order shall be deemed to impair, waive, or discharge any rights of the Indenture Trustees with respect to the payment of any portion of the Indenture Trustee Fees and Expenses not paid by the Trustee.

Reorganized SEBC shall pay, without further order of the Bankruptcy Court, the reasonable direct out-of-pocket costs and expenses, including the reasonable attorneys' fees and expenses, incurred by the Indenture Trustees after the Effective Date in connection with making distributions under the Plan.

Based on information received from the Indenture Trustees, the Trustee estimates that the total amount of Indenture Trustee Fees and expenses will be approximately $2.4 million.

(c) Payment of SCS Structuring Fee

The SCS Structuring Fee is deemed to be an Allowed Administrative Claim, but shall not be paid from Available Cash. Reorganized SEBC shall pay the SCS Structuring Fee on or before the first quarterly dividend payment date for Reorganized SEBC after the Effective Date.

(d) Payment of Statutory Fees

All fees payable pursuant to Section 1930 of Title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Effective Date. All such fees that arise after the Effective Date shall be paid by Reorganized SEBC. The obligation of Reorganized SEBC to pay quarterly fees to the Office of the United States Trustee pursuant to Section 1930 of Title 28 of the United States Code shall continue until the Bankruptcy Case is closed.

(e) Estimate of Allowed Administrative Claims

The Trustee has estimated that the amount of Allowed Administrative Claims expected to have been accrued up to the Effective Date, payable as of and after the Effective Date, may range from approximately $3.0 million at the low end to more than $9.9 million at the high end, depending on the amount of fee enhancements, if any, awarded by the Bankruptcy Court, and the total amount of compensation allowed to the Trustee under Bankruptcy Code Section 326(a). The low end of this range assumes that all actual hourly Professional Fee Claims applied for, including the Good Faith Estimates of Professional Fee Claims through the Effective Date, are awarded by the Bankruptcy Court (including the substantial contribution claim filed by the Ad Hoc Committee), but that no enhancements or amounts up to the statutory cap on the Trustee's compensation under Bankruptcy Code Section 326(a) are awarded. The high end of the range assumes that all actual hourly Professional Fee Claims applied for, including the Good Faith Estimates of Professional Fee Claims through the Effective Date, are awarded by the

Bankruptcy Court (including the substantial contribution claim filed by the Ad Hoc Committee); that the Trustee is awarded the maximum compensation allowed to him under Bankruptcy Code Section 326(a); and that the fee enhancement application of Greenberg Traurig is awarded in the amount requested. In addition, two other fee enhancement applications for work done during the Chapter 7 Case have been filed by other Professionals seeking fee enhancements in unspecified amounts left to the Bankruptcy Court's discretion. If the Bankruptcy Court grants either or both of those applications, the total amount of Administrative Expenses may further exceed the high end of the range set forth in this paragraph.

(f) Additional Obligations

Reorganized SEBC will have additional obligations arising on the Effective Date, as a consequence of the implementation of the Plan on that date, which include, without limitation, legal fees in the amount of $1,200,000 to be paid in four quarterly installments (of which the first $300,000 will be the Professional Fee Reimbursement, to be paid to the Disbursing Agent as a contribution to, or in reimbursement of, Allowed Professional Fee Claims); a custodial fee of approximately $100,000 per year, operating expenses of approximately $60,000 per year, the SCS Structuring Fee of approximately $651,600, and the SCS Annual Fee of approximately $1,303,200 per year. In addition, SEBC Holdings' post-Effective Date obligations will include, without limitation, operating expenses of approximately $500,000 per year.

2. Treatment of Classified Claims and Interests under the Plan

(a) Class 1, Senior Noteholder Claims

The Plan defines Senior Noteholder Claims as Claims held by the Holders of the Notes issued under the Senior Indenture. All principal amounts due and owing with respect to the Senior Notes have been paid in full during the Chapter 7 Case, as a result of which the Holders of Senior Notes are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code. The Holders of the Senior Notes have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan.

The Plan provides that, on the Distribution Date, Holders of Senior Notes shall receive, in full and final satisfaction of their Allowed Class 1 Claims, their Pro Rata share (with Classes 2 and 3) of:

(i) Distributed Cash;

(ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan, Holders of Senior Notes will ultimately receive from the Mixed Securities Distribution their Pro Rata share of $6.5 million in Cash and $4 million in securities, subject to adjustment as set forth in Section 5.6(e) of the Plan); and

(iii) $18.7 million SEBC Holdings Junior Preferred Units.

The Plan further provides that all of the foregoing consideration shall be reallocated among Holders of Senior Notes and Subordinated Notes in accordance with the provisions of the Global Settlement Order or such further order as may be entered by the Bankruptcy Court. In the event that the terms of the reallocation are not finalized by the Effective Date, the Effective Date may nevertheless occur and distributions may be made to the Holders of Allowed Class 1 Claims.

Notwithstanding the foregoing, as additional consideration to the Holders of the Senior Notes, the Debtor or Reorganized SEBC shall pay, on or as soon as practicable after the Effective Date, in full in Cash, all of the Senior Indenture Trustee's reasonable Indenture Trustee Fees and Expenses incurred since July 31, 2002 (as provided in the Global Settlement Order), without application to or approval of the Bankruptcy Court and without a reduction to the recoveries of the Holders of the Senior Notes. In

addition to the foregoing, nothing contained herein shall operate to preclude the Senior Indenture Trustee from distributing to the Holders of the Senior Notes any amounts withheld by the Senior Indenture Trustee from any Interim Distribution as a reserve for Indenture Trustee Fees and Expenses in excess of the actual Indenture Trustee Fees and Expenses incurred.

Class 1 Claims are Unimpaired, and therefore not entitled to vote on the Plan.

(b) Class 2, Subordinated Noteholder Claims

The Plan defines Subordinated Noteholder Claims as Claims held by the Holders of the Notes issued under the Subordinated Indentures. All principal amounts due and owing with respect to the Subordinated Notes have been paid in full during the Chapter 7 Case, as a result of which the Holders of Subordinated Notes are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code. The Holders of the Subordinated Notes have Allowed Claims for and remain entitled to receive Postpetition Interest, the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan.

The Plan provides that, on the Distribution Date, Holders of Subordinated Notes shall receive, in full and final satisfaction of their Allowed Class 2 Claims, their Pro Rata Share (with Classes 1 and 3) of:

(i) Distributed Cash;

(ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan, Holders of Subordinated Notes will ultimately receive from the Mixed Securities Distribution their Pro Rata share of $6.5 million in Cash and $4 million in securities, subject to adjustment as set forth in Section 5.6(e) of the Plan); and

(iii) $18.7 million SEBC Holdings Junior Preferred Units.

The Plan further provides that all of the foregoing consideration shall be reallocated among Holders of Senior Notes and Subordinated Notes in accordance with the provisions of the Global Settlement Order or such further order as may be entered by the Bankruptcy Court. In the event that the terms of the reallocation are not finalized by the Effective Date, the Effective Date may nevertheless occur and distributions may be made to the Holders of Allowed Class 2 Claims.

Notwithstanding the foregoing, as additional consideration to the Holders of the Subordinated Notes, the Debtor or Reorganized SEBC shall pay, on or as soon as practicable after the Effective Date, in full in Cash, all of the Subordinated Indenture Trustees' reasonable Indenture Trustee Fees and Expenses incurred since July 31, 2002 (as provided in the Global Settlement Order), without application to or approval of the Bankruptcy Court and without a reduction to the recoveries of the Holders of the Subordinated Notes. In addition to the foregoing, nothing contained herein shall operate to preclude the Subordinated Indenture Trustees from distributing to the Holders of the Subordinated Notes any amounts withheld by the Subordinated Indenture Trustees from any Interim Distribution as a reserve for Indenture Trustee Fees and Expenses in excess of the actual Indenture Trustee Fees and Expenses incurred.

Class 2 Claims are Unimpaired, and therefore not entitled to vote on the Plan.

(c) Class 3, General Unsecured Claims

The Plan defines General Unsecured Claims as all Allowed unsecured pre-petition Claims other than Noteholder Claims. All principal amounts due and owing with respect to General Unsecured Claims have been paid in full during the Chapter 7 Case, as a result of which the Holders of General Unsecured Claims are Unimpaired pursuant to former Section 1124(3) of the Bankruptcy Code The Holders of the General Unsecured Claims have Allowed Claims for and remain entitled to receive Postpetition Interest,

the payment of which is governed by the Global Settlement Order, as implemented by and incorporated into the Plan.

The Plan provides that, on the Distribution Date, Holders of Allowed Class 3 Claims shall receive, in full and final satisfaction of their Allowed Class 3 Claims, their Pro Rata Share (with Classes 1 and 2) of:

(i) Distributed Cash;

(ii) Mixed Securities Distribution (as set forth in Section 5.7 of the Plan, Holders of Allowed Class 3 Claims will ultimately receive from the Mixed Securities Distribution their Pro Rata share of $6.5 million in Cash and $4 million in securities, subject to adjustment as set forth in Section 5.6(e) of the Plan); and

(iii) $18.7 million SEBC Holdings Junior Preferred Units.

Class 3 Claims are Unimpaired, and therefore not entitled to vote on the Plan.

(d) Class 4, Series A Preferred Stock

The Plan defines Series A Preferred Stock Interests as the 600,000 authorized Adjustable Rate Cumulative Preferred Stock, Series A, with a stated value of $50 per share authorized and issued by the Debtor on April 20, 1987.

The Plan provides that, on the Distribution Date, in full and final satisfaction of all Allowed Class 4 Interests, all shares of Series A Preferred Stock shall be converted into an aggregate of 300,000 units ($300,000 aggregate face amount) of SEBC Holdings Junior Preferred Units (the “Series A Exchange”).

The Plan further provides that, effective upon the Series A Exchange, each certificate theretofore representing shares of Series A Preferred Stock (a “Series A Certificate”) shall no longer represent any interest in the capital stock of SEBC, and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Junior Preferred Units into which the Series A Preferred Stock Interests previously represented by the Series A Certificate shall have been converted.

Class 4 Interests are Impaired, and therefore entitled to vote on the Plan.

(e) Class 5, Series E Preferred Stock

The Plan defines Series E Preferred Stock Interests as the 240,000 authorized 8.75% Preferred Stock, Series E, with a stated value of $100 per share authorized and issued by the Debtor on May 26, 1989.

The Plan provides that, on the Distribution Date, in full and final satisfaction of all Allowed Class 5 Interests, all shares of Series E Preferred Stock shall be converted into an aggregate of 240,000 units ($240,000 aggregate face amount) of SEBC Holdings Junior Preferred Units (the “Series E Exchange”).

Effective upon the Series E Exchange, each certificate theretofore representing shares of Series E Preferred Stock (a “Series E Certificate”) shall no longer represent any interest in the capital stock of SEBC, and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Junior Preferred Units into which the Series E Preferred Stock Interests previously represented by the Series E Certificate shall have been converted.

Class 5 Interests are Impaired, and therefore entitled to vote on the Plan.

(f) Class 6, Old SEBC Common Stock Interests

The Plan defines Old SEBC Common Stock Interests as the shares of common stock, par value $5.00 per share, of SEBC issued and outstanding as of the Petition Date.

The Plan provides that, on the Distribution Date, in full and final satisfaction of all Allowed Class 6 Interests, each of the shares of Old SEBC Common Stock Interests shall be converted into one unit of SEBC Holdings Common Units (the "Common Stock Conversion"). Following the Common Stock Conversion, Holders of Allowed Class 6 Interests shall hold, in the aggregate, 100% of the SEBC Holdings Common Units.

The Plan further provides that, effective upon the Common Stock Conversion, each Old SEBC Common Stock Certificate shall no longer represent any interest in the capital stock of SEBC and shall represent only the right to receive a new certificate representing the number of SEBC Holdings Common Units into which the Old SEBC Common Stock Interests previously represented by the Old SEBC Common Stock Certificate shall have been converted.

Pursuant to the Solicitation Order, Holders of Interests in Class 6 are conclusively presumed to have rejected the Plan, and therefore their votes will not be solicited with respect to the Plan.

(g) Global Settlement Order Reallocation Formula

As of the date of this Disclosure Statement, the Global Settlement Order Reallocation Formula has not yet been determined. While the Trustee does not have a stake in the allocation of the distribution between the Senior and Subordinated Noteholders, he has a vital interest in assuring that the Plan is confirmed and implemented to realize the significant additional value it represents and in assuring the minimization of costly and time consuming conflict. Accordingly, set forth below is the Trustee's proposal for the Global Settlement Order Reallocation Formula. The actual Global Settlement Order Reallocation Formula – as ultimately agreed to between the Senior and Subordinated Noteholders or as determined by the Bankruptcy Court – may differ materially from the Trustee's proposal. The Trustee's proposal is set forth below simply to illustrate how the Plan Distributions might ultimately be allocated between Senior and Subordinated Noteholders once the Global Settlement Order Reallocation Formula is determined.

(i) Concept for Resolution

The Trustee believes that the Global Settlement Order evidences the spirit and intent of the Noteholders as to allocating new value derived from a Chapter 11 plan even if the Plan technically is not a Qualified Plan. Therefore, the Trustee believes that the underlying intent and spirit of the Global Settlement Order can be applied by the parties to determine the means of allocating the proceeds of the Plan. Assuming that the Noteholders agree, given the nature of the Plan, the challenge is to parse from the Distributions what can be considered to be the incremental value that the Plan provides over what would have been the result of continuation of the liquidation of current real estate and investments.

The key then is for the Noteholders to agree on the total amount of new value being created by the Plan and a mechanism for division of the Plan currency into a portion allocable to the CEAD, which would be divided 50% to Senior and 50% to Subordinated Noteholders and for the balance of Plan currency to be allocated pro rata. As a concept, CEAD was to represent the incremental value a Chapter 11 plan brought to Noteholders. Accordingly, to determine the CEAD in the context of the Plan, the Trustee believes that the most logical approach is to agree on the value of likely distributions from liquidation without the Plan, to agree on the value of likely distributions from the Plan, to subtract the liquidation value from the Chapter 11 value and then deduct from the result the Chapter 11 Costs, which is a term defined in the Global Settlement Order which are fees, costs and other claims that arise as a result of the conversion of the case to a Chapter 11 case or which relate to the planning and negotiations for a business transaction in a Chapter 11 case and which are to be deducted in determining the new value coming from the Plan.

The face value of the Plan consideration is a total of $50.2 million,[23] and as set forth in Section X.D. and Appendix E, the Trustee's good faith estimate of liquidation value is approximately $38.5 million. The good faith estimate by the Trustee of the Chapter 11 Costs is approximately $6.2 million. To calculate such Chapter 11 Costs, the Trustee reviewed all fee applications of Professionals, all expenses incurred and claimed as a result of the conversion to Chapter 11 and allocated a portion of fees, expenses and claims believed to qualify as Chapter 11 Costs. For that purpose: all of the recently requested additional fees and costs of the Indenture Trustees for Senior and Subordinated Notes and of the Ad-Hoc Committee were deemed to be Chapter 11 Costs; an allocated portion of Professional fees and costs relating to the conversion to Chapter 11 and/or the Transaction were deemed to be Chapter 11 Costs including, solely in the case of Greenberg Traurig, a portion of the requested fee enhancement as if fully awarded (in the same proportion as the Chapter 11 Cost portion of Greenberg Traurig's hourly compensation bears to its total hourly compensation); and none of the Trustee compensation was deemed to be a Chapter 11 Cost in that the maximum Trustee Compensation has been estimated to actually be potentially greater were the case to have liquidated by remaining in Chapter 7 and, therefore, there was no greater expense relating to Trustee compensation arising from the Chapter 11 Case or the Transaction. Should any of those fees and expenses deemed to be included in Chapter 11 Costs not be awarded or should such amounts change, the Chapter 11 Cost amount would need to be adjusted accordingly.

The Noteholders could attempt to adjust either or both the Chapter 11 and liquidation values stated above by applying imputed rates of discount, risk, etc. However, both the Chapter 11 restructure and liquidation are subject to risk of timing and asset realization. Given that the vast majority of value in the Chapter 11 Case comes from either initial Cash distribution or the disposition of real estate, most of the risk and timing is similar, if not identical in both approaches. So, it does not seem productive to attempt to refine either or both numbers for this analysis.

Accordingly using the estimated amounts indicated above, the total CEAD would be calculated as follows: $50,200,000[24] Chapter 11 value minus the approximate $38.5 million liquidation value results in approximately $11.7 million of additional value from the Chapter 11. From that $11.7 million is subtracted the Chapter 11 Costs of $6.2 million resulting in CEAD of approximately $5.5 million. The portion of CEAD attributable to Noteholders would be approximately $5.3 million, which is the approximate 95% that current unpaid Postpetition Interest due to all Noteholders of $117,335,120 represents as against total unpaid Postpetition Interest due to all creditors of $122,362,270 times the total CEAD of approximately $5.5 million. It is important to note that the raw number of CEAD would not change, notwithstanding the potential reduction of the Chapter 11 aggregate distributions by reason of those additional Administrative Expenses and/or Indenture Trustee Fees and Expenses and other party fee and expense claims that are not expenses solely arising from the conception, negotiation or implementation of the Plan or the Transaction. Such expenses would have been incurred and equally be a reduction of proceeds in the case of a continued liquidation. Indeed, the Chapter 11 value of $50.2 million[25] and the liquidation value of approximately $38.5 million are both subject to such adjustment for the same additional Administrative Expenses and additional fee claims.

If the CEAD applicable to Noteholders is approximately $5.3 million, then the approach to implement the spirit, if not letter, of the Global Settlement Order would be to agree that $5.3 million of Plan currency due to Noteholders would be divided 50% to each of the Senior and Subordinated Noteholders. Accordingly, the distribution of Plan Cash and securities due to Noteholders would be allocated as follows: (a) first there would be a Pro Rata distribution of Cash and securities to all Noteholders of the total of such proceeds due to them under the Plan less $5.3 million of such Cash and securities (subject to any additional final adjustments required by the Global Settlement Order which remain uncompleted); and (b) then, there would be a Pro Rata distribution $2.65 million of such Cash and

[23] Subject to adjustment as set forth in Sections 1.34 and 5.6(e) of the Plan and Sections II.A.3(a) and VI.G.7(b) and (d) of this Disclosure Statement.

[24] *Id.*

[25] *Id.*

securities among only Senior Noteholders and a Pro Rata distribution of $2.65 million of such Cash and securities among only Subordinated Noteholders (all of such distributions to be in the same ratio of Cash versus securities as the Cash and securities represent in the total Plan currency and each Noteholder would receive the same ratio of Cash versus securities).

Because the Plan currency is a combination of Cash and securities and because the Noteholders will be receiving tax notices indicating that they have received value equal to the Cash received and par value of all securities, the only fair and practical way to implement the reallocations in the spirit of the Global Settlement Order is to agree to the allocation of a ratio of the aggregate Cash and securities that are being received based upon an agreement as to what portion of the aggregate Plan currency shall be treated as CEAD. That also subjects all parties equally to the risks and timing of the various forms of Plan currency.

(ii) Illustration of Application of Concept

To illustrate the above, assuming that the Plan proceeds are $50.2 million[26] and that there are no more Global Settlement Order adjustments to be made, if this approach is adopted, the following would be the distribution under the plan:

a. The Pro Rata distributable amount of Cash and securities to Noteholders of all Plan distributions of Cash and securities would be $48,137,575;

b. $42,837,575 ($48,137,575 less $5.3 million) of the Noteholders' aggregate distribution of Cash and securities would be distributed Pro Rata to all Noteholders based upon the remaining unpaid Postpetition Interest due each. That would result in a Cash and securities distribution Pro Rata among only Senior Noteholders totaling $1,459,830 and among only Subordinated Noteholders totaling $41,377,745;

c. 50% of $5.3 million or $2.65 million of the $48,137,575 aggregate distribution of Cash and securities to Noteholders would be distributed Pro Rata among only Senior Noteholders and $2.65 million of the $48,137,573 aggregate distribution of Cash and securities to Noteholders would be distributed Pro Rata among only Subordinated Noteholders; and

d. the total distribution to Senior Noteholders would be $4,109,830 and the total distribution to Subordinated Noteholders would be $44,027,745. Each Noteholder would receive the same ratio of Cash and securities.

The document entitled "Cash and Securities Per $1000 of Face Value of Bond Claim - Plan of Reorganization - Allocation of Estimated Chapter 11 Attributable Distribution ("CEAD") - Bondholders Only" attached as part of Appendix F illustrates the allocation of Cash and securities proceeds per $1000 face value of Senior Debt and of Subordinated Debt if the Trustee's concept for resolution of the Global Settlement Order required determination of CEAD is adopted, subject to the matters discussed in footnotes to such document.

(iii) Other Issues

Because of the restrictions on the issuance of Reorganized SEBC Series K Junior Preferred Stock, care will have to be employed to assure that these allocations are effected accurately. The actual distribution dollar amounts apart from the CEAD would vary depending upon the final distributable Cash and securities from the Plan. A settlement could apply this as a formula.

(h) Cash and Securities to Be Paid for Each $1000 in Face Value of Senior and Subordinated Notes

[26] *Id.*

The two charts below summarize the amount of Cash and securities (subject to adjustment as provided in the Plan) to be paid for each $1000 in face value of Senior and Subordinated Notes under the Plan, the first without any reallocation under the Global Settlement Order, and the second applying the Trustee's hypothetical Global Settlement Order Reallocation Formula discussed in Section VI.C.2(g) of this Disclosure Statement:

SOUTHEAST BANKING CORPORATION
Case No. 91-14561-BKC-PGH

Cash and Securities Per $1000 of Face Value of Bond Claim - Plan of Reorganization (Note 1) - Bondholders Only

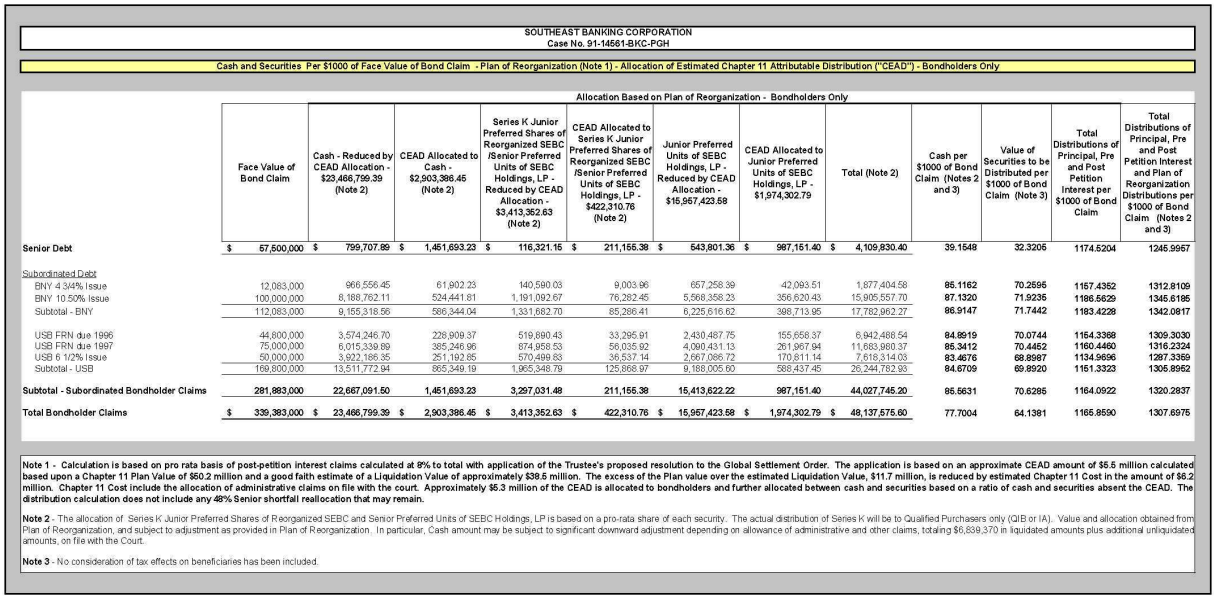
Allocation Based on Plan of Reorganization - Bondholders Only

	Face Value of Bond Claim	Cash - $26,370,185.84 (Note 2)	$3,835,663.39 in Series K Junior Preferred Shares of Reorganized SEBC /Senior Preferred Units of SEBC Holdings, LP (Note 2)	$17,931,726.37 in Junior Preferred Units of SEBC Holdings, LP	Total (Note 2)	Cash per $1000 of Bond Claim (Notes 2 and 3)	Value of Securities to be Distributed per $1000 of Bond Claim (Note 3)	Total Distributions of Principal, Pre and Post Petition Interest per $1000 of Bond Claim	Total Distributions of Principal, Pre and Post Petition Interest and Plan of Reorganization Distributions per $1000 of Bond Claim (Notes 2 and 3)
Senior Debt	$ 57,500,000	$ 898,650.27	$ 130,712.77	$ 611,082.18	$ 1,640,445.22	15.6287	12.9008	1174.5204	1203.0499
Subordinated Debt									
BNY 4 3/4% Issue	12,083,000	1,086,141.87	157,984.27	738,576.47	1,982,702.61	89.8901	74.2002	1157.4352	1321.5255
BNY 10.50% Issue	100,000,000	9,201,901.59	1,338,458.41	6,257,293.08	16,797,653.09	92.0190	75.9575	1186.5629	1354.5394
Subtotal - BNY	112,083,000	10,288,043.46	1,496,442.68	6,995,869.55	18,780,355.70	91.7895	75.7681	1183.4228	1350.9804
USB FRN due 1996	44,800,000	4,016,463.78	584,212.91	2,731,195.37	7,331,872.06	89.6532	74.0046	1154.3368	1317.9946
USB FRN due 1997	75,000,000	6,759,576.72	983,211.16	4,596,512.17	12,339,300.05	90.1277	74.3963	1160.4460	1324.9700
USB 6 1/2% Issue	50,000,000	4,407,451.62	641,083.87	2,997,067.10	8,045,602.59	88.1490	72.7630	1134.9696	1295.8817
Subtotal - USB	169,800,000	15,183,492.11	2,208,507.94	10,324,774.64	27,716,774.69	89.4199	73.8120	1151.3323	1314.5641
Subtotal - Subordinated Bondholder Claims	**281,883,000**	**25,471,535.57**	**3,704,950.62**	**17,320,644.19**	**46,497,130.39**	90.3621	74.5898	1164.0922	1329.0441
Total Bondholder Claims	$ 339,383,000	$ 26,370,185.84	$ 3,835,663.39	$ 17,931,726.37	$ 48,137,575.61	77.7004	64.1381	1165.8590	1307.6975

Note 1- The calculation is based on a pro rata allocation of the estimated distribution to unsecured creditors, based on claims for post-petition interest calculated at the rate of 8%, without taking into account the effect of any reallocation from Subordinated Debt to Senior Debt that will be required under the Global Settlement Order. Although the precise amount of that allocation has not been determined, it nevertheless will likely be the subject of negotiations, and if such negotiations are not successful, the determination of the allocation may require judicial proceedings. However, in any event, such reallocation will reduce the distribution per $1,000 in principal amount of Subordinated Debt and increase the distribution per $1,000 in principal amount of Senior Debt from the amounts shown in the chart.

Note 2 - The allocation of Series K Junior Preferred Shares of Reorganized SEBC and Senior Preferred Units of SEBC Holdings, LP is based on a pro-rata share of each security. The actual distribution of Series K will be to Qualified Purchasers only (QIB or IA). Value and allocation obtained from Plan of Reorganization, and subject to adjustment as provided in Plan of Reorganization. In particular, Cash amount may be subject to significant downward adjustment depending on allowance of administrative and other claims, totaling $6,839,370 in liquidated amounts plus additional unliquidated amounts, on file with the Court.

Note 3 - No consideration of tax effects on beneficiaries has been included.



SOUTHEAST BANKING CORPORATION
Case No. 91-14561-BKC-PGH

Cash and Securities Per $1000 of Face Value of Bond Claim - Plan of Reorganization (Note 1) - Allocation of Estimated Chapter 11 Attributable Distribution ("CEAD") - Bondholders Only

	Allocation Based on Plan of Reorganization - Bondholders Only											
	Face Value of Bond Claim	Cash - Reduced by CEAD Allocation - $23,466,799.39 (Note 2)	CEAD Allocated to Cash - $2,903,386.45 (Note 2)	Series K Junior Preferred Shares of Reorganized SEBC /Senior Preferred Units of SEBC Holdings, LP - Reduced by CEAD Allocation - $3,413,352.63 (Note 2)	CEAD Allocated to Series K Junior Preferred Shares of Reorganized SEBC /Senior Preferred Units of SEBC Holdings, LP - $422,310.76 (Note 2)	Junior Preferred Units of SEBC Holdings, LP - Reduced by CEAD Allocation - $15,957,423.58	CEAD Allocated to Junior Preferred Units of SEBC Holdings, LP - $1,974,302.79	Total (Note 2)	Cash per $1000 of Bond Claim (Notes 2 and 3)	Value of Securities to be Distributed per $1000 of Bond Claim (Note 3)	Total Distributions of Principal, Pre and Post Petition Interest per $1000 of Bond Claim	Total Distributions of Principal, Pre and Post Petition Interest and Plan of Reorganization Distributions per $1000 of Bond Claim (Notes 2 and 3)
Senior Debt	$ 57,500,000	$ 799,707.89	$ 1,451,693.23	$ 116,321.15	$ 211,155.38	$ 543,801.36	$ 987,151.40	$ 4,109,830.40	39.1548	32.3205	1174.5204	1245.9957
Subordinated Debt												
BNY 4 3/4% Issue	12,083,000	966,556.45	61,902.23	140,590.03	9,003.96	657,258.39	42,093.51	1,877,404.58	85.1162	70.2595	1157.4352	1312.8109
BNY 10.50% Issue	100,000,000	8,188,762.11	524,441.81	1,191,092.67	76,282.45	5,568,358.23	356,620.43	15,905,557.70	87.1320	71.9235	1186.5629	1345.6185
Subtotal - BNY	112,083,000	9,155,318.56	586,344.04	1,331,682.70	85,286.41	6,225,616.62	398,713.95	17,782,962.27	86.9147	71.7442	1183.4228	1342.0817
USB FRN due 1996	44,800,000	3,574,246.70	228,909.37	519,890.43	33,295.91	2,430,487.75	155,658.37	6,942,488.54	84.8919	70.0744	1154.3368	1309.3030
USB FRN due 1997	75,000,000	6,015,339.89	385,246.96	874,958.53	56,035.92	4,090,431.13	261,967.94	11,683,980.37	85.3412	70.4452	1160.4460	1316.2324
USB 6 1/2% Issue	50,000,000	3,922,186.35	251,192.85	570,499.83	36,537.14	2,667,086.72	170,811.14	7,618,314.03	83.4676	68.8987	1134.9696	1287.3359
Subtotal - USB	169,800,000	13,511,772.94	865,349.19	1,965,348.79	125,868.97	9,188,005.60	588,437.45	26,244,782.93	84.6709	69.8920	1151.3323	1305.8952
Subtotal - Subordinated Bondholder Claims	281,883,000	22,667,091.50	1,451,693.23	3,297,031.48	211,155.38	15,413,622.22	987,151.40	44,027,745.20	85.5631	70.6285	1164.0922	1320.2837
Total Bondholder Claims	$ 339,383,000	$ 23,466,799.39	$ 2,903,386.45	$ 3,413,352.63	$ 422,310.76	$ 15,957,423.58	$ 1,974,302.79	$ 48,137,575.60	77.7004	64.1381	1165.8590	1307.6975

Note 1 - Calculation is based on pro rata basis of post-petition interest claims calculated at 8% to total with application of the Trustee's proposed resolution to the Global Settlement Order. The application is based on an approximate CEAD amount of $5.5 million calculated based upon a Chapter 11 Plan Value of $50.2 million and a good faith estimate of a Liquidation Value of approximately $38.5 million. The excess of the Plan value over the estimated Liquidation Value, $11.7 million, is reduced by estimated Chapter 11 Cost in the amount of $6.2 million. Chapter 11 Cost include the allocation of administrative claims on file with the court. Approximately $5.3 million of the CEAD is allocated to bondholders and further allocated between cash and securities based on a ratio of cash and securities absent the CEAD. The distribution calculation does not include any 48% Senior shortfall reallocation that may remain.

Note 2 - The allocation of Series K Junior Preferred Shares of Reorganized SEBC and Senior Preferred Units of SEBC Holdings, LP is based on a pro-rata share of each security. The actual distribution of Series K will be to Qualified Purchasers only (QIB or IA). Value and allocation obtained from Plan of Reorganization, and subject to adjustment as provided in Plan of Reorganization. In particular, Cash amount may be subject to significant downward adjustment depending on allowance of administrative and other claims, totaling $6,839,370 in liquidated amounts plus additional unliquidated amounts, on file with the Court.

Note 3 - No consideration of tax effects on beneficiaries has been included.

D. Allowed Claims and Interests and Distribution Rights

1. Allowance Requirement

Only Holders of Allowed Claims and Allowed Interests are entitled to receive Distributions under the Plan.

An Allowed Administrative Claim is all or any portion of an Administrative Claim that has been allowed or adjudicated in favor of the Holder by estimation or liquidation, by a Final Order.

An Allowed Claim (other than an Administrative Claim) is any Claim or any portion thereof that has been allowed.

An Allowed Interest is any Interest that has been allowed or, in the case of an Interest represented by an Old SEBC Common Stock Certificate, an Interest as to which the Trustee, Disbursing Agent or Transfer Agent, as applicable, has received documentation sufficient in his or her discretion to allow such Interest.

2. Interest on Claims

The Plan provides that no Postpetition Interest shall accrue or be allowed on any Claim after the Postpetition Interest Calculation Date.

3. Satisfaction of Subordination Rights

All Claims against the Debtor and all rights and claims between or among the Holders of Claims relating in any manner whatsoever to any claimed subordination rights shall be deemed satisfied by the distributions under, described in, contemplated by, and/or implemented in the Global Settlement Order and Section 3.2 of the Plan. Distributions under, described in, contemplated by, and/or implemented by the Plan to the various Classes of Claims hereunder shall not be subject to levy, garnishment, attachment, or like legal process by any Holder of a Claim by reason of any claimed subordination rights or otherwise, so that each Holder of a Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan.

4. Distribution Record Date Requirements

In making Distributions under the Plan, the Trustee will recognize only Holders as of the applicable Distribution Record Date. As defined in the Plan, the Distribution Record Date is the record date for determining entitlement to receive Distributions under the Plan, which date shall be (a) for all Holders of Allowed Claims other than Holders of Noteholder Claims, the third Business Day after the Confirmation Date at 5:00 p.m. prevailing Eastern time; and (b) for all Holders of Noteholder Claims other than Holders of the EuroNotes, close of business on the Business Day immediately preceding the Distribution Date.

5. Distribution Date

The Plan sets the Distribution Date as the Effective Date for all Classes. Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, all distributions to Holders of Allowed Claims and Interests on the Distribution Date shall be made on or as soon as practicable after the Distribution Date; provided, however, all distributions to Holders of Interests shall be deemed to have been made on the Distribution Date, regardless of whether such distributions are claimed by the Holders on such date. Distributions made after the Effective Date shall be deemed to have been made on the Effective Date.

6. Distributions Held in Trust

For purposes of Distribution and effectuating the purchase and sale of such shares as described in Section 5.7 of the Plan, the Distributed Cash, Reorganized SEBC Series K Junior Preferred Stock, SEBC Holdings Senior Preferred Units, and SEBC Holdings Junior Preferred Units issued to Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims as set forth in Sections 3.2(a), 3.2(b), and 3.2(c) of the Plan shall be held in trust by the Disbursing Agent or the Transfer Agent/Registrar, as applicable, for the benefit of the Holders of such Allowed Noteholder Claims from and after the Effective Date, pending (x) finalization of the reallocation terms between Holders of Senior Notes and Subordinated Notes, (y) payment of such amounts in accordance with the Global Settlement Order Reallocation Formula, and (z) receipt of the Creditor Questionnaires in accordance with Section 3.6 of the Plan.

7. Creditor Questionnaire

As a prerequisite to receiving a Pro Rata share of the $4 million securities portion of the Mixed Securities Distribution not purchased by Investor under the Securities Purchase Agreement, Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims shall be required to submit to Reorganized SEBC or its designated agent a Creditor Questionnaire so that it is received at the address set forth in the Creditor Questionnaire no later than June 1, 2009. The Creditor Questionnaire will be used to determine who is eligible to receive and hold Reorganized SEBC Series K Junior Preferred Stock issued as part of the Mixed Securities Distribution. If more than 250 Holders have been identified as Qualified Creditors by June 1, 2009, then the Reorganized SEBC Series K Junior Preferred Stock will be distributed only to those Holders with the largest 250 Claims (in aggregate dollar amount per Holder), or alternatively, will be distributed based on some other commercially reasonable means as the Disbursing Agent may determine, including without limitation, by

drawing lots. **Any creditor that does not return a Creditor Questionnaire so that it is received no later than June 1, 2009 or, if for cause shown, upon a motion filed on or before June 1, 2009, the Bankruptcy Court extends such deadline for one or more of such parties, by such later date as the Bankruptcy Court may direct, will forfeit the right to receive any distribution of the $4 million securities portion of the Mixed Securities Distribution not purchased by Investor under the Securities Purchase Agreement, and as of June 1, 2009, or such later date as the Bankruptcy Court may direct, such right will be canceled and forever discharged,** and notwithstanding any other provision of the Plan or Disclosure Statement to the contrary, the securities to which such creditor would otherwise have been entitled will be redistributed to those creditors within the Class of the forfeiting creditor that have timely submitted Creditor Questionnaires.

8. Appointment of Disbursing Agent

(a) On or before the Effective Date, the Trustee shall designate the Person to serve as the Disbursing Agent under the Plan on terms and conditions mutually agreeable to the Trustee and such Person.

(b) The Disbursing Agent shall make all Distributions of Cash required to be made to Holders of Allowed Claims under the Plan, and such other Distributions to Holders of Allowed Claims and Interests as are delegated to the Disbursing Agent by the Trustee, except with respect to Noteholder Claims.

(c) The Indenture Trustees or their designated agents shall make all Distributions to Holders of Noteholder Claims in accordance with the terms of the Indentures, subject to the terms of the Plan, or shall have the right to delegate the making of such Distributions to the Disbursing Agent or the Transfer Agent/Registrar in accordance with Section 6.4(d) of the Plan, but only with the express written consent of the Disbursing Agent or Transfer Agent/Registrar, as applicable.

(d) The Disbursing Agent and Indenture Trustees, as applicable, may also employ a European sub-agent to make Distributions pursuant to subsections (b) and (c) above, of Cash, SEBC Holdings Securities and Reorganized SEBC Series K Junior Preferred Stock issued to Holders of EuroNotes.

(e) Except as provided in subparagraphs (b), (c), and (d), or unless otherwise provided herein, the Trustee shall make all Distributions required under the Plan unless the Trustee, in his sole discretion, delegates the responsibility for any distribution to the Disbursing Agent.

(f) If the Disbursing Agent is an independent third party designated to serve in such capacity, such Disbursing Agent shall receive, without further approval from the Bankruptcy Court, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out of pocket expenses incurred in connection with such services from Reorganized SEBC. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

(g) The Disbursing Agent and/or Indenture Trustee, as appropriate, shall be authorized to confirm at the time of making any Mixed Securities Distribution that the recipient of such Distribution has timely submitted a Creditor Questionnaire and continues to hold the Allowed Claim upon which such Distribution is to be made.

9. Appointment of Transfer Agent/Registrar

(a) On or before the Effective Date, the Trustee shall designate the Person to serve as the Transfer Agent/Registrar under the Plan on terms and conditions mutually agreeable to the Trustee and such Person.

(b) The Transfer Agent/Registrar shall make all Distributions of SEBC Holdings Securities required to be made to Holders of Allowed Claims (except as provided in Section 6.4(d) of the Plan) and Interests under the Plan, and such other distributions to Holders of Allowed Claims as are delegated to the Transfer Agent/Registrar by the Trustee.

(c) The Transfer Agent/Registrar shall issue the new certificates representing the number of SEBC Holdings Securities into which Interests previously represented by Series A Certificates, Series E Certificates, and Old SEBC Common Stock Certificates, as applicable, shall have been converted, pursuant to Sections 3.3(a), 3.3(b), and 3.4 of the Plan, in accordance with the procedures set forth in Section 6.7(b) of the Plan.

(d) The Indenture Trustees shall make all Distributions required to be made to Holders of Noteholder Claims; provided, however, that the Indenture Trustees shall have the right to delegate the making of such Distributions to the Disbursing Agent or the Transfer Agent/Registrar, but only with the express written consent of the Disbursing Agent or Transfer Agent/Registrar, as applicable.

(e) The Transfer Agent/Registrar shall register the ownership and transfer of all SEBC Holdings Securities and all Reorganized SEBC Securities issued under the Plan.

(f) The Transfer Agent/Registrar shall receive, without further approval from the Bankruptcy Court, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out of pocket expenses incurred in connection with such services from Reorganized SEBC or SEBC Holdings, as appropriate. No Transfer Agent/Registrar shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

10. Fractional Distributions

No fractional shares of Reorganized SEBC Securities or SEBC Holdings Securities (other than SEBC Holdings Common Units) shall be issued or distributed under the Plan. Each Person entitled to receive Reorganized SEBC Securities or SEBC Holdings Securities shall receive the total number of whole shares of Reorganized SEBC Securities or SEBC Holdings Securities, as applicable, to which such Person is entitled. Whenever any Distribution to a particular Person would otherwise call for Distribution of a fraction of shares of Reorganized SEBC Securities or SEBC Holdings Securities (other than SEBC Holdings Common Units), the actual Distribution of shares shall be rounded to the next higher or lower whole number as follows: (a) fractions one-half (1/2) or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half (1/2) shall be rounded to the next lower whole number. Upon the allocation of all of the whole shares authorized under the Plan, all remaining fractional portions of the entitlements shall be cancelled and shall be of no further force and effect.

11. De Minimis Distributions and Payments

Notwithstanding anything to the contrary contained in the Plan, neither Reorganized SEBC nor the Trustee shall be required to distribute, and shall not distribute, property to the Holder of any Allowed Claim or Allowed Interest (other than a Holder of an Allowed Interest in Class 6) if the amount of total consideration (valuing all securities at face value for purposes of Section 6.6 of the Plan) to be distributed or paid on account of such Claim or Interest is less than $100. Any Holder of an Allowed Claim or Interest on account of which the amount of total consideration (valuing all securities at face value for purposes of Section 6.6 of the Plan) to be distributed upon the first Distribution made under the Plan is less than $100 shall have such Claim or Interest discharged and shall be forever barred from asserting such Claim or Interest against the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, or any of their respective property. Any property not distributed pursuant to this provision shall be the property of Reorganized SEBC, free of any restrictions thereon.

12. Delivery of Distributions/Exchange of Equity Certificates

(a) Distributions to Holders of Allowed Claims

Except as otherwise set forth in the Plan, Distributions to Holders of Allowed Claims shall be made (i) to the addresses set forth on the Proofs of Claim filed by such Holders, (ii) to the addresses reflected in the Schedules if no Proof of Claim has been filed, (iii) to the addresses set forth in any written notices of address change delivered to the Trustee, the Disbursing Agent or the Transfer Agent/Registrar, as applicable, after the date of any related Proof of Claim or after the date of the Schedules if no Proof of Claim was filed, or (iv) in the case of the Holders of Senior Notes or Subordinated Notes, distributions shall be sent to the Indenture Trustees or as directed by the Indenture Trustees.

(b) Exchange of Certificates from Holders of Allowed Interests

Except as otherwise set forth in the Plan, new certificates representing the number of SEBC Holdings Securities into which Interests previously represented by Series A Certificates, Series E Certificates, and Old SEBC Common Stock Certificates shall have been converted pursuant to Section 3.3(a), 3.3(b), and 3.4 of the Plan shall be delivered to the address directed by such Holder upon presentation to the Transfer Agent/Registrar of a Series A Certificate, Series E Certificate, or Old SEBC Common Stock Certificate, and a properly completed letter of transmittal including, if appropriate, a lost certificate affidavit and indemnity bond, or such other documentation as may be required by the Transfer Agent/Registrar in accordance with established practice, in connection with book entry delivery.

(c) Undeliverable and Unclaimed Distributions other than to Holders of Allowed Class 6 Interests

Unless otherwise agreed between the Trustee and the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees, amounts of Cash in respect of unclaimed or undeliverable Distributions made by the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees shall be turned over to and held by SEBC Holdings and held in trust until such Cash Distributions are claimed, at which time the applicable amounts shall be returned to the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees for Distribution pursuant to the Plan and amounts of unclaimed or undeliverable Distributions in the form of SEBC Holdings Securities shall remain unissued until claimed, at which time the applicable amounts of such SEBC Holdings Securities shall be issued by SEBC Holdings for Distribution by the Disbursing Agent, Transfer Agent/Registrar or Indenture Trustees for Distribution pursuant to the Plan. No interest shall accrue after the Effective Date with respect to any Distribution, nor will any interest accrue on any distribution upon any of the SEBC Holdings Securities (regardless of when claimed). All claims for unclaimed or undeliverable Distributions must be made no later than the second anniversary of the Distribution Date, after which date all unclaimed property shall be redistributed/issued Pro Rata to other Holders in the same Class and the claims of any Holder or successor to such Holder with respect to such unclaimed or undeliverable property shall be discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary; provided, however, that if in the discretion of SEBC Holdings in consultation with the Disbursing Agent, Transfer Agent/Registrar, or Indenture Trustees, as applicable, the amount of such redistribution is insufficient to justify the cost of making such redistribution, then the redistribution shall not be made and the total amount of property that otherwise would have been redistributed shall be donated (on behalf of such Holders otherwise entitled to such redistributions), including any distributions thereon, without interest, to a charity qualified under Section 501(c)(3) of the Internal Revenue Code chosen by SEBC Holdings.

(d) Unclaimed Distributions to Holders of Allowed Class 6 Interests

After the SEBC Holdings Restriction Release Date, all new certificates representing the number of SEBC Holdings Common Units into which Allowed Class 6 Interests previously represented by Old SEBC Common Stock Certificates shall have been converted pursuant to Section 3.4 of the Plan that have not been exchanged in the manner set forth in subsection (b) above shall be donated (on behalf of the Holders of Allowed Class 6 Interests entitled to such SEBC Holdings Common Units), including any

distributions on the SEBC Holdings Common Units represented thereby, without interest, to a charity qualified under Section 501(c)(3) of the Internal Revenue Code chosen by the Transfer Agent/Registrar, such charity shall be deemed to be the owner of the SEBC Holdings Common Units represented by such certificates, and any claim by any Holder of Allowed Class 6 Interests to such new certificates shall be extinguished and forever barred. No interest shall accrue after the Effective Date with respect to any Distribution, nor will any interest accrue on any distribution upon any of the SEBC Holdings Common Units (regardless of when claimed).

(e) No Duty to Locate

Other than providing any notice required by the Bankruptcy Rules or an order of the Bankruptcy Court, and notwithstanding anything to the contrary in the Plan, none of the Trustee, Reorganized SEBC, SEBC Holdings, the Disbursing Agent, the Transfer Agent/Registrar, or any Indenture Trustee (except as otherwise required in any Indenture) shall be required to attempt to locate any Holder of a Claim or Interest for purposes of making any Distribution under the Plan.

(f) Surrender of Canceled Notes

(i) Generally

Except as set forth in Section 6.7(g) of the Plan, as a condition precedent to receiving any Distribution under the Plan on account of an Allowed Claim evidenced by any Notes canceled pursuant to Section 5.8(a) of the Plan, the Holder of such Claim shall tender such Note (x) with respect to Senior Notes, to BNY Senior, or (y) with respect to Subordinated Notes, to U.S. Bank. Any Distributions pursuant to the Plan on account of any Claim evidenced by such Note shall, pending such surrender, be treated as an undeliverable Distribution in accordance with Section 6.7(c) of the Plan. All payments to Holders of Noteholder Claims shall only be made after such surrender, or in the event such certificate is lost, stolen, mutilated or destroyed, upon the Holder's compliance with the requirements set forth Section 6.7(g) of the Plan. Upon surrender of such Notes certificates, BNY Senior (with respect to the Senior Notes) and U.S. Bank (with respect to the Subordinated Notes) shall cancel and destroy such Notes. As soon as practicable after surrender of the Notes certificates, BNY Senior (with respect to the Senior Notes) and U.S. Bank (with respect to the Subordinated Notes) shall distribute to the Holders thereof such Holder's pro rata share of the Distribution, but subject to the rights of the Indenture Trustees to assert their charging liens to the extent their Indenture Trustee Fees and Expenses are not paid pursuant to the Plan.

(ii) Failure to Surrender Canceled Notes

If any Holder of an Allowed Claim evidenced by Notes canceled pursuant to Section 5.8(a) of the Plan fails to surrender such Note or comply with the provisions of Section 6.7(f)(i) of the Plan within two years after the Effective Date, its Claim for a Distribution under the Plan on account of such Note shall be discharged, and such Holder shall be forever barred from asserting such Claim against Reorganized SEBC or its property. In such case, any property held on account of such Claim shall be disposed of pursuant to the provisions set forth in Section 6.7(c) of the Plan.

(g) Lost, Stolen, Mutilated or Destroyed Notes

Any Holder of an Allowed Claim evidenced by Notes canceled pursuant to Section 5.8(a) of the Plan that have been lost, stolen, mutilated or destroyed, shall, in lieu of surrendering any such Note: (i) deliver to the applicable Indenture Trustee (x) an affidavit of loss reasonably satisfactory to the Indenture Trustee setting forth the unavailability of such Note and (y) such additional security or indemnity as may reasonably be requested by the applicable Indenture Trustee to hold such Indenture Trustee harmless from any damages, liabilities, or costs incurred in treating such Person as a Holder of an Allowed Claim and (ii) satisfy any other requirement under the Indentures or any other relevant document. Upon

compliance with Section 6.7(g) of the Plan by a Holder of an Allowed Claim evidenced by such Note, such Holder shall, for all purposes under the Plan, be deemed to have surrendered such Note.

(h) Distribution Mechanics

The Trustee shall consult with the Senior and Subordinated Indenture Trustees, the Ad Hoc Committee and the Legal Representative, regarding the mechanics of the Distributions under the Plan, and reserves the right to modify such mechanics through the date of the deadline for fiing objections to Confirmation as set forth in the Order approving this Disclosure Statement, in order to promote the interests of clarity, precision and efficiency.

13. Application of Distribution Record Date

At the close of business on the Distribution Record Date, all claims registers, transfer ledgers, and interests registers for all Class 1, 2A, 2D, 2E, and 3 Claims, and Class 4 and 5 Interests shall be closed, and there shall be no further changes in the record Holders of such Claims or Interests. Except as otherwise provided in the Plan, Reorganized SEBC, the Disbursing Agent, the Transfer Agent/Registrar, the Indenture Trustees, and each of their respective agents, successors, and assigns shall have no obligation to recognize any transfer of Class 1, 2A, 2D, 2E, and 3 Claims, and Class 4 and 5 Interests, occurring after the Distribution Record Date, and shall be entitled instead to recognize and deal for all purposes under the Plan with only those record Holders stated on the claims registers, transfer ledgers and interests registers as of the close of business on the Distribution Record Date.

14. Withholding, Payment, and Reporting Requirements

In connection with the Plan and all distributions thereunder, the Disbursing Agent or the Transfer Agent/Registrar, as applicable, shall, to the extent applicable, comply with all tax withholding, payment, and reporting requirements imposed by any federal, state, provincial, local, or foreign taxing authority, and all distributions thereunder shall be subject to any such withholding, payment, and reporting requirements. The Disbursing Agent or the Transfer Agent/Registrar, as applicable, shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding, payment, and reporting requirements. Notwithstanding any other provision of the Plan, each Holder of an Allowed Claim or an Allowed Interest that is to receive a Distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution.

15. No Distribution in Excess of Allowed Amounts

Except as provided for in or consistent with the Global Settlement Order, notwithstanding anything to the contrary in the Plan, no Holder of an Allowed Claim shall receive in respect of such Claim any Distribution of a value as of the Effective Date in excess of the Allowed amount of such Claim.

E. Executory Contracts, Unexpired Leases, Secured Claims, Pre-Petition Claim Resolution, Litigation Claims, and Avoidance Actions

All executory contract and unexpired lease issues were resolved long ago in the Chapter 7 Case, as have all litigation claims and avoidance actions. There are no remaining executory contracts or unexpired leases to assume or reject, and there are no remaining pre-petition litigation claims owned by the Estate. There were no secured claims against the Debtor as of the Petition Date. As noted above, all objections to pre-petition unsecured claims have long since been resolved, and all Allowed pre-petition claims have been paid in full the principal amounts of their Allowed Claims, plus payments of Postpetition Interest. Accordingly, the Plan makes no provision for executory contracts, unexpired leases, litigation claims, avoidance actions, secured claims, or resolution of any pre-petition Claims.

F. Revesting of Assets; Release of Liens

Except as otherwise provided in the Plan, the property of the Debtor's Estate, including but not limited to all intangible property such as trademarks (expressly including that certain mark registered with the United States Patent and Trademark Office under Registration Number 2251567, together with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark), copyrights, trade names and other intellectual property, together with any property of the Debtor that is not property of its Estate and that is not specifically disposed of pursuant to the Plan, shall vest in Reorganized SEBC on the Effective Date. Thereafter, Reorganized SEBC may operate its business and may use, acquire, and dispose of such property free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Court. As of the Effective Date, all such property of Reorganized SEBC shall be free and clear of all Liens, Claims, and Interests, except as specifically provided in the Plan or the Confirmation Order and except for the charging lien of the Indenture Trustees to the extent the Indenture Trustee Fees and Expenses are not paid pursuant to the Plan.

G. Restructuring Transactions

1. Termination of SEBNA Receivership

The Trustee has previously taken such action as necessary to cause the Successor Agent to terminate the existence of the SEBNA Receivership by dissolution and to upstream all Cash in the SEBNA Receivership to the Estate. The SEBNA Receivership has been dissolved and the Successor Agent has been relieved of all duties in respect of the SEBNA Receivership, as authorized by the District Court in the SEBNA District Court Proceeding. The SEBNA Receivership having been closed shall therefore be free from any and all liabilities as of the Effective Date and shall not be subject to any obligations imposed upon SEBC Holdings or Reorganized SEBC by the Plan or otherwise.

2. Termination of Other Inactive Corporate Entities

The Trustee and Reorganized SEBC, as the case may be, are authorized, in their discretion, on, prior to, or after the Effective Date, to terminate the existence of the Other SEBC Subsidiaries by dissolution, merger into an affiliated company, or other mechanism permitted by applicable law, and, on or prior to the Effective Date, to upstream to the Estate or Reorganized SEBC, as applicable, all Cash of the Jacksonville Property Subsidiaries and the Other SEBC Subsidiaries. The foregoing terminated corporate entities shall be free from any and all liabilities as of the Effective Date and shall not be subject to any obligations imposed upon SEBC Holdings or Reorganized SEBC by the Plan or otherwise. As of the date of this Disclosure Statement, the following corporate entities have been dissolved: Southeast Mortgage Company, First Development Corp. of Jacksonville, SEFC Building Corporation, The First National Bank of Palm Beach, Inc., and Court House Center, Inc.

3. Formation of Real Estate LLC

(a) On or before the Effective Date, the Trustee or Reorganized SEBC will form Real Estate LLC, which will be treated as a partnership as of the close of the Effective Date for federal income tax purposes.

(b) On the Effective Date, Reorganized SEBC will capitalize Real Estate LLC by contributing the equity interests in the Jacksonville Property Subsidiaries to Real Estate LLC, in exchange for:

(i) the Real Estate LLC Debt; and

(ii) the Real Estate LLC Membership Interests.

(c) In connection with the foregoing contribution by Reorganized SEBC, and prior to the formation of Real Estate LLC, the Jacksonville Property Subsidiaries shall be converted into Florida limited liability companies.

(d) The Real Estate LLC Debt will have a $9 million face amount and will be issued by Real Estate LLC to Reorganized SEBC. The Real Estate LLC Debt will have a fixed coupon equal to 5% per annum.[23] In addition, the Real Estate LLC Debt will have a participating coupon. The participating coupon will be equal to 10% of all distributions on capital by Real Estate LLC in any year that exceed the 5% fixed coupon. Upon its redemption or the liquidation of Real Estate LLC, the holder of the Real Estate LLC Debt will be entitled to the sum of (a) its remaining unpaid face amount, (b) the 5% fixed coupon that has accrued but is unpaid and (c) 10% of the excess of (1) the cumulative sum, up to such date, of the realized and unrealized value of the total assets of Real Estate LLC, over (2) the sum of $33 million and the cumulative 5% fixed coupon. The Real Estate LLC Debt will not be callable by Real Estate LLC before the 2nd anniversary of the issuance of such debt. If the Real Estate LLC Debt is still outstanding on the 7th anniversary of its issuance (or, if earlier, the redemption of all Reorganized SEBC Senior Preferred Stock), it will be mandatorily convertible into 7-year term preferred equity units of Real Estate LLC, which will have terms that correspond to the terms of the Real Estate LLC Debt. The Real Estate LLC Debt will have such other terms and conditions as will be set forth in the Plan Supplement.

4. Formation of SEBC Holdings

(a) On or before the Effective Date, the Trustee or Reorganized SEBC and SEBC Holdings General Partner will form SEBC Holdings, which will be a partnership as of the close of the Effective Date for federal income tax purposes.

(b) On the Effective Date, the Holders of Allowed Class 6 Interests will capitalize SEBC Holdings by contributing all outstanding Old SEBC Common Stock Interests to SEBC Holdings in exchange for 100% of the SEBC Holdings Common Units, to be distributed as provided in Section 3.4 of the Plan.

(c) On the Effective Date, the Holders of Allowed Class 4 and 5 Interests will capitalize SEBC Holdings by contributing all outstanding Series A Preferred Stock and Series E Preferred Stock to SEBC Holdings in exchange for $300,000 aggregate face amount of SEBC Holdings Junior Preferred Units and $240,000 aggregate face amount of SEBC Holdings Junior Preferred Units, respectively, to be distributed as provided in Section 3.3(a) and 3.3(b) of the Plan.

(d) On the Effective Date, Reorganized SEBC will contribute the Real Estate LLC Membership Interests to SEBC Holdings, in exchange for:

(i) $6 million aggregate face amount of SEBC Holdings Senior Preferred Units,[24] to be distributed to the Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims as part of the Mixed Securities Distribution as provided in Sections 3.2(a)(ii), (b)(ii) and (c)(ii) of the Plan; and

(ii) $18.7 million aggregate face amount of SEBC Holdings Junior Preferred Units, to be distributed to the Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims as provided in Sections 3.2(a)(iii), 3.2(b)(iii), and 3.2(c)(iii) of the Plan.

(e) On the Effective Date, Reorganized SEBC shall issue to SEBC Holdings the Reorganized SEBC Class A Common Stock as set forth in Section 5.9(b)(v) of the Plan, representing 60% of the outstanding shares of Reorganized SEBC Common Stock.

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[23] *See* note 2, *supra*.

[24] *Id.*

(f) Upon issuance of the SEBC Holdings Securities pursuant to Section 5.3 of the Plan, each holder of units of SEBC Holdings Securities shall be deemed to have executed the SEBC Holdings Partnership Agreement and shall be bound thereby.

5. Investment Vehicle

On the Closing Date, the Investment Vehicle will be created as a special purpose entity, to acquire the Investment Vehicle Initial Investments and issue the Investment Vehicle Equity and Investment Vehicle Senior Securities, as provided in the Plan Supplement.

(a) Formation of Investment Vehicle

(i) Investment Vehicle Equity

The Investment Vehicle will be capitalized by the issuance of equity to MLE or any of its Affiliates on or after the Closing Date. The Investment Vehicle Equity will be subordinated to the Investment Vehicle Senior Securities. The Investment Vehicle Senior Securities and Investment Vehicle Equity will have recourse only to the assets of the Investment Vehicle, and no additional credit support will be provided by MLE, its Affiliates, or any other party.

(ii) Investment Vehicle Senior Securities

The Investment Vehicle will issue the Investment Vehicle Senior Securities consisting of senior preferred equity issued to Reorganized SEBC on the Closing Date. The Investment Vehicle Senior Securities will rank senior to the Investment Vehicle Equity.

(b) Investment Vehicle Investments

(i) Investment Vehicle Initial Investments

The Investment Vehicle Initial Investments will comprise not less than $1,650,000,000[25] face value in fixed-income instruments to be determined by MLE prior to the Closing Date to be acquired by the Investment Vehicle from an Affiliate of MLE.

(ii) Servicing Agreement

The Servicing Agreement is an agreement to be entered into between Reorganized SEBC and a major financial institution (the "Servicer"), on or after the Effective Date and as from time to time supplemented or amended or any replacement thereof. The Servicer will perform certain management and administrative functions with respect to the Investment Vehicle Initial Investments and any subsequent investments as is required and customary for vehicles of this nature.

6. Charters and Governing Documents

The Reorganized SEBC Charter will be substantially in the form of such document included as an exhibit to the Master Subscription Agreement, and the Reorganized SEBC By-laws, the SEBC Holdings Charter and SEBC Holdings Partnership Agreement, and the Real Estate LLC Charter and Real Estate LLC Agreement will be substantially in the forms of such documents included in the Plan Supplement, as necessary to satisfy the provisions of the Plan and the Bankruptcy Code. Each of the foregoing documents will include, among other things, pursuant to Section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities, but only to the extent required by Section 1123(a)(6) of the Bankruptcy Code.

[25] *Id.*

(a) Reorganized SEBC Charter

Reorganized SEBC and the Reorganized SEBC Securities will be governed by the Reorganized SEBC Charter, which is summarized below.

Purpose:

The purpose of Reorganized SEBC will be to engage in any or all lawful activities or business permitted by a Florida corporation; provided, however, that so long as any shares of Reorganized SEBC Preferred Stock remain outstanding, Reorganized SEBC will be authorized to engage solely in the business of (i) acquiring, holding, selling and disposing of the Investment Vehicle Senior Securities and other permitted investments, (ii) entering into agreements related to such investments from time to time and causing the Servicer to manage Reorganized SEBC's assets and liabilities and (iii) investing in the Real Estate LLC Debt, in each case in accordance with the provisions of the Reorganized SEBC Charter and the Servicing Agreement, and, in connection with such business, Reorganized SEBC may engage in any lawful act or activity which is incidental thereto and necessary or desirable in connection therewith.

Authorized Capital:

Reorganized SEBC will be authorized to issue a number of shares of capital stock to be determined prior to the consummation of the Transaction, consisting of the following:

(i) Reorganized SEBC Class A Common Stock, par value $0.001 per share; (ii) Reorganized SEBC Class B Common Stock, par value $0.001 per share; (iii) Reorganized SEBC Class C Common Stock, par value $0.001 per share; and (iv) Reorganized SEBC Preferred Stock, par value $0.001 per share, to be issued in series consisting of Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock.

The Reorganized SEBC Board may authorize the issuance of one or more additional classes or series of Reorganized SEBC Preferred Stock from time to time and determine the designations and powers, preferences and rights and qualifications, limitations and restrictions thereof; provided, however, that Reorganized SEBC may not create, authorize or issue shares of additional classes or series of stock without the affirmative vote of the holders of more than 80 percent of the outstanding shares of each of the Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock.

Following the initial issuance of the Reorganized SEBC Common Stock and until such time after the redemption of all outstanding shares of Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock as the Reorganized SEBC Board determines that the ownership and transfer restrictions in the Reorganized SEBC Charter regarding the Reorganized SEBC Common Stock will no longer remain in effect (the "Restriction Release Date"), Reorganized SEBC will not be permitted to issue, redeem, purchase, reclassify, amend or in any way otherwise modify any shares of Reorganized SEBC's capital stock unless it has received a written opinion from a law firm of national standing to the effect that such action will not adversely affect, for federal income tax purposes, the availability of Reorganized SEBC's net operating loss carryovers that were available immediately prior to such action; provided, however, that no opinion will be required in connection with a redemption of the Reorganized SEBC Preferred Stock (together with any associated Reorganized SEBC Common Stock being contemporaneously redeemed) in accordance with its terms.

Voting Rights:

Except as provided by the designations of the Reorganized SEBC Preferred Stock, all rights to vote and all voting power will be vested exclusively in the holders of the Reorganized SEBC Common Stock, with each share entitled to one vote. Except as otherwise required by law, the holders of

Reorganized SEBC Class A Common Stock, Reorganized SEBC Class B Common Stock and Reorganized SEBC Class C Common Stock will vote together as a single class.

Board of Directors:

Except as provided in the designations of the Reorganized SEBC Preferred Stock, the Reorganized SEBC Board will consist of at least one director, with the exact number to be fixed from time to time in the manner provided in the Reorganized SEBC By-laws. It is currently anticipated, however, that initially, the number of directors will be set at five. No decrease in the number of directors will have the effect of shortening the term of any incumbent director. At any election of members of the Reorganized SEBC Board, (i) the holders of the Reorganized SEBC Class A Common Stock, voting separately as a class, will be entitled to elect three directors; (ii) the holders of the Reorganized SEBC Class B Common Stock, voting separately as a class, will be entitled to elect one director; and (iii) the holders of the Reorganized SEBC Class C Common Stock, voting separately as a class, will be entitled to elect one director. Directors may be removed and replaced only by the holders of the class of stock by which such directors were elected. The preceding provisions may not be altered, amended or repealed except by an affirmative vote of at least 80 percent of the outstanding shares of all capital stock of Reorganized SEBC entitled to vote for the election of directors.

Indemnification:

Reorganized SEBC will be required to indemnify and advance expenses to its officers and directors to the fullest extent permitted by law.

Shareholder Meetings:

Except as otherwise required by law, Reorganized SEBC will not be required to hold a special meeting of shareholders unless, in addition to any other requirements of law, (i) the holders of not less than 20 percent of all the votes entitled to be cast on any issue proposed to be considered at the proposed special meeting sign, date and deliver to Reorganized SEBC's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held; or (ii) the meeting is called by the Reorganized SEBC Board. The preceding provision may not be altered, amended or repealed except by an affirmative vote of at least 80 percent of the outstanding shares of all capital stock of Reorganized SEBC entitled to vote for the election of directors.

Preemptive Rights:

No shareholder of Reorganized SEBC will have, by reason of its holding shares of any class or series of stock of Reorganized SEBC, any preemptive or preferential rights to purchase or subscribe for any other securities of Reorganized SEBC.

Reorganized SEBC Common Stock:

The Reorganized SEBC Common Stock will have the following preferences, limitations and relative rights.

Ranking: Each class of Reorganized SEBC Common Stock will, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank on a parity with each other class of Reorganized SEBC Common Stock and junior to the Reorganized SEBC Preferred Stock.

Dividends: Dividends on the Reorganized SEBC Common Stock will be payable at the discretion of the Reorganized SEBC Board and subject to the rights of the holders of the Reorganized SEBC Preferred Stock. No Cash dividend may be declared and paid on any class of Reorganized SEBC Common Stock unless a Cash dividend in an equal per share amount is

simultaneously declared and paid on the other classes of Reorganized SEBC Common Stock. Dividends or other distributions payable in shares of Reorganized SEBC stock, including distributions pursuant to stock splits or divisions, must be made in the same proportion with respect to each class of Reorganized SEBC Common Stock, but no class may receive shares of another class.

Transfer Restrictions: From and after the date of filing of the Reorganized SEBC Charter until the Restriction Release Date, any attempted sale, transfer, exchange, assignment, conveyance, or other disposition for value ("Transfer") of any Reorganized SEBC Common Stock (i) to any Person (including a group of Persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75 percent of the Reorganized SEBC Common Stock including indirect ownership as determined under applicable Treasury Regulations under the Internal Revenue Code ("Indirect Ownership") or (B) prior to giving effect to such purported Transfer held at least 4.75 percent of the Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any Person who at the time is an owner of at least 4.75 percent of the Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio unless (x) either the transferor or the transferee receives the prior unanimous written consent of the Reorganized SEBC Board to such Transfer on twenty (20) days' prior written notice or (y) such Transfer is by certain Institutional Shareholders (as defined in the Reorganized SEBC Charter) to a Person whose percentage ownership of the Reorganized SEBC Common Stock (including Indirect Ownership) after such Transfer solely reflects securities acquired from such Institutional Shareholders.

Registration: The Reorganized SEBC Common Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such Persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

Reorganized SEBC Series A Senior Preferred Stock:

The Reorganized SEBC Series A Senior Preferred Stock will have the following preferences, limitations and relative rights.

Ranking: The Reorganized SEBC Series A Senior Preferred Stock will, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Series B Senior Preferred Stock, the Reorganized SEBC Series J Junior Preferred Stock, the Reorganized SEBC Series K Junior Preferred Stock and the Reorganized SEBC Common Stock.

Dividends: The holder of each share of Reorganized SEBC Series A Senior Preferred Stock will be entitled to receive, subject to declaration by the Reorganized SEBC Board, a quarterly Cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series A Senior Preferred Stock during the quarterly dividend period at the Series A Senior Quarterly Dividend Rate (as defined in the Reorganized SEBC Charter) then in effect. It is anticipated that the dividend rate will be established immediately prior to consummation of the Transaction based upon a number of market based factors. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid.

Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend may be paid on the Reorganized SEBC Series A Senior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the redemption price for all Reorganized SEBC Series A Senior Preferred Stock outstanding at such time. The Series A Senior Quarterly Dividend Rate will be adjusted for certain changes in tax law or Reorganized SEBC's tax characteristics that affect the after-tax yield on the Reorganized SEBC Series A Senior Preferred Stock.

Liquidation Preferences: Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series A Senior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in Cash, before any distribution of assets is made to the holders of Reorganized SEBC Series B Senior Preferred Stock, Reorganized SEBC Series J and Series K Junior Preferred Stock or Reorganized SEBC Common Stock, equal to the Series A Senior Liquidation Price (as that term is defined in and calculated in accordance with the Reorganized SEBC Charter), for each of such holder's shares of Reorganized SEBC Series A Senior Preferred Stock. Generally, such liquidation price will equal the Series A Senior Redemption Price (as that term is defined in the Reorganized SEBC Charter). If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series A Senior Liquidation Price in full on each share of Reorganized SEBC Series A Senior Preferred Stock, then such available assets will be applied pro rata among all shares of Reorganized SEBC Series A Senior Preferred Stock.

On or after the first anniversary of the date of acquisition by any holder of any shares of Reorganized SEBC Series A Senior Preferred Stock from MLE and for so long as any shares of Reorganized SEBC Series A Senior Preferred Stock are outstanding, such holder or any of its transferees (other than MLE or any of its Affiliates) will have the right to cause Reorganized SEBC to liquidate (the "Series A Liquidation Right"). Reorganized SEBC will have the right, within 45 days after the receipt of such a demand for liquidation, to redeem the Reorganized SEBC Series A Senior Preferred Stock owned by such holder, in whole and not in part, in lieu of liquidation.

Redemption:

Holders' Elective Redemption: Upon the occurrence of certain events, including, but not limited to, Reorganized SEBC's failure to provide its audited annual consolidated financial statements, breach of any covenant in the Reorganized SEBC Charter or Master Subscription Agreement, any change in the Internal Revenue Code that reduces the dividends received deduction applicable to dividends on the Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock below certain levels, a Change in Law, or a Change in Tax Law (as such terms are defined in the Reorganized SEBC Charter), holders holding more than 50 percent of the Reorganized SEBC Series A Senior Preferred Stock will have the right to cause Reorganized SEBC to redeem the Reorganized SEBC Series A Senior Preferred Stock, in whole or in part.

Corporation Optional Redemption: Reorganized SEBC may redeem the Reorganized SEBC Series A Senior Preferred Stock, by resolution of the Reorganized SEBC Board, (i) in whole and not in part (A) on or after the fifth anniversary of the first date on which Reorganized SEBC issued shares of Reorganized SEBC Preferred Stock (the "Date of Original Issue"), or (B) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right (as defined below) or the Series J Liquidation Right (as defined below), or (ii) in part with respect to the shares of Reorganized SEBC Series A Senior Preferred Stock of a holder exercising the Series A Liquidation Right, within 45 days after receiving the requisite notice exercising such Series A Liquidation Right.

Scheduled Redemption: The Reorganized SEBC Series A Senior Preferred Stock must be redeemed, in whole and not in part, on the Scheduled Redemption Date (as that term is defined in the Reorganized SEBC Charter) in 2016.

Upon any redemption, Reorganized SEBC will pay each holder of Reorganized SEBC Series A Senior Preferred Stock the Series A Senior Redemption Price for each share of Reorganized SEBC Series A Senior Preferred Stock owned by such holder to be redeemed, in Cash out of funds legally available therefor. Generally, such redemption price will equal the face amount of such share, plus the amount of any accrued and unpaid dividends thereon, and a make whole premium, minus a redemption discount, such premium and discount to be calculated in accordance with the Reorganized SEBC Charter.

Voting Rights: The Reorganized SEBC Series A Senior Preferred Stock will have no voting rights or right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that neither Reorganized SEBC nor any of its subsidiaries may take certain corporate actions, including, but not limited to, instituting proceedings to be adjudicated bankrupt or insolvent, consolidating or merging with another entity except in certain circumstances, disposing of all or substantially all of its assets, issuing shares of Reorganized SEBC Common Stock, or authorizing additional classes or series of stock, without the affirmative vote of the holders of more than 80 percent of the Reorganized SEBC Series A Senior Preferred Stock. Upon the occurrence of certain specified events, including, but not limited to, the institution by Reorganized SEBC of bankruptcy proceedings, the failure of Reorganized SEBC to maintain a required liquidity reserve and the failure of Reorganized SEBC to make required dividend or redemption payments, the authorized number of directors of the Reorganized SEBC Board will be automatically increased by the smallest even number divisible by three and that constitutes a majority of the Reorganized SEBC Board and one-third of such new directors will be elected by holders holding more than 50 percent of the Reorganized SEBC Series A Senior Preferred Stock. Such directors will have the limited right to cause Reorganized SEBC to cure the event that triggered their election (including by redeeming the Reorganized SEBC Preferred Stock) and will serve for corresponding limited terms.

Transfer Restrictions: Reorganized SEBC Series A Senior Preferred Stock may only be sold or otherwise transferred to a Person who is a QIB. As set forth in the Plan, a QIB is a "qualified institutional buyer" as such term is defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act").

Registration: The Reorganized SEBC Series A Senior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such Persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

Reorganized SEBC Series B Senior Preferred Stock:

The Reorganized SEBC Series B Senior Preferred Stock will have the following preferences, limitations and relative rights.

Ranking: The Reorganized SEBC Series B Senior Preferred Stock will, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Series J Junior Preferred Stock, the Reorganized SEBC Series K Junior Preferred Stock and the Reorganized SEBC Common Stock and junior to the Reorganized SEBC Series A Senior Preferred Stock.

Dividends: The holder of each share of Reorganized SEBC Series B Senior Preferred Stock will be entitled to receive, subject to declaration by the Reorganized SEBC Board, a quarterly Cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series B Senior Preferred Stock during the quarterly dividend period at the Series B Senior Quarterly Dividend Rate (as defined in the Reorganized SEBC Charter) then in effect; provided, however, that no dividends may be paid on the Reorganized SEBC Series B Senior Preferred Stock until all accrued but unpaid dividends have been, or contemporaneously are, paid on the Reorganized SEBC Series A Senior Preferred Stock. It is anticipated that the dividend rate will be established immediately prior to consummation of the Transaction based upon a number of market based factors. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid.

Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend may be paid on the Reorganized SEBC Series B Senior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the aggregate redemption price for all Reorganized SEBC Senior Preferred Stock outstanding at such time. The Series B Senior Quarterly Dividend Rate will be adjusted for certain changes in tax law or Reorganized SEBC's tax characteristics that affect the after-tax yield on the Reorganized SEBC Series B Senior Preferred Stock.

Liquidation Preferences: Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series B Senior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in Cash, after any distribution of assets is made to the holders of Reorganized SEBC Series A Senior Preferred Stock but before any distribution of assets is made to the holders of Reorganized SEBC Series J and K Junior Preferred Stock or Reorganized SEBC Common Stock, equal to the Series B Senior Liquidation Price (as that term is defined in and calculated in accordance with the Reorganized SEBC Charter) for each of such holder's shares of Reorganized SEBC Series B Senior Preferred Stock. Generally, such liquidation price will equal the Series B Senior Redemption Price (as that term is defined in the Reorganized SEBC Charter). If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series B Senior Liquidation Price in full on each share of Reorganized SEBC Series B Senior Preferred Stock, then such available assets will be applied pro rata among all shares of Reorganized SEBC Series B Senior Preferred Stock.

On or before the first anniversary of the Date of Original Issue, holders holding more than 50 percent of the Reorganized SEBC Series B Senior Preferred Stock will have the right to cause Reorganized SEBC to liquidate if MLE has not sold at least $250,000,000 face amount of Reorganized SEBC Series A Senior Preferred Stock or Reorganized SEBC Series B Senior Preferred Stock (or a combination thereof) (the "Series B Liquidation Right"); provided, however, that Reorganized SEBC will have the right, within 45 days after the receipt of such a demand for liquidation, to redeem the Reorganized SEBC Preferred Stock, in whole and not in part, in lieu of such liquidation.

Redemption:

> *Holders' Elective Redemption*: Upon the occurrence of certain events, including, but not limited to, Reorganized SEBC's failure to provide its audited annual consolidated financial statements, breach of any covenant in the Reorganized SEBC Charter or Master Subscription Agreement, any change in the Internal Revenue Code that reduces the dividends received deduction applicable to dividends on the Reorganized SEBC Senior Preferred Stock or Reorganized SEBC Series J Junior Preferred Stock below certain levels, a Change in Law, or a Change in Tax Law (as such terms are defined in the Reorganized SEBC Charter), holders holding more than 50 percent of the Reorganized

SEBC Series B Senior Preferred Stock will have the right to cause Reorganized SEBC to redeem the Reorganized SEBC Series B Senior Preferred Stock, in whole or in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series B Senior Preferred Stock, in whole or in part; provided, however, that such rights are subject to the right of holders holding more than 50 percent of the Reorganized SEBC Series A Senior Preferred Stock to direct Reorganized SEBC to first redeem the Reorganized SEBC Series A Senior Preferred Stock.

Corporation Optional Redemption: Reorganized SEBC may redeem the Reorganized SEBC Series B Senior Preferred Stock, in whole and not in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series B Senior Preferred Stock, by resolution of the Reorganized SEBC Board (i) on or after the fifth anniversary of the Date of Original Issue or (ii) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right or the Series J Liquidation Right (as defined below); provided, however, that Reorganized SEBC may not exercise this option unless it has redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock.

Scheduled Redemption: The Reorganized SEBC Series B Senior Preferred Stock, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series B Senior Preferred Stock, must be redeemed, in whole and not in part, on the Scheduled Redemption Date in 2016; provided, however, that Reorganized SEBC may not redeem the Reorganized SEBC Series B Senior Preferred Stock on the Scheduled Redemption Date unless it has redeemed, in whole and not in part, all of the outstanding shares of Reorganized SEBC Series A Senior Preferred Stock.

Upon any redemption, Reorganized SEBC will pay each holder of Reorganized SEBC Series B Senior Preferred Stock the Series B Senior Redemption Price for each share of Reorganized SEBC Series B Senior Preferred Stock owned by such holder to be redeemed, and the Common Stock Redemption Price (as that term is defined in the Reorganized SEBC Charter) for each share of Reorganized SEBC Common Stock owned by such holder to be redeemed, in Cash out of funds legally available therefor. Generally, the Series B Senior Redemption Price will equal the face amount of such share, plus the amount of any accrued and unpaid dividends thereon, and a make whole premium, minus a redemption discount, such premium and discount to be calculated in accordance with the Reorganized SEBC Charter. Generally, the Common Stock Redemption Price will equal the excess, if any, of the market value of the assets of Reorganized SEBC and its subsidiaries divided by the sum of the consolidated liabilities of Reorganized SEBC and its subsidiaries and the aggregate redemption price of the Reorganized SEBC Preferred Stock.

For Holders' Elective Redemption and Scheduled Redemption, if there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series B Senior Preferred Stock and Reorganized SEBC Common Stock to be redeemed on such date, funds will first be used to redeem the maximum number of shares of Reorganized SEBC Series B Senior Preferred Stock pro rata and second to redeem the maximum possible number of shares of Reorganized SEBC Common Stock. At any time thereafter when additional funds are legally available for the redemption of Reorganized SEBC Series B Senior Preferred Stock or Reorganized SEBC Common Stock, such funds will be used to redeem such stock on the same basis.

Voting Rights: The Reorganized SEBC Series B Senior Preferred Stock will have no voting rights or right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that neither Reorganized SEBC nor any of its subsidiaries may take certain corporate actions, including, but not limited to, instituting proceedings to be adjudicated bankrupt or insolvent, consolidating or merging with another entity except in certain

circumstances, disposing of all or substantially all of its assets, issuing shares of Reorganized SEBC Common Stock, or authorizing additional classes or series of stock, without the affirmative vote of the holders of more than 80 percent of the Reorganized SEBC Series B Senior Preferred Stock. Upon the occurrence of certain specified events, including, but not limited to, the institution by Reorganized SEBC of bankruptcy proceedings, the failure of Reorganized SEBC to maintain a required liquidity reserve and the failure of Reorganized SEBC to make required dividend or redemption payments, the authorized number of directors of the Reorganized SEBC Board will be automatically increased by the smallest even number divisible by three and that constitutes a majority of the Reorganized SEBC Board and, depending on the triggering event, one-third or one-half of such new directors will be elected by holders holding more than 50 percent of the Reorganized SEBC Series B Senior Preferred Stock. Such directors will have the limited right to cause Reorganized SEBC to cure the event that triggered their election (including by redeeming the Reorganized SEBC Preferred Stock) and will serve for corresponding limited terms.

Transfer Restrictions: Reorganized SEBC Series B Senior Preferred Stock may only be sold or otherwise transferred to a Person who is a QIB.

Registration: The Reorganized SEBC Series B Senior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such Persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

Reorganized SEBC Series J Junior Preferred Stock:

The Reorganized SEBC Series J Junior Preferred Stock will have the following preferences, limitations and relative rights.

Ranking: The Reorganized SEBC Series J Junior Preferred Stock will, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Common Stock, on a parity with the Reorganized SEBC Series K Junior Preferred Stock and junior to the Reorganized SEBC Senior Preferred Stock.

Dividends: The holder of each share of Reorganized SEBC Series J Junior Preferred Stock will be entitled to receive, subject to declaration by the Reorganized SEBC Board, a quarterly Cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series J Junior Preferred Stock during the quarterly dividend period at the Series J Junior Quarterly Dividend Rate (as defined in the Reorganized SEBC Charter) then in effect; provided, however, that no dividends may be paid on the Reorganized SEBC Series J Junior Preferred Stock until all accrued but unpaid dividends have been, or contemporaneously are, paid on the Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock. It is anticipated that the dividend rate will be established immediately prior to consummation of the Transaction based upon a number of market based factors. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid.

Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend may be paid on the Reorganized SEBC Series J Junior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the aggregate redemption price for all Reorganized SEBC Preferred

Stock outstanding at such time. The Series J Junior Quarterly Dividend Rate will be adjusted for certain changes in tax law or Reorganized SEBC's tax characteristics that affect the after-tax yield on the Reorganized SEBC Series J Junior Preferred Stock.

Liquidation Preferences: Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series J Junior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in Cash, after any distribution of assets is made, or contemporaneously is made, to the holders of Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, but before any distribution of assets is made to the holders of Reorganized SEBC Common Stock, equal to the Series J Junior Liquidation Price (as that term is defined in and calculated in accordance with the Reorganized SEBC Charter) for each of such holder's shares of Reorganized SEBC Series J Junior Preferred Stock. Generally, such liquidation price will equal the Series J Junior Redemption Price (as that term is defined in the Reorganized SEBC Charter). If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price in full on each share of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, as applicable, then such available assets will be applied pro rata among all shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock.

On or before the first anniversary of the Date of Original Issue, holders holding more than 50 percent of the Reorganized SEBC Series J Junior Preferred Stock will have the right to cause Reorganized SEBC to liquidate if MLE has not sold at least $250,000,000 face amount Reorganized SEBC Series A Senior Preferred Stock or Series B Senior Preferred Stock (or a combination thereof) (the "Series J Liquidation Right"); provided, however, that Reorganized SEBC will have the right, within 45 days after the receipt of such a demand for liquidation, to redeem the Reorganized SEBC Preferred Stock, in whole and not in part, in lieu of such liquidation.

Redemption:

Holders' Elective Redemption: Upon the occurrence of certain events, including, but not limited to, Reorganized SEBC's failure to provide its audited annual consolidated financial statements, breach of any covenant in the Reorganized SEBC Charter or Master Subscription Agreement, any change in the Internal Revenue Code that reduces the dividends received deduction applicable to dividends on the Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock below certain levels, a Change in Law, or a Change in Tax Law (as such terms are defined in the Reorganized SEBC Charter), holders holding more than 50 percent of the Reorganized SEBC Series J Junior Preferred Stock will have the right to cause Reorganized SEBC to redeem the Reorganized SEBC Series J Junior Preferred Stock, in whole and not in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series J Junior Preferred Stock, in whole and not in part; provided, however, that such rights are subject to the right of holders holding more than 50 percent of each of the Reorganized SEBC Series A Senior Preferred Stock and the Reorganized SEBC Series B Senior Preferred Stock to direct Reorganized SEBC to first redeem the Reorganized SEBC Series A Senior Preferred Stock and Reorganized SEBC Series B Senior Preferred Stock, as applicable, and subject to the obligation of Reorganized SEBC to redeem the Reorganized SEBC Series K Junior Preferred Stock on a pari passu basis with the Reorganized SEBC Series J Junior Preferred Stock.

Corporation Optional Redemption: Reorganized SEBC may redeem the Reorganized SEBC Series J Junior Preferred Stock, in whole and not in part, as well as the shares of Reorganized SEBC Common Stock held by such holders of Reorganized SEBC Series J Junior Preferred Stock, by resolution of the Reorganized SEBC Board (i) on or after the

fifth anniversary of the Date of Original Issue or (ii) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right or the Series J Liquidation Right; provided, however, that Reorganized SEBC may not exercise this option unless it has redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding shares of Reorganized SEBC Senior Preferred Stock and Series K Junior Preferred Stock.

Scheduled Redemption: The Reorganized SEBC Series J and K Junior Preferred Stock, as well as the shares of Reorganized SEBC Common Stock held by holders of Reorganized SEBC Series J Junior Preferred Stock, must be redeemed, in whole and not in part, on the Scheduled Redemption Date in 2016; provided, however, that Reorganized SEBC may not redeem the Reorganized SEBC Series J and K Junior Preferred Stock and the Reorganized SEBC Common Stock held by holders of Reorganized SEBC Series J Junior Preferred Stock on the Scheduled Redemption Date unless it has redeemed, in whole and not in part, all of the outstanding shares of Reorganized SEBC Senior Preferred Stock.

Upon any redemption, Reorganized SEBC will pay each holder of Reorganized SEBC Series J Junior Preferred Stock the Series J Junior Redemption Price for each share of Reorganized SEBC Series J Junior Preferred Stock owned by such holder to be redeemed, and the Common Stock Redemption Price for each share of Common Stock owned by such holder to be redeemed, in Cash out of funds legally available therefor. Generally, the Series J Junior Redemption Price will equal the face amount of such share, plus the amount of any accrued and unpaid dividends thereon, a make whole premium, and a gross-up redemption payment, minus a redemption discount, such premium, gross-up and discount to be calculated in accordance with the Reorganized SEBC Charter.

For Holders' Elective Redemption and Scheduled Redemption, if there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series J and K Junior Preferred Stock and Reorganized SEBC Common Stock to be redeemed on such date, funds will first be used to redeem the maximum number of shares of Reorganized SEBC Series J and K Junior Preferred Stock pro rata and second to redeem the maximum possible number of shares of Reorganized SEBC Common Stock. At any time thereafter when additional funds are legally available for the redemption of Reorganized SEBC Series J and K Junior Preferred Stock or Reorganized SEBC Common Stock, such funds will be used to redeem such stock on the same basis.

Voting Rights: The Reorganized SEBC Series J Junior Preferred Stock will have no voting rights or right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that neither Reorganized SEBC nor any of its subsidiaries may take certain corporate actions, including, but not limited to, instituting proceedings to be adjudicated bankrupt or insolvent, consolidating or merging with another entity except in certain circumstances, disposing of all or substantially all of its assets, issuing shares of Reorganized SEBC Common Stock, or authorizing additional classes or series of stock, without the affirmative vote of the holders of more than 80 percent of the Reorganized SEBC Series J Junior Preferred Stock. Upon the occurrence of certain specified events, including, but not limited to, the institution by Reorganized SEBC of bankruptcy proceedings, the failure of Reorganized SEBC to maintain a required liquidity reserve and the failure of Reorganized SEBC to make required dividend or redemption payments, the authorized number of directors of the Reorganized SEBC Board will be automatically increased by the smallest even number divisible by three and that constitutes a majority of the Reorganized SEBC Board and, depending on the triggering event, one-third of such new directors will be elected by holders holding more than 50 percent of the Reorganized SEBC Series J Junior Preferred Stock or all of such directors will be elected by holders holding more than 50 percent of the Reorganized SEBC Series J and K Junior Preferred Stock, voting as a class. Such directors will have the limited right to cause Reorganized SEBC to

cure the event that triggered their election (including by redeeming the Reorganized SEBC Preferred Stock) and will serve for corresponding limited terms.

Transfer Restrictions: Reorganized SEBC Series J Junior Preferred Stock may only be sold or otherwise transferred to a Person who is a QIB.

Registration: The Reorganized SEBC Series J Junior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 4(2) of the Securities Act and equivalent state exemptions. Any subsequent sale, exchange, transfer or other disposition by such Persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

Reorganized SEBC Series K Junior Preferred Stock:

The Reorganized SEBC Series K Junior Preferred Stock will have the following preferences, limitations and relative rights.

Ranking: The Reorganized SEBC Series K Junior Preferred Stock will, with respect to dividend rights, and rights on liquidation, dissolution and winding up of the affairs of Reorganized SEBC, rank senior to the Reorganized SEBC Common Stock, on a parity with the Reorganized SEBC Series J Junior Preferred Stock and junior to the Reorganized SEBC Senior Preferred Stock.

Dividends: The holder of each share of Reorganized SEBC Series K Junior Preferred Stock will be entitled to receive, subject to declaration by the Reorganized SEBC Board, a quarterly Cash dividend in an amount equal to the amount that would accrue on the face amount ($1.00) of such Reorganized SEBC Series K Junior Preferred Stock during the quarterly dividend period at the Series K Junior Quarterly Dividend Rate (as defined in the Reorganized SEBC Charter) then in effect; provided, however, that no dividends may be paid on the Reorganized SEBC Series K Junior Preferred Stock until all accrued but unpaid dividends have been, or contemporaneously are, paid on the Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock. It is anticipated that the dividend rate will be established immediately prior to consummation of the Transaction based upon a number of market based factors. The amount of any dividend not declared, or the shortfall in the amount of any dividend that is declared, regardless of a lack of sufficient legally available funds or sufficient earnings and profits to do so, will accumulate until paid.

Notwithstanding anything in the Reorganized SEBC Charter to the contrary, no dividend may be paid on the Reorganized SEBC Series K Junior Preferred Stock unless, immediately after making such payment and giving effect thereto, the market value of certain of Reorganized SEBC's investments equals or exceeds the sum of (i) the consolidated liabilities of Reorganized SEBC and its subsidiaries plus (ii) the aggregate redemption price for all Reorganized SEBC Preferred Stock outstanding at such time.

Liquidation Preferences: Upon the voluntary or involuntary liquidation, dissolution or winding up of Reorganized SEBC, each holder of Reorganized SEBC Series K Junior Preferred Stock will be entitled to receive out of the assets of Reorganized SEBC available for distribution to its stockholders an amount in Cash, after any distribution of assets is made, or contemporaneously is made, to the holders of Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock, but before any distribution of assets is made to the holders of Reorganized SEBC Common Stock, equal to the Series K Junior Liquidation Price (as that term is defined in and calculated in accordance with the Reorganized SEBC Charter) for each of such holder's shares of Reorganized SEBC Series K Junior Preferred Stock. Generally, such liquidation price will equal the face amount of such share, plus the amount of any accrued and

unpaid dividends thereon. If the available assets of Reorganized SEBC are insufficient to pay the amount of the Series J Junior Liquidation Price and the Series K Junior Liquidation Price in full on each share of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock, respectively, then such available assets will be applied pro rata among all shares of Reorganized SEBC Series J Junior Preferred Stock and Reorganized SEBC Series K Junior Preferred Stock.

Redemption:

Corporation Optional Redemption: Reorganized SEBC may redeem the Reorganized SEBC Series K Junior Preferred Stock, in whole and not in part, by resolution of the Reorganized SEBC Board (i) on or after the fifth anniversary of the Date of Original Issue or (ii) within 45 days after receiving the requisite notice exercising the Series B Liquidation Right or the Series J Liquidation Right; provided, however, that Reorganized SEBC may not exercise this option unless it has redeemed or contemporaneously redeems, in whole and not in part, all of the outstanding shares of Reorganized SEBC Senior Preferred Stock and Reorganized SEBC Series J Junior Preferred Stock.

Scheduled Redemption: The Reorganized SEBC Series J and K Junior Preferred Stock must be redeemed, in whole and not in part, on the Scheduled Redemption Date in 2016; provided, however, that Reorganized SEBC may not redeem the Reorganized SEBC Junior Preferred Stock on the Scheduled Redemption Date unless it has redeemed, in whole and not in part, all of the outstanding shares of Reorganized SEBC Senior Preferred Stock. If there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series J and K Junior Preferred Stock to be redeemed on such date, funds will be applied pro rata among all shares of Reorganized SEBC Series J and K Junior Preferred Stock.

Additional Redemption: Upon the occurrence of a Holders Elective Redemption with regard to the Reorganized SEBC Series J Junior Preferred Stock, Reorganized SEBC will, subject to the priority rights of the Reorganized SEBC Senior Preferred Stock, redeem the Reorganized SEBC Series K Junior Preferred Stock on a pari passu basis with the Reorganized SEBC Series J Junior Preferred Stock. If there are insufficient funds to redeem the total number of shares of Reorganized SEBC Series J and K Junior Preferred Stock and Reorganized SEBC Common Stock held by the holders of Reorganized SEBC Series J Junior Preferred Stock to be redeemed on such date, funds will first be used to redeem the maximum number of shares of Reorganized SEBC Series J and K Junior Preferred Stock pro rata and second to redeem the maximum possible number of shares of Reorganized SEBC Common Stock. At any time thereafter when additional funds are legally available for the redemption of Reorganized SEBC Series J and K Junior Preferred Stock or Reorganized SEBC Common Stock, such funds will be used to redeem such stock on the same basis.

Upon any redemption, Reorganized SEBC will pay each holder of Reorganized SEBC Series K Junior Preferred Stock the Series K Junior Redemption Price (as the term is defined in the Reorganized SEBC Charter) for each share of Reorganized SEBC Series K Junior Preferred Stock owned by such holder to be redeemed, in Cash out of funds legally available therefor. Generally, such redemption price will equal the Series K Junior Liquidation Price.

Voting Rights: The Reorganized SEBC Series K Junior Preferred Stock will have no voting rights or right to participate in the management of Reorganized SEBC, except as expressly required by applicable law; provided, however, that Reorganized SEBC may not take certain corporate actions, including, but not limited to, authorizing additional classes or series of stock which rank senior to the Reorganized SEBC Series K Junior Preferred Stock or amending the Reorganized SEBC Charter to adversely affect any of

the rights, powers, preferences, privileges, terms or par value of the Reorganized SEBC Series K Junior Preferred Stock, without the affirmative vote of the holders of more than 80 percent of the Reorganized SEBC Series K Junior Preferred Stock. Upon failure of Reorganized SEBC to declare and pay in full the required quarterly dividends on two or more consecutive quarterly dividend payment dates or the failure of Reorganized SEBC to pay in full the aggregate Series K Junior Redemption Price when due, the authorized number of directors of the Reorganized SEBC Board will be automatically increased by the smallest even number divisible by three and that constitutes a majority of the Reorganized SEBC Board and such additional directors will be elected by holders holding more than 50 percent of the Reorganized SEBC Series J and K Junior Preferred Stock, voting as a single class. Such directors will have the limited right to cause Reorganized SEBC to cure the event that triggered their election (including by redeeming the Reorganized SEBC Preferred Stock) and will serve for corresponding limited terms.

Transfer Restrictions: Reorganized SEBC Series K Junior Preferred Stock may only be sold or otherwise transferred to a Person who is a QIB or an Institutional Accredited Investor. In addition, a "holder of record" (as defined for purposes of Sections 12(g) and 15(d) of the Exchange Act) of shares of Reorganized SEBC Series K Junior Preferred Stock may not sell or otherwise transfer any of such shares "held of record" (as defined for purposes of Section 12(g) and 15(d) of the Exchange Act) by such holder unless such sale or transfer is to a single holder of record and includes all shares of Reorganized SEBC Series K Junior Preferred Stock held of record by such holder of record immediately prior to any sale or transfer.

Registration: The Reorganized SEBC Series K Junior Preferred Stock will be distributed pursuant to the Plan without registration under the Securities Act, and without qualification or registration under any state or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security, pursuant to an exemption from such registration and qualification contained in Section 1145 of the Bankruptcy Code. This exemption applies only to the distribution of such securities under the Plan and not to any subsequent sale, exchange, transfer or other disposition of such securities or any interest therein by Persons who constitute "underwriters" or "issuers," as such terms are defined pursuant to Section 1145 of the Bankruptcy Code, and each such subsequent sale, exchange, transfer or other disposition by such Persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available.

(b) Reorganized SEBC By-laws

The Reorganized SEBC By-laws will contain standard provisions regarding the conduct of meetings of the shareholders of Reorganized SEBC, the operation of the Reorganized SEBC Board and its committees and the election and removal of officers of Reorganized SEBC. The Reorganized SEBC By-laws will provide for the shareholders of Reorganized SEBC to act by the written consent of the holders of outstanding Reorganized SEBC Securities entitled to vote on the action having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and for the Reorganized SEBC Board to act by unanimous written consent. The Reorganized SEBC By-laws will also provide that Reorganized SEBC will have the power to indemnify all of its directors, officers, employees and agents, and advance expenses reasonably incurred by such directors, officers, employees and agents in defending any civil, criminal, administrative or investigative action, suit or proceeding, except to the extent that such indemnification or advancement may be prohibited by Florida law. The Reorganized SEBC By-laws may be altered, amended or repealed and new by-laws adopted by the Reorganized SEBC Board; provided, however, that any by-law or amendment thereto as adopted by the Reorganized SEBC Board may be altered, amended or repealed by vote of the shareholders (with each class or series of stock voting as a separate class), or a new by-law in lieu thereof may be adopted by the shareholders (with each class or

series of stock voting as a separate class), and the shareholders may prescribe in any by-law made by them that such by-law shall not be altered, amended or repealed by the Reorganized SEBC Board.

(c) SEBC Holdings Partnership Agreement

Organization:

The designation of the SEBC Holdings General Partner shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing. The SEBC Holdings General Partner will not have an economic interest in SEBC Holdings. Except as described below, the SEBC Holdings General Partner will conduct, direct and manage SEBC Holdings' activities. All management powers over SEBC Holdings' business and affairs are exclusively vested in the SEBC Holdings General Partner. No limited partner or assignee has any management powers over SEBC Holdings' business and affairs. SEBC Holdings may conduct any business allowed by Delaware law.

Powers of Attorney:

Each Person who becomes a limited partner in SEBC Holdings grants to the SEBC Holdings General Partner and, if a liquidator has been appointed, the liquidator, a power of attorney to, among other things, execute and file documents required for SEBC Holdings' qualification, continuance or dissolution and amend, and to make consents and waivers under, the SEBC Holdings Partnership Agreement in accordance with the terms thereof.

Limited Liability:

Assuming that a limited partner does not participate in the control of the business of SEBC Holdings, within the meaning of the Delaware Revised Uniform Limited Partnership Act, and that the limited partner otherwise acts in conformity with the provisions of the SEBC Holdings Partnership Agreement, a limited partner's liability under the Delaware Revised Uniform Limited Partnership Act will be limited, subject to possible exceptions, to the amount of capital the limited partner is obligated to contribute to SEBC Holdings for the limited partner's SEBC Holdings Common Units plus its share of any of SEBC Holdings' undistributed profits and assets. However, if it were determined that the right, or exercise of the right, by the limited partners as a group:

- to remove or replace the SEBC Holdings General Partner;
- to approve particular amendments to the SEBC Holdings Partnership Agreement; or
- to take other action pursuant to the SEBC Holdings Partnership Agreement,

constituted participation in the control of SEBC Holdings' business for the purposes of the Delaware Revised Uniform Limited Partnership Act, then the limited partners could be held personally liable for the obligations of SEBC Holdings under the laws of the State of Delaware, to the same extent as the SEBC Holdings General Partner. This liability would extend to Persons who transact business with SEBC Holdings and who reasonably believe that a limited partner is a general partner. Neither the SEBC Holdings Partnership Agreement nor the Delaware Revised Uniform Limited Partnership Act specifically provides for legal recourse against the SEBC Holdings General Partner if a limited partner were to lose limited liability through any fault of the SEBC Holdings General Partner.

Under the Delaware Revised Uniform Limited Partnership Act, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of SEBC Holdings, would exceed the fair value of the assets of the limited partnership. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware Revised Uniform Limited Partnership Act provides that the fair value of property subject to a

liability for which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware Revised Uniform Limited Partnership Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Revised Uniform Limited Partnership Act shall be liable to the limited partnership for the amount of that distribution for three years from the date of the distribution. Under the Delaware Revised Uniform Limited Partnership Act, an assignee who becomes a substituted limited partner of a limited partnership is liable for the obligations of its assignor to make contributions to SEBC Holdings, except the assignee is not obligated for liabilities unknown to him at the time he became a limited partner and which could not be ascertained from the SEBC Holdings Partnership Agreement.

Rights of Limited Partners:

The SEBC Holdings Partnership Agreement provides that a limited partner can, for a purpose reasonably related to its interest as a limited partner, upon reasonable demand and at its own expense, have furnished to such limited partner:

- a current list of the name and last known address of each partner;
- a copy of SEBC Holdings' tax returns;
- information as to the amount of Cash, and a description and statement of the agreed value of any other property or services contributed or to be contributed by each partner and the date on which each became a partner;
- copies of the SEBC Holdings Partnership Agreement, the SEBC Holdings Charter, related amendments and powers of attorney under which they have been executed;
- any other information regarding SEBC Holdings' affairs as is just and reasonable.

The SEBC Holdings General Partner may, and intends to, keep confidential from the limited partners trade secrets or other information the disclosure of which the SEBC Holdings General Partner believes in good faith is not in SEBC Holdings' best interests or which SEBC Holdings is required by law or by agreements with third parties to keep confidential.

Transfer of Common Units:

From and after the Effective Date until the SEBC Holdings Restriction Release Date, any attempted Transfer of any SEBC Holdings Common Units (i) to any Person (including a group of Persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), or (B) prior to giving effect to such purported Transfer held at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any Person who at the time is an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio. These restrictions will not apply to the Depository Trust Company as holder of any global units. Other than the foregoing restrictions and certain restrictions imposed by Section 1145 of the Bankruptcy Code (see Section VIII.B), SEBC Holdings Common Units will be freely tradeable.

An assignee of a SEBC Holdings Common Unit, after executing and delivering a transfer application, but pending its admission as a substituted limited partner, is entitled to an interest in SEBC Holdings equivalent to that of a limited partner for the right to share in allocations and distributions from SEBC Holdings, including liquidating distributions.

Transferees that do not execute and deliver a transfer application will be treated neither as assignees nor as record holders of SEBC Holdings Common Units, and will not receive Cash distributions, federal income tax allocations or reports furnished to holders of SEBC Holdings Common Units. The only right such transferees will have is the right to negotiate their SEBC Holdings Common Units to a purchaser or other transferee and the right to transfer the right to request admission as a substituted limited partner with respect to the transferred SEBC Holdings Common Units to a purchaser or other transferee who executes a transfer application with respect to those SEBC Holdings Common Units.

A nominee or broker who has executed a transfer application with respect to SEBC Holdings Common Units held in street name or nominee accounts will receive the distributions and reports pertaining to those SEBC Holdings Common Units.

Transfer of General Partner Interest:

Prior to the redemption by Reorganized SEBC of all of the Reorganized SEBC Preferred Stock, the SEBC Holdings General Partner may not transfer its general partner interest. Thereafter, no transfer by the SEBC Holdings General Partner of all or any part of its general partner interest to another Person will be permitted unless:

- the transferee agrees to assume the rights and duties of the general partner under the SEBC Holdings Partnership Agreement and to be bound by the provisions of the SEBC Holdings Partnership Agreement;

- the transfer would not result in the loss of limited liability of any limited partner or cause SEBC Holdings to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes; and

- the transferee agrees to purchase all, or the appropriate portion thereof, if applicable, of the SEBC Holdings General Partner's interest in any of SEBC Holdings' subsidiaries.

At any time, the owner of the SEBC Holdings General Partner may sell or transfer its ownership interest in the SEBC Holdings General Partner without the approval of SEBC Holdings' unit holders.

Capital Contributions:

Unit holders are not obligated to make additional capital contributions, except as described above under "Limited Liability."

Issuance of Additional Partnership Interests:

SEBC Holdings shall not issue additional partnership interests other than in connection with its formation in accordance with the Plan.

Allocations and Distributions:

Allocations of profits shall first be made to the holders of the SEBC Holdings Senior Preferred Units and SEBC Holdings Junior Preferred Units (collectively, the "SEBC Holdings Preferred Units") in accordance with their terms and then to the holders of the SEBC Holdings Common Units. Allocations of losses shall first be made to the holders of SEBC Holdings Common Units until their capital accounts are reduced to zero, second to the holders of SEBC Holdings Preferred Units until their capital accounts are reduced to zero and thereafter to the SEBC Holdings General Partner.

SEBC Holdings is required to distribute all available Cash each quarter, which means all Cash available after reasonable reserves are withheld for SEBC Holdings as determined by the SEBC Holdings

General Partner. Distributions of available Cash will first be made to the holders of the SEBC Holdings Senior Preferred Units for any required distributions to be paid or that have not been paid, second to the holders of the SEBC Holdings Junior Preferred Units for any required distributions to be paid or that have not been paid, third to the SEBC Holdings Senior Preferred Units until their redemption price has been paid, fourth to the SEBC Holdings Junior Preferred Units until their redemption price has been paid and fifth to the holders of the SEBC Holdings Common Units.

Restriction on Authority of the General Partner:

Except as otherwise restricted in the designations of the SEBC Holdings Preferred Units, the SEBC Holdings General Partner may not, without prior approval of the specific act by the holders of a majority of the SEBC Holdings Common Units take any action in contravention of the SEBC Holdings Partnership Agreement, including (i) the commission of any act that would make it impossible to carry on the ordinary business of SEBC Holdings; or (ii) the possession of property, or the assignment of any rights in specific property, for other than a partnership purpose. In addition, the SEBC Holdings General Partner may not own any units of SEBC Holdings.

Indemnification:

Under the SEBC Holdings Partnership Agreement and in most circumstances, SEBC Holdings will indemnify and hold harmless, to the fullest extent permitted by law any Person or entity by reason of their status as:

- the SEBC Holdings General Partner;
- a departing general partner;
- a Person who is or was an Affiliate of the SEBC Holdings General Partner or a departing general partner;
- a Person who is or was an officer, director, employee, partner, agent or trustee of the SEBC Holdings General Partner, a departing general partner or an Affiliate of the SEBC Holdings General Partner or a departing general partner; or
- a Person who is or was serving at the request of the SEBC Holdings General Partner or a departing general partner or an Affiliate of the SEBC Holdings General Partner or a departing general partner as an officer, director, employee, partner, agent, or trustee of another Person, from and against any of the following in which they may be involved, or threatened to be involved, as a party or otherwise arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative:
- losses, claims, damages and liabilities, whether joint or several;
- expenses, including, without limitation, legal fees and expenses; and
- judgments, fines, penalties, interest, settlements and other amounts.

Any indemnification of these Persons or entities will only be made out of SEBC Holdings' assets. The SEBC Holdings General Partner will not be personally liable for, or have any obligation to contribute or loan funds or assets to SEBC Holdings to enable it to effectuate this indemnification.

In addition, none of the Persons described above will be liable for monetary damages to SEBC Holdings, the limited partners, their assignees or any other Persons who have acquired SEBC Holdings Securities, for losses sustained or liabilities incurred as a result of any act or omission if such Person acted in good faith. Also, the SEBC Holdings General Partner will not be responsible for any misconduct

or negligence on the part of any agent appointed by the SEBC Holdings General Partner in good faith to exercise any of the powers granted to the SEBC Holdings General Partner or to perform any of the duties imposed upon it by the SEBC Holdings Partnership Agreement.

Conflicts of Interest and Fiduciary Responsibilities:

Unless otherwise provided for in a partnership agreement, Delaware law generally requires a general partner of a Delaware limited partnership to adhere to fiduciary duty standards under which it owes its limited partners the highest duties of good faith, fairness and loyalty and which generally prohibit a general partner from taking any action or engaging in any transaction as to which it has a conflict of interest. The SEBC Holdings Partnership Agreement expressly permits the SEBC Holdings General Partner to resolve conflicts of interest between itself or its Affiliates, on the one hand, and SEBC Holdings or its unit holders, on the other, and to consider, in resolving such conflicts of interest, the interests of other parties in addition to the interests of its unit holders. In effect, these and other provisions limit the SEBC Holdings General Partner's fiduciary duties to SEBC Holdings and its unit holders. The SEBC Holdings Partnership Agreement also restricts the remedies available to its unit holders for actions taken that might, without those limitations, constitute breaches of fiduciary duty.

The directors and officers of the SEBC Holdings General Partner have fiduciary duties to manage the SEBC Holdings General Partner in a manner beneficial to its equity holder. At the same time, the SEBC Holdings General Partner has fiduciary duties to manage SEBC Holdings in a manner beneficial to SEBC Holdings and its unit holders. The duties of the SEBC Holdings General Partner to SEBC Holdings and its unit holders, therefore, may conflict with the duties of the directors and officers of the SEBC Holdings General Partner to its equity holder.

Whenever a conflict arises between the SEBC Holdings General Partner or its Affiliates, on the one hand, and SEBC Holdings or any partner, on the other, the SEBC Holdings General Partner will resolve that conflict. The SEBC Holdings General Partner will not be in breach of its obligations under the SEBC Holdings Partnership Agreement or in breach of its duties to SEBC Holdings or its unit holders if the resolution of the conflict is considered to be fair and reasonable to SEBC Holdings. Any resolution is considered to be fair and reasonable to SEBC Holdings if it is:

- approved by a majority of the holders of the SEBC Holdings Senior Preferred Units, the SEBC Holdings Junior Preferred Units or the SEBC Holdings Common Units, whichever are the most senior units outstanding;

- on terms no less favorable to SEBC Holdings than those generally being provided to or available from unrelated third parties; or

- fair to SEBC Holdings, taking into account the totality of the relationships between the parties involved, including other transactions that may be particularly favorable or advantageous to SEBC Holdings.

The SEBC Holdings Partnership Agreement also contains provisions that provide for the mandatory waiver or consent from SEBC Holdings' limited partners regarding particular conduct by the SEBC Holdings General Partner and its Affiliates that might otherwise be prohibited, including those described above, and to have agreed that such conflicts of interest and actions do not constitute a breach by the SEBC Holdings General Partner of any duty stated or implied by law or equity. For example, the SEBC Holdings Partnership Agreement permits the SEBC Holdings General Partner to make a number of decisions in its "sole discretion." This entitles the SEBC Holdings General Partner to consider only those interests and factors that it desires and it has no duty or obligation to give any consideration to any interest of, or factors affecting, SEBC Holdings, its Affiliates or any of the limited partners. Other provisions of the SEBC Holdings Partnership Agreement provide that the SEBC Holdings General Partner's actions must be made in its reasonable discretion. These standards reduce the obligations to which the SEBC Holdings General Partner would otherwise be held. The latitude given in the SEBC

Holdings Partnership Agreement to the SEBC Holdings General Partner in resolving conflicts of interest may significantly limit the ability of a unit holder to challenge what might otherwise be a breach of fiduciary duty.

In addition to the other more specific provisions limiting the obligations of the SEBC Holdings General Partner, the SEBC Holdings Partnership Agreement further provides that the SEBC Holdings General Partner and its officers and directors will not be liable for monetary damages to SEBC Holdings, the limited partners or their assignees for errors of judgment or for any acts or omissions if the SEBC Holdings General Partner and those other Persons acted in good faith. The SEBC Holdings General Partner may also exercise any of its powers and perform any of its duties either directly or by or through its agents, and it will not be responsible for any misconduct or negligence on the part of any such agent if appointed in good faith.

Pursuant to the SEBC Holdings Partnership Agreement, any standard of care and duty imposed by the SEBC Holdings Partnership Agreement or under the Delaware Revised Uniform Limited Partnership Act or any other applicable law, rule or regulation is to be modified, waived or limited as required to permit the SEBC Holdings General Partner to act under the SEBC Holdings Partnership Agreement and to permit it to make any decision pursuant to its authority under the SEBC Holdings Partnership Agreement so long as that action is reasonably believed by the SEBC Holdings General Partner to be in, or not inconsistent with, SEBC Holdings' best interests.

Withdrawal or Removal of the General Partner:

The SEBC Holdings General Partner shall be deemed to have withdrawn as general partner if it transfers all of its general partner interest in SEBC Holdings, if it is removed, if it files bankruptcy (whether voluntarily or not) or if it is dissolved. The SEBC Holdings General Partner may voluntarily withdraw with the approval of a majority of each of the outstanding SEBC Holdings Preferred Units. Upon the withdrawal of the SEBC Holdings General Partner, certain of the unit holders may select a successor to that withdrawing general partner.

The general partner may not be removed unless that removal is approved by the vote of the holders of at least a majority of each of the SEBC Holdings Senior and Junior Preferred Units and after the SEBC Holdings Preferred Units' redemption, the holders of a majority of the SEBC Holdings Common Units. Any removal of the general partner is also subject to SEBC Holdings' receipt of an opinion of counsel regarding limited liability and tax matters.

Termination and Dissolution:

SEBC Holdings will continue as a limited partnership until SEBC Holdings is dissolved (but not before the redemption by Reorganized SEBC of all of the Reorganized SEBC Preferred Stock), the entry of a decree of judicial dissolution of SEBC Holdings pursuant to the provisions of the Delaware Revised Uniform Limited Partnership Act or certain events of withdrawal or the removal of the SEBC Holdings General Partner.

Liquidation and Distribution of Proceeds:

Upon SEBC Holdings' dissolution, unless SEBC Holdings is reconstituted and continued as a new limited partnership, the liquidator authorized to wind up SEBC Holdings' affairs will, acting with all of the powers of the SEBC Holdings General Partner that the liquidator deems necessary or desirable in its good faith judgment, liquidate SEBC Holdings' assets. The proceeds of such liquidation shall be distributed first to the holders of the SEBC Holdings Senior Preferred Units in an amount equal to their liquidation price, second to the holders of the SEBC Holdings Junior Preferred Units in an amount equal to their liquidation price and thereafter to the holders of the SEBC Holdings Common Units in proportion to their positive balances in their capital accounts. The liquidator may defer liquidation of SEBC Holdings' assets, except those necessary to satisfy creditors, for a reasonable period of time or distribute assets to

partners in kind if it determines that an immediate sale would be impractical or would cause undue loss to the partners.

The SEBC Holdings General Partner will not be personally liable for, and will have no obligation to contribute or loan any monies or property to SEBC Holdings to enable SEBC Holdings to effectuate the return of the capital contributions of the limited partners, or any portion thereof. Any such return will be made solely from SEBC Holdings' assets.

No partner will have any obligation to restore any negative balance in its capital account upon SEBC Holdings' liquidation.

Amendment of the SEBC Holdings Partnership Agreement

Amendments to the SEBC Holdings Partnership Agreement may be proposed only by or with the consent of the SEBC Holdings General Partner. To adopt a proposed amendment, other than the amendments discussed below, the SEBC Holdings General Partner must generally seek approval of the holders of a majority of the SEBC Holdings Common Units. In addition, if an amendment would have an adverse effect on the SEBC Holdings Senior Preferred Units, the approval of the holders of a majority of the SEBC Holdings Senior Preferred Units is required. However, if the effect of an amendment would have an adverse effect on the rights or preferences of any class of outstanding units in relation to any other class of outstanding units, the approval of at least a majority of the outstanding units of the class so affected is required to adopt the amendment. Any amendment that reduces the voting percentage required to take any action must be approved by the affirmative vote of limited partners constituting not less than the voting requirement sought to be reduced.

No amendment may be made that would:

- enlarge the obligations of any limited partner, without its consent;
- enlarge the obligations of the SEBC Holdings General Partner, without its consent, which may be given or withheld in its sole discretion;
- restrict in any way any action by, or rights of the SEBC Holdings General Partner, as set forth in the SEBC Holdings Partnership Agreement;
- modify the amounts distributable, reimbursable or otherwise payable by SEBC Holdings to the SEBC Holdings General Partner;
- change the term of SEBC Holdings;
- give any Person the right to dissolve SEBC Holdings; or
- cause Reorganized SEBC to undergo a "change of control" within the meaning of Section 382 of the Internal Revenue Code during any period during which any of the Reorganized SEBC Preferred Stock is outstanding.

The SEBC Holdings General Partner may generally make amendments to the SEBC Holdings Partnership Agreement without the approval of any limited partner or assignee to reflect:

- a change in SEBC Holdings' name, the location of SEBC Holdings' principal place of business, SEBC Holdings' registered agent or registered office;
- the admission, substitution, withdrawal or removal of partners in accordance with the SEBC Holdings Partnership Agreement;

- a change that, in the sole discretion of the SEBC Holdings General Partner, is necessary or appropriate to qualify or continue SEBC Holdings' qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or that is necessary or advisable in the opinion of the SEBC Holdings General Partner to ensure that SEBC Holdings will not be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes; or

- a change that:

    - in the sole discretion of the SEBC Holdings General Partner, does not adversely affect the limited partners in any material respect;

    - is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Delaware Revised Uniform Limited Partnership Act) or that is necessary or desirable to facilitate the trading of the SEBC Holdings Preferred or Common Units (including the division of SEBC Holdings' outstanding units into different classes to facilitate uniformity of tax consequences within such classes of units) or to comply with any rule, regulation, guideline or requirement of any national securities exchange on which the SEBC Holdings Preferred or Common Units are or will be listed for trading, compliance with, any of which the SEBC Holdings General Partner determines in its sole discretion to be in SEBC Holdings' best interest;

    - prior to all Reorganized SEBC Preferred Stock being redeemed, does not cause Reorganized SEBC to, or is reasonably anticipated to ensure Reorganized SEBC does not, undergo a "change in control" within the meaning of Section 382 of the Internal Revenue Code;

    - is necessary or desirable to implement tax-related provisions of the SEBC Holdings Partnership Agreement; or

    - is required to effect the intent of the provisions of the SEBC Holdings Partnership Agreement or is otherwise contemplated by the SEBC Holdings Partnership Agreement;

- a change in SEBC Holdings' fiscal year or taxable year and any changes that, in the sole discretion of the SEBC Holdings General Partner, are necessary or appropriate as a result of a change in SEBC Holdings' fiscal year or taxable year including, without limitation, if the SEBC Holdings General Partner shall so determine, a change in the definition of "quarter" and the dates on which SEBC Holdings make distributions;

- an amendment that is necessary to prevent SEBC Holdings or the SEBC Holdings General Partner or its directors or officers from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended (the "1940 Act"), the Investment Advisers Act of 1940, or "plan asset" regulations adopted under ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

- any amendment expressly permitted in the SEBC Holdings Partnership Agreement to be made by the SEBC Holdings General Partner acting alone;

- an amendment that, in the sole discretion of the SEBC Holdings General Partner, is necessary or desirable to reflect, account for and deal with appropriately SEBC Holdings' formation of, or SEBC Holdings' investment in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with SEBC Holdings' conduct of activities permitted by the SEBC Holdings Partnership Agreement; or

- any other amendments substantially similar to the foregoing.

Merger

The SEBC Holdings Partnership Agreement generally prohibits the SEBC Holdings General Partner, without the prior approval of the holders of a majority of the outstanding SEBC Holdings Common Units, from causing SEBC Holdings to merge or consolidate with another entity.

Terms of the Senior Preferred Units

Each SEBC Holdings Senior Preferred Unit shall be paid a distribution each fiscal quarter out of available Cash of SEBC Holdings an amount that accrues on $1.00, its face amount, based on a rate to be determined in accordance with the Master Subscription Agreement and the Plan. Any amount not paid shall accrue at the same rate and shall be paid as soon as there is available Cash to pay such amount in a following fiscal quarter. If there is additional available Cash after payment of the required distribution and any accrued but unpaid distributions on the Preferred Units, such additional available Cash shall be distributed to the holders of the SEBC Holdings Senior Preferred Units until an amount equal to the face amount has been cumulatively paid thereon. Upon liquidation of SEBC Holdings, the SEBC Holdings Senior Preferred Units shall be entitled to receive the face amount plus all accrued distributions.

No distribution shall be paid on the SEBC Holdings Senior Preferred Units unless, immediately after making such payment and giving effect thereto, the market value of SEBC Holdings' permitted investments and SEBC Holdings' investment in Real Estate, LLC and the Reorganized SEBC Common Stock equals or exceeds the consolidated liabilities of SEBC Holdings.

All of the SEBC Holdings Senior Preferred Units will be redeemed by SEBC Holdings on the earliest to occur of (i) the scheduled redemption date which shall be seven years after issuance, (ii) the date available Cash is distributed as described above in an amount equal to the face amount plus all quarterly distributions including any amount accrued thereon, (iii) any date for redemption set by the additional general partner appointed by the holders of the SEBC Holdings Senior Preferred Units as described below to effect a cure event as described below, or (iv) upon the liquidation of SEBC Holdings. The price at which such redemption shall be made shall equal any remaining face amount, distributions and accruals thereon that have not already been distributed.

Without the affirmative vote of the limited partners holding 100% of the SEBC Holdings Senior Preferred Units, so long as there are any outstanding SEBC Holdings Senior Preferred Units, SEBC Holdings shall not:

- institute voluntary bankruptcy proceedings or otherwise consent to such proceedings, consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of SEBC Holdings or of a substantial part of the property of SEBC Holdings, or make any assignment for the benefit of creditors, or admit in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

- consolidate or merge SEBC Holdings or any subsidiary;

- voluntarily dissolve, liquidate or wind up the affairs of SEBC Holdings or any subsidiary;

- issue SEBC Holdings Common Units;

- create, authorize or issue units of additional classes or series of units;

- own any assets other than specified investments or equity of subsidiaries;

- create, authorize, issue, incur or suffer to exist any indebtedness for borrowed money or other liability other than in the ordinary course of business in an aggregate amount not exceeding $100,000;

- have any salaried employees;

- amend, alter or repeal any provision of the SEBC Holdings Partnership Agreement or SEBC Holdings Charter so as to adversely affect any of the rights, powers, preferences, privileges or terms of any SEBC Holdings Senior Preferred Unit or to modify any of the limitations provided to the holders of the SEBC Holdings Senior Preferred Units; or

- do anything that requires the affirmative vote of each class of voting securities of SEBC Holdings;

provided, however, that notwithstanding the above, no vote of the SEBC Holdings Senior Preferred Units shall be required in connection with the sale, lease, conveyance or other disposition of SEBC Holdings' equity interest in, or the assets of, Real Estate LLC.

The same restrictions described above apply to any action SEBC Holdings takes with respect to any subsidiaries of SEBC Holdings.

The holders of the SEBC Holdings Senior Preferred Units shall be entitled to appoint an additional general partner upon the occurrence of any of the following:

- if SEBC Holdings institutes voluntary bankruptcy proceedings or otherwise consents to such proceedings, consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of SEBC Holdings or of a substantial part of the property of SEBC Holdings, or makes any assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, or take any corporate or other action in furtherance of any such action;

- any involuntary action described in the above clause;

- the failure of SEBC Holdings to make a distribution of all available Cash for any fiscal quarter on the applicable payment date; or

- the failure of SEBC Holdings to pay in full the aggregate applicable redemption price on the SEBC Holdings Senior Preferred Units on the applicable redemption date.

Upon the appointment of the additional general partner, it shall have the power to cause SEBC Holdings to either make the required payment or redeem the SEBC Holdings Senior Preferred Units, as applicable. The original general partner shall continue to operate the business of SEBC Holdings. Once one of those actions are taken, the additional general partner shall no longer be a general partner of SEBC Holdings.

As long as there are outstanding SEBC Holdings Senior Preferred Units, SEBC Holdings shall not:

- engage in any business other than acquiring, holding, managing, selling and disposing of its permitted investments, its interest in Real Estate LLC and its interest in Reorganized SEBC Common Stock;

- invest any available monies or funds of SEBC Holdings other than in permitted investments;

- take any action that would cause it to be required to register as an investment company under the 1940 Act;

- fail to ensure that any transaction entered into with any Person (other than a wholly-owned subsidiary) is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors;

- take any action with respect to, and will not engage in transactions with, any Person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of SEBC Holdings; and

- make any distribution or other payment on, or redeem or otherwise acquire, any of its common units except for payment of a quarterly distribution on all of its common units pursuant to the declaration of such quarterly distribution by the SEBC Holdings General Partner.

Terms of the Junior Preferred Units

Each SEBC Holdings Junior Preferred Unit shall be paid a distribution each fiscal quarter out of available Cash of SEBC Holdings an amount that accrues on $1.00, its face amount, based on a rate to be determined in accordance with the Master Subscription Agreement and the Plan. Any amount not paid shall accrue at the same rate and shall be paid as soon as there is available Cash to pay such amount in a following fiscal quarter. If there is additional available Cash after payment of the required distribution and any accrued but unpaid distributions on the SEBC Holdings Preferred Units and after redemption of all of the SEBC Holdings Senior Preferred Units, such additional available Cash shall be distributed to the holders of the SEBC Holdings Junior Preferred Units until an amount equal to the face amount has been cumulatively paid thereon. Upon liquidation of SEBC Holdings, the SEBC Holdings Junior Preferred Units shall be entitled to receive the face amount plus all accrued distributions, subject to prior payment of such amount on the SEBC Holdings Senior Preferred Units.

No distribution shall be paid on the SEBC Holdings Junior Preferred Units unless, immediately after making such payment and giving effect thereto, the market value of SEBC Holdings' permitted investments and SEBC Holdings' investment in Real Estate LLC and the Reorganized SEBC Common Stock equals or exceeds the sum of the redemption price on the SEBC Holdings Senior Preferred Units plus the consolidated liabilities of SEBC Holdings.

All of the SEBC Holdings Junior Preferred Units will be redeemed by SEBC Holdings on the earliest to occur of (i) the scheduled redemption date which shall be seven years after issuance, (ii) the date available Cash is distributed as described above in an amount equal to the face amount plus all quarterly distributions including any amount accrued thereon, or (iii) upon the liquidation of SEBC Holdings. The price at which such redemption shall be made shall equal any remaining face amount, distributions and accruals thereon that have not already been distributed.

Without the affirmative vote of the limited partners holding 80% of the SEBC Holdings Junior Preferred Units, so long as there are any outstanding junior preferred units, SEBC Holdings shall not:

- create, authorize or issue units of additional classes or series of units;

- amend, alter or repeal any provision of the SEBC Holdings Partnership Agreement or SEBC Holdings Charter so as to adversely affect any of the rights, powers, preferences, privileges or terms of any SEBC Holdings Senior Preferred Unit or to modify any of the limitations provided to the holders of the SEBC Holdings Senior Preferred Units; or

- do anything that requires the affirmative vote of each class of voting securities of SEBC Holdings.

As long as there are outstanding SEBC Holdings Junior Preferred Units, SEBC Holdings shall not:

- engage in any business other than acquiring, holding, managing, selling and disposing of its permitted investments, its interest in Real Estate LLC and its interest in Reorganized SEBC Common Stock;

- invest any available monies or funds of SEBC Holdings other than in permitted investments;

- take any action that would cause it to be required to register as an investment company under the 1940 Act;

- fail to ensure that any transaction entered into with any Person (other than a wholly-owned subsidiary) is fair to each party, constitutes an exchange for fair consideration and for reasonably equivalent value, and is made in good faith and without any intent to hinder, delay or defraud creditors;

- take any action with respect to, and will not engage in transactions with, any Person unless it determines in a reasonable fashion that such actions or transactions are in the best interests of SEBC Holdings; and

- make any distribution or other payment on, or redeem or otherwise acquire, any of SEBC Holdings Common Units except for payment of a quarterly distribution on all SEBC Holdings Common Units pursuant to the declaration of such quarterly distribution by the SEBC Holdings General Partner.

(d) Real Estate LLC Agreement

Pursuant to the Real Estate LLC Agreement, Reorganized SEBC will contribute to Real Estate LLC its interests in the Jacksonville Property Subsidiaries in exchange for the issuance by Real Estate LLC of the Real Estate LLC Debt and $24 million of the Real Estate LLC Membership Interests. Reorganized SEBC will contribute the Real Estate LLC Membership Interests to SEBC Holdings, which will then be the holder of the Real Estate LLC Membership Interests. Real Estate LLC is intended to be taxed as a partnership for federal income tax purposes.

The Real Estate LLC Debt will have a $9 million face amount and will be issued by Real Estate LLC to Reorganized SEBC. The Real Estate LLC Debt will have a fixed coupon equal to 5% per annum.[26] In addition, the Real Estate LLC Debt will have a participating coupon. The participating coupon will be equal to 10% of all distributions on capital by Real Estate LLC in any year that exceed the 5% fixed coupon. Upon its redemption or the liquidation of Real Estate LLC, the holder of the Real Estate LLC Debt will be entitled to the sum of (a) its remaining unpaid face amount, (b) the 5% fixed coupon that has accrued but is unpaid and (c) 10% of the excess of (1) the cumulative sum, up to such date, of the realized and unrealized value of the total assets of Real Estate LLC, over (2) the sum of $33 million and the cumulative 5% fixed coupon. The Real Estate LLC Debt will not be callable by Real Estate LLC before the 2nd anniversary of the issuance of such debt. If the Real Estate LLC Debt is still outstanding on the 7th anniversary of its issuance (or, if earlier, the redemption of all Reorganized SEBC Senior Preferred Stock), it will be mandatorily convertible into 7-year term preferred equity units of Real Estate LLC, which will have terms that correspond to the terms of the Real Estate LLC Debt. The Real Estate LLC Debt will have such other terms and conditions as will be set forth in the Plan Supplement.

SEBC Holdings shall have the power to appoint the manager of Real Estate LLC. The designation of the manager of Real Estate LLC shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing. The manager and any officers of Real Estate LLC shall be entitled to indemnification for actions taken in such capacity. The manager while acting in connection with Real Estate LLC's affairs shall not be liable for a breach of fiduciary duty if the

[26] *Id.*

manager relied upon the terms of the Real Estate LLC Agreement. Each member may have other business activities, including those that may compete with Real Estate LLC.

Real Estate LLC shall be dissolved and wound up upon the written consent of SEBC Holdings and Reorganized SEBC, the entry of a decree of judicial winding up of Real Estate LLC or the disposition of all of the assets of Real Estate LLC and the distribution of the proceeds from such disposition(s) to SEBC Holdings and Reorganized SEBC, as applicable. The manager shall act as liquidator and shall satisfy all debts, obligations and liabilities of Real Estate LLC and then distribute any remaining funds to SEBC Holdings and Reorganized SEBC in proportion to their respective capital accounts.

7. The Master Subscription Agreement and Aggregate Purchase Price

(a) The Aggregate Purchase Price and Other Contributions

On the Effective Date, Reorganized SEBC shall be authorized to enter into the transactions contemplated by the Master Subscription Agreement and related documents included in the Plan Supplement and shall consummate the Transaction.

As part of the Transaction, subject to the terms and conditions of the Master Subscription Agreement and subject to Section 5.6(e) of the Plan, Investor shall contribute $1.639 billion in Cash to Reorganized SEBC (the "Aggregate Purchase Price"). In consideration for Aggregate Purchase Price, subject, however, to Section 5.6(e) of the Plan, Investor shall receive:

(i) 300,000,000 shares ($300 million aggregate face amount) of Reorganized SEBC Series A Senior Preferred Stock;

(ii) 718,000,000 shares ($718 million aggregate face amount) of Reorganized SEBC Series B Senior Preferred Stock;

(iii) 611,000,000 shares ($611 million aggregate face amount) of Reorganized SEBC Series J Junior Preferred Stock;

(iv) 5,000,000 shares of Reorganized SEBC Class B Common Stock, representing 20% of the outstanding Reorganized SEBC Common Stock on a fully diluted basis; and

(v) 5,000,000 shares of Reorganized SEBC Class C Common Stock, representing 20% of the outstanding Reorganized SEBC Common Stock on a fully diluted basis.

The Aggregate Purchase Price, together with Available Cash, shall be used as follows:

(i) An amount equal to Distributed Cash shall be distributed to Noteholders and Holders of Allowed Class 3 Claims in accordance with Sections 3.2(a)(i); 3.2(b)(i), and 3.2(c)(i) of the Plan;

(ii) Subject to Section 5.6(e) of the Plan, $1,625,600,000 shall be used to purchase the Investment Vehicle Senior Securities on the Closing Date;

(iii) A loan in an aggregate principal amount to be determined based on a good-faith projection of first-year operating expenses of SEBC Holdings, but in no case to exceed $600,000, shall be made to SEBC Holdings for a 3-year term, such loan to be paid in full at the end of the 3-year period, pursuant to the terms of a loan agreement, to be in a form mutually acceptable to Investor and the Trustee and entered into by the applicable parties on or prior to the Effective Date; and

(iv) the balance shall be used for general corporate purposes of Reorganized SEBC, subject to any limitations set forth in the Reorganized SEBC Charter.

(b) Adjustment of Certain Values

Notwithstanding anything to the contrary set forth in the Plan, Section 5.6(e) of the Plan provides that the following values, as described more fully in Sections 1.95(i)(a), 5.3(d)(i), 5.6(b), 5.6(c), 5.6(d)(ii), 5.7(b)(y), 5.9(a)(i), 5.9(b)(i), 5.9(b)(ii), 5.9(b)(iii), and 5.9(b)(iv) of the Plan, shall be calculated two Business Days prior to the Closing Date and shall be subject to adjustment for (i) the five-year swap rate, (ii) the credit spread for the Investment Vehicle Senior Securities relative to LIBOR, (iii) occurrence of the Closing Date earlier than April 30, 2009, (iv) federal and state taxes and (v) fees and expenses directly attributable to the Transaction:

(i) the Aggregate Purchase Price;

(ii) the aggregate purchase price of the Reorganized SEBC Class B Common Stock and Reorganized SEBC Class C Common Stock, and the aggregate face value of the Reorganized SEBC Series A Senior Preferred Stock, Reorganized SEBC Series B Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock, Reorganized SEBC Series K Junior Preferred Stock, and SEBC Holdings Senior Preferred Units;

(iii) the face value of the Investment Vehicle Senior Securities; and

(iv) the fixed coupon rate for the Real Estate LLC Debt.

Such calculations and adjustments shall be mutually acceptable to Investor and the Trustee.

(c) SEBC Holdings' Assets and Operations

Upon consummation of the Transaction, the assets of SEBC Holdings will consist of (i) Reorganized SEBC Class A Common Stock, representing 60% of the outstanding Reorganized SEBC Common Stock on a fully diluted basis, and (ii) 100% of the Real Estate LLC Membership Interests. Reorganized SEBC will use the dividends earned on the Investment Vehicle Senior Securities to fund, among other things, Reorganized SEBC's dividend obligations and operating expenses. Dividends to SEBC Holdings from Reorganized SEBC, together with income from Real Estate LLC, will be used to pay the operating expenses of SEBC Holdings, Real Estate LLC, and the Jacksonville Property Subsidiaries.

(d) Master Subscription Agreement

The Master Subscription Agreement sets forth certain terms and conditions of the Transaction that have been agreed to by the Trustee and Investor, which are summarized below.

Pre-Closing Adjustments: The Aggregate Purchase Price, the aggregate purchase price of the Reorganized SEBC Class B and Class C Common Stock, the aggregate face value of the Reorganized SEBC Preferred Stock and the SEBC Holdings Senior Preferred Units, the face value of the Investment Vehicle Senior Securities, and the fixed coupon rate for the Real Estate LLC Debt will be calculated two Business Days prior to the Closing Date and will be subject to adjustment from the above-described values for (i) the five-year swap rate, (ii) the credit spread for the Investment Vehicle Senior Securities relative to LIBOR, (iii) occurrence of the Closing Date earlier than April 30, 2009, (iv) federal and state taxes and (v) fees and expenses directly attributable to the Transaction.

Purchase of Securities: Investor will purchase not less than an aggregate of $6,500,000 face amount of SEBC Holdings Senior Preferred Units and Reorganized SEBC Series K Junior Preferred Stock pursuant to the Securities Purchase Agreement (as described in Section VI.G.8. below).

Reimbursement Fee: On or about December 2, 2008, Investor paid to the Estate a reimbursement fee of $500,000 (the "Reimbursement Fee"), which the Trustee has caused the Estate to hold in a separate account until the earlier of the repayment of such Reimbursement Fee to Investor, which must occur under certain circumstances, as described below, and the Closing Date.

Expenses: Reorganized SEBC will (i) reimburse Investor for legal expenses in an aggregate amount not to exceed $900,000 and (ii) pay to the Disbursing Agent other expenses in an aggregate amount not to exceed $300,000. The aggregate amount of such expenses will be paid in four quarterly installments of $300,000 for a period of one year after the Closing Date, the first such installment to be paid to the Disbursing Agent and the subsequent installments to be paid to Investor.

Conditions to Closing: The obligations of the Trustee and Investor under the Master Subscription Agreement are subject to the termination provisions set forth below, the satisfaction of customary closing conditions, including the accuracy of representations and warranties, the performance of covenants by each of the parties, and the performance by each party of their respective obligations at the Closing, including, without limitation, the consummation by Reorganized SEBC of the other transactions contemplated by the Plan. In addition, the parties' obligations are further subject to the Confirmation Order, in form and substance reasonably satisfactory to Investor, having been entered and having become a Final Order. The obligations of Investor under the Master Subscription Agreement are also subject to, among other things, (i) the Bankruptcy Court having established one or more deadlines for the filing of Administrative Expenses against the Estate and such deadlines having passed, (ii) SEBC having Available Cash immediately prior to the Closing in an amount at least equal to $5,000,000, after deducting allowed but unpaid Administrative Expenses and asserted but not yet allowed Administrative Expenses to the extent not disallowed and (iii) there having been no changes in applicable investment company law or facts or tax law or facts in respect of the Transaction between the execution of the Master Subscription Agreement and the Closing Date that in either case would cause the advice rendered by counsel to Investor in accordance with the Master Subscription Agreement to be inaccurate or invalid in any material respect.

Representations and Warranties: The Master Subscription Agreement contains customary representations and warranties of both the Trustee and Investor, including those regarding organization and powers, authorization and enforceability, governmental approvals, this Disclosure Statement, litigation, environmental matters, compliance with laws and agreements, subsidiaries, registration under the Securities Act and the 1940 Act, tax matters, books and records, eligible investments and financial resources. The representations and warranties will survive until the third anniversary of the Closing Date, except for those representations and warranties of the Trustee regarding tax matters and books and records, which will survive until the expiration of the applicable statute of limitations.

Termination: The Master Subscription Agreement may be terminated and the Transactions may be abandoned:

(i) by mutual written agreement of the Trustee and Investor at any time before the conclusion of the Confirmation Hearing;

(ii) by either the Trustee or Investor: (A) if any court of competent jurisdiction or any governmental authority takes action to permanently enjoin, restrain or otherwise prohibit the Transaction as a matter of law or (B) if the Confirmation Order is not entered on or before March 16, 2009, unless the failure of the Confirmation Order to be entered is the result of a material breach of the Master Subscription Agreement by the party seeking its termination;

(iii) by Investor, if the Trustee breaches his representations and warranties or covenants set forth in the Master Subscription Agreement such that certain conditions precedent to the Closing would not be satisfied;

(iv) by the Trustee, if (A) Investor breaches its representations and warranties or covenants set forth in the Master Subscription Agreement such that certain conditions precedent

to the Closing would not be satisfied or (B) prior to Confirmation, the Trustee determines, upon the advice of counsel, that a failure to terminate the Master Subscription Agreement would be inconsistent with his fiduciary duty owed to the Estate and the parties in interest in the Bankruptcy Case;

(v) by Investor in its sole and absolute discretion upon any event, change, circumstance or effect relating (A) to the United States economy in general and to Investor, (B) in general to the capital markets in the United States, (C) to a general moratorium on commercial banking activities that has been declared by U.S. federal or New York State authorities, or (D) to any outbreak or escalation of hostilities or act of terrorism involving the United States or any declaration of war by the United States, in each case that, in the judgment of Investor, is material and adverse and makes it impracticable or inadvisable to proceed with the Transaction, provided that the Estate will retain the Reimbursement Fee (as defined below) in the event of such a termination; or

(vi) by Investor in its sole and absolute discretion for any reason, or for no reason at all, provided that the Estate will retain the Reimbursement Fee in the event of such a termination.

Termination by Investor pursuant to clauses (v) or (iv) of the above Termination provisions will be deemed to cure any breach by Investor of the representations and warranties or covenants set forth in the Master Subscription Agreement that would provide the Trustee with the right to terminate the Master Subscription Agreement pursuant to clause (iv)(A) of the above Termination provisions.

Payment of Break-Up Fee by SEBC: The Trustee and Investor have each acknowledged and agreed that the other has expended considerable time and expense in connection with the structuring, drafting, and negotiation of the Master Subscription Agreement and the Transaction. In consideration therefor, the Trustee has filed and has sought the approval of the Bankruptcy Court of a motion (the "Break-Up Fee Motion") to authorize the payment by SEBC to Investor of a break-up fee if, under certain conditions, the Transaction is not effectuated with Investor but SEBC effectuates an alternative transaction. By Order entered on February 9, 2009, the Bankruptcy Court granted the Break-Up Fee Motion. Accordingly, SEBC will pay to Investor, as liquidated damages and not as a penalty and as the sole and exclusive remedy, a break-up fee in an amount equal to $1,500,000 in immediately available funds on the first Business Day after the earliest to occur of any of the following events:

(i) the Bankruptcy Court confirms, prior to the first anniversary of the date of the Master Subscription Agreement, a plan of reorganization with respect to SEBC that provides for the implementation of an alternative method of effectuating the reorganization or recapitalization of SEBC by means of a transaction other than the Transaction that includes an investment in SEBC by a party other than Investor or any of its Affiliates, whether in a single transaction or series of related transactions, in an aggregate amount of not less than $500,000,000 (an "Alternative Transaction");

(ii) to the extent SEBC is no longer under the jurisdiction of the Bankruptcy Court (whether as a result of the dismissal of the Bankruptcy Case or the consummation of a plan of reorganization with respect to SEBC), SEBC or SEBC as reorganized under a plan consummates an Alternative Transaction prior to the first anniversary of the date of the Master Subscription Agreement;

(iii) the Trustee terminates the Master Subscription Agreement prior to confirmation of the Plan because the Trustee determines, upon the advice of counsel, that a failure to terminate the Master Subscription Agreement would be inconsistent with his fiduciary duty owed to the Estate and the parties in interest in the Bankruptcy Case and an Alternative Transaction is consummated prior to the first anniversary of the Master Subscription Agreement; or

(iv) the Trustee terminates the Master Subscription Agreement because the Confirmation Order is not entered on or before March 16, 2009 and the failure of the Confirmation

Order to be entered is not the result of a material breach of the Master Subscription Agreement by the Trustee or Investor and an Alternative Transaction is consummated prior to the first anniversary of the Master Subscription Agreement.

No break-up fee will be payable if the Master Subscription Agreement is terminated (A) pursuant to clauses (i), (ii)(A), (ii)(B) if the failure of the Confirmation Order to be entered is the result of a material breach by Investor of the Master Subscription Agreement, (iv)(A), (v) or (vi) of the Termination provisions described in this Section VI.G.7(d), or (B) by Investor pursuant to clause (ii)(B) of the Termination provisions described in this Section VI.G.7(d) if the failure of the Confirmation Order to be entered is not the result of a material breach of the Master Subscription Agreement by the Trustee.

Payment of Break-Up Fee by Investor: In the event that the Trustee terminates the Master Subscription Agreement due to Investor's breach of the Master Subscription Agreement, which breach has not been cured by the sooner of the 30th day following receipt by Investor of a notice of breach or March 16, 2009, Investor will pay to the Estate a break-up fee in an amount equal to $1,000,000 in immediately available funds (the "SEBC Break-Up Fee"), as liquidated damages and not as a penalty and as the sole and exclusive remedy, on the first Business Day after such termination of the Master Subscription Agreement.

Repayment of Reimbursement Fee: The Estate must repay the Reimbursement Fee to Investor as liquidated damages in the event that the Master Subscription Agreement is terminated (i) at any time before the conclusion of the Confirmation Hearing by mutual written agreement of the Trustee and Investor; (ii) by either the Trustee or Investor (A) if any court of competent jurisdiction or any governmental authority takes action to permanently enjoin, restrain or otherwise prohibit the Transaction as a matter of law or (B) if the Confirmation Order is not entered on or before March 16, 2009; (iii) by Investor, if the Trustee breaches his representations and warranties or covenants set forth in the Master Subscription Agreement such that certain conditions precedent to the Closing would not be satisfied; or (iv) by the Trustee, if (A) Investor breaches its representations and warranties or covenants set forth in the Master Subscription Agreement such that certain conditions precedent to the Closing would not be satisfied (provided that the SEBC Break-Up Fee has been or is simultaneously paid to the Estate), or (B) prior to Confirmation, the Trustee determines, upon the advice of counsel, that a failure to terminate the Master Subscription Agreement would be inconsistent with his fiduciary duty owed to the Estate and the parties in interest in the Bankruptcy Case.

Certain Other Covenants: The Master Subscription Agreement contains customary covenants of both the Trustee and Investor, including those summarized below.

(i) *Voting Rights Events*: Following the Closing, if an event occurs which causes the voting rights of the Reorganized SEBC Senior Preferred Stock or the Reorganized SEBC Series J Junior Preferred Stock to become effective (as described in Section VI.G.6(a) above), then to the extent applicable, each of Reorganized SEBC and Investor will (A) use its commercially reasonable efforts to make an appropriate filing of a Notification and Report Form pursuant to the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and any other submission under the HSR Act which either of them determines should be made and (B) cooperate with one another in promptly determining whether any filings are required to be or should be made or consents, approvals, permits or authorizations are required to be or should be obtained under any other federal, state or foreign law or regulation and, if determined, making such filings or obtaining such consents, approvals or waivers and resolving any objections thereto. Reorganized SEBC and Investor will also use commercially reasonable efforts to contest and resist any administrative or judicial actions challenging the Transaction.

(ii) *Public Announcements*: The Trustee and Investor will consult with one another before issuing any press release or otherwise making any public statements with respect to the Master Subscription Agreement or Transaction and will not issue any such press release or make any such public statement without the prior consent of the other party, which consent will not be unreasonably withheld or delayed; provided, however, that either party may, without the prior

consent of the other party, issue such press release or make such public statement as may be required by law, regulation or, in the case of Investor, the applicable rules of the New York Stock Exchange.

(iii) *Administrative Expenses*: Reorganized SEBC will make adequate reserves for and promptly pay when due all Administrative Expenses not paid by the Estate prior to the Closing.

Governing Law; Jurisdiction: The Master Subscription Agreement will be construed in accordance with and governed by the laws of the State of New York. Until the Closing is consummated, any action or proceeding arising out of or relating to the Master Subscription Agreement or any other transaction document, or for recognition or enforcement of any judgment, will be subject to the exclusive jurisdiction of the Bankruptcy Court and, after such consummation and subject to any retained jurisdiction of the Bankruptcy Court, will be subject to the non-exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York and, in all cases, any appellate court from any of such courts.

8. Mixed Securities Distribution

A portion of the consideration to be distributed to Noteholders and Holders of Allowed Class 3 Claims under the Plan is the Mixed Securities Distribution, which will be $10.5 million in total consideration consisting of $6 million aggregate face amount of SEBC Holdings Senior Preferred Units and $4.5 million in aggregate face amount of Reorganized SEBC Series K Junior Preferred Stock, subject, however, to adjustment pursuant to Section 5.6(e) of the Plan and to allocation pursuant to Sections 3.6 and 5.7 of the Plan.

On the Effective Date, Investor shall purchase, pursuant to the Securities Purchase Agreement, not less than an aggregate of $6,500,000 face amount of SEBC Holdings Senior Preferred Units and Reorganized SEBC Series K Junior Preferred Stock in lieu of the issuance of such units and/or stock to Holders of Noteholder Claims and Allowed Class 3 Claims under Sections 3.2(a)(ii), 3.2(b)(ii), and 3.2(c)(ii) of the Plan as the Mixed Securities Distribution.

Such purchase by Investor shall be implemented so that the Holders of Noteholder Claims and Allowed Class 3 Claims shall each receive (x) a Pro Rata share of $6,500,000 in Cash and (y) a Pro Rata share of an aggregate of $4,000,000 face amount SEBC Series K Junior Preferred Stock and/or SEBC Holdings Senior Preferred Units,[27] provided, however, that only Qualified Creditors shall be eligible to receive, acquire, or hold Reorganized SEBC Series K Junior Preferred Stock and provided further, however, that the Disbursing Agent shall not distribute shares of Reorganized SEBC Series K Junior Preferred Stock to more than 250 holders of record for purposes of the registration and periodic reporting obligations of the Exchange Act.

9. Cancellation of Notes; Release of Indenture Trustees

On the Effective Date, (i) the Notes, the Indentures, and any other note, bond, or indenture evidencing or creating any public indebtedness or obligation of the Debtor shall be deemed automatically extinguished, cancelled and of no further force or effect, and (ii) the obligations of the Debtor under any agreements, Indentures, or certificates of designations governing the Notes and any other note, bond, or indenture evidencing or creating any indebtedness or obligation of the Debtor with respect to the Notes shall be automatically discharged in each case without further act or action under any applicable agreement, law, regulation, order, or rule and without any action on the part of the Bankruptcy Court or any Person; provided, however, that the Notes and the Indentures shall continue in effect solely for the purposes of (w) allowing the Holders of the Notes to receive the Distributions provided to Classes 1 and 2 hereunder, (x) allowing the Disbursing Agent, the Transfer Agent/Registrar, or the Indenture Trustees, as

[27] *Id.*

the case may be, to make Distributions to Classes 1 and 2, (y) preserving the rights and liens of the Indenture Trustees with respect to the Indenture Trustee Fees and Expenses to the extent not otherwise paid, and (z) implementing and/or enforcing the Global Settlement Order. The Indentures shall terminate completely upon the completion of all Distributions to the Holders of Notes and the payment of the Indenture Trustees' Indenture Trustee Fees and Expenses.

After the performance by the Indenture Trustees or their respective agents of any duties that are required under the Plan, the Confirmation Order and/or under the terms of the Indentures, the Indenture Trustees and their respective agents and advisors shall be relieved of, and released from, all obligations associated with the Notes arising under the Indentures or under other applicable agreements or law and the Indenture Trustees shall be fully released and discharged.

10. Authorization and Issuance of SEBC Holdings Securities, Reorganized SEBC Securities, and Real Estate LLC Securities

(a) SEBC Holdings shall authorize and issue on the Effective Date the SEBC Holdings Securities, such that after such issuance and distribution the SEBC Holdings Securities shall be held as follows:

(i) $6 million[28] aggregate face amount of SEBC Holdings Senior Preferred Units shall be held by Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims as provided in Sections 3.2(a)(ii), 3.2(b)(ii), and 3.2(c)(ii) of the Plan, subject to Investor's purchase of a portion of the Mixed Securities Distribution as set forth in Section 5.7 of the Plan;

(ii) $18.7 million aggregate face amount of SEBC Holdings Junior Preferred Units shall be held by Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims as provided in Sections 3.2(a)(iii), 3.2(b)(iii), and 3.2(c)(iii) of the Plan;

(iii) $0.54 million aggregate face amount of SEBC Holdings Junior Preferred Units shall be held (x) $300,000 by the Holder of Allowed Class 4 Interests and (y) $240,000 by the Holder of Allowed Class 5 Interests, as provided in Sections 3.3(a) and (b) of the Plan; and

(iv) 100% of the SEBC Holdings Common Units shall be held by Holders of Allowed Class 6 Interests as provided in Section 3.4 of the Plan.

(b) Reorganized SEBC shall authorize and issue on the Effective Date the Reorganized SEBC Securities, such that upon consummation of the Transaction and after such issuance and distribution the Reorganized SEBC Securities shall be held, subject to Section 5.6(e) of the Plan, as follows:

(i) 300,000,000 shares ($300 million aggregate face amount) of Reorganized SEBC Series A Senior Preferred Stock shall be held by Investor;

(ii) 718,000,000 shares ($718 million aggregate face amount) of Reorganized SEBC Series B Senior Preferred Stock shall be held by Investor;

(iii) 611,000,000 shares ($611 million aggregate face amount) of Reorganized SEBC Series J Junior Preferred Stock shall be held by Investor;

(iv) 4,500,000 shares ($4.5 million aggregate face amount) of Reorganized SEBC Series K Junior Preferred Stock shall be held by Holders of Senior Notes, Subordinated Notes and Allowed Class 3 Claims, and/or Investor, as provided in Sections 3.2(a)(ii), 3.2(b)(ii), and

[28] *Id.*

3.2(c)(ii) of the Plan, subject to Investor's purchase of a portion of the Mixed Securities Distribution as set forth in Section 5.7 of the Plan; and

(v) Reorganized SEBC Class A Common Stock, representing 60% of all outstanding shares of Reorganized SEBC Common Stock shall be held by SEBC Holdings; Reorganized SEBC Class B Common Stock, representing 20% of all outstanding shares of Reorganized SEBC Common Stock shall be held by Investor; and Reorganized SEBC Class C Common Stock, representing 20% of all outstanding shares of Reorganized SEBC Common Stock, shall be held by Investor.

(c) Real Estate LLC shall authorize on the Effective Date the Real Estate LLC Securities, such that after such issuance and distribution the Real Estate LLC Securities shall be held as follows:

(i) 100% of the Real Estate LLC Membership Interests shall be held by SEBC Holdings; and

(ii) 100% of the Real Estate LLC Debt shall be held by Reorganized SEBC.

(d) Except as set forth in Section 5.3 of the Plan, the Reorganized SEBC Securities, SEBC Holdings Securities and Real Estate LLC Securities issued under the Plan shall not be subject to dilution based upon the issuance of any other shares or units of Reorganized SEBC, SEBC Holdings or Real Estate LLC issued after the Effective Date.

(e) The issuance of the Reorganized SEBC Securities, SEBC Holdings Securities and Real Estate LLC Securities pursuant to distributions under the Plan shall be deemed authorized as of the Effective Date without further act or action by any Person, except as may be required by the Reorganized SEBC Charter, the Reorganized SEBC By-laws, the SEBC Holdings Charter, SEBC Holdings Partnership Agreement, Real Estate LLC Charter, Real Estate LLC Agreement, or applicable law, regulation, order or rule; and all documents evidencing same shall be executed and delivered as provided for in the Plan or the Plan Supplement.

(f) Pursuant to Section 1145 of the Bankruptcy Code, the issuance, offer, or sale of the SEBC Holdings Securities and the Reorganized SEBC Series K Junior Preferred Stock shall not be subject to Section 5 of the Securities Act or any State or local law requiring registration for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security. This exemption applies only to the distribution of such securities under the Plan and not to any subsequent sale, exchange, transfer or other disposition of such securities or any interest therein by Persons who constitute "underwriters" or "issuers," as such terms are defined pursuant to Section 1145 of the Bankruptcy Code, and each such subsequent sale, exchange, transfer or other disposition by such Persons would require registration under the Securities Act or state securities laws unless another exemption from registration were available ("Securities Restrictions").

(g) Pursuant to Section 4(2) of the Securities Act, the issuance, offer, or sale of the Reorganized SEBC Senior Preferred Stock, Reorganized SEBC Series J Junior Preferred Stock, and Reorganized SEBC Common Stock shall not be subject to Section 5 of the Securities Act for the offer or sale of a security or registration or licensing of an issuer or underwriter of, or broker or dealer in, a security.

(h) Upon issuance, all SEBC Holdings Common Units will be subject to restrictions on transfer through the SEBC Holdings Restriction Release Date, as set forth in the SEBC Holdings Partnership Agreement, and all Reorganized SEBC Common Stock will be subject to restrictions on transfer through the Restriction Release Date.

11. Payment of SCS Annual Fee

The SCS Annual Fee is deemed to be an Allowed Administrative Claim, but shall not be paid from Available Cash. As of the Effective Date, Reorganized SEBC will be authorized and directed to pay the SCS Annual Fee as it becomes due, without further notice, hearing, or order of the Bankruptcy Court.

12. Effectuating Documents; Further Transactions

The Trustee, as authorized agent for Reorganized SEBC through the Closing Date, or any appropriate officer of Reorganized SEBC, shall be deemed authorized to execute, deliver, file, or record such contracts, instruments, certificates or articles of formation or incorporation (including amendments and restatements thereof), releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, including but not limited to such documents as may be necessary to create and/or consummate the Transaction with the Investor, SEBC Holdings and Real Estate LLC.

13. Corporate Action

On the Effective Date, the adoption and filing of the Reorganized SEBC Charter and Reorganized SEBC By-laws, the SEBC Holdings Charter and SEBC Holdings Partnership Agreement, and the Real Estate LLC Charter and Real Estate LLC Agreement; the appointment of directors and officers of Reorganized SEBC, the SEBC Holdings General Partner, and the manager of Real Estate LLC; and all actions contemplated by the Plan, shall be deemed authorized and approved in all respects pursuant to the Plan. All matters provided for in the Plan involving the corporate structure of the Debtor, Reorganized SEBC, SEBC Holdings and/or Real Estate LLC and any corporate action required by the Debtor, Reorganized SEBC, SEBC Holdings or Real Estate LLC in connection with the Plan, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the stockholders, directors or managers of the Debtor, Reorganized SEBC, SEBC Holdings and/or Real Estate LLC. On the Effective Date, the appropriate officers, directors or managers of Reorganized SEBC, SEBC Holdings and Real Estate LLC are authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan in the name of and on behalf of Reorganized SEBC, SEBC Holdings and Real Estate LLC, respectively, without the need for any required approvals, authorizations, or consents, except for any express consents required under the Plan.

14. Trustee's Authority Under the Plan

The Trustee shall be authorized to act as a duly authorized agent for Reorganized SEBC, SEBC Holdings and Real Estate LLC for purposes of implementing the Plan and the Transaction; and to execute on behalf of Reorganized SEBC, SEBC Holdings and Real Estate LLC all documents reasonably necessary to effectuate the Plan and the Transaction; and to bind Reorganized SEBC, SEBC Holdings and Real Estate LLC thereto.

15. Exemption From Certain Transfer Taxes

Pursuant to former Section 1146(c) of the Bankruptcy Code, (a) the issuance, transfer or exchange of any securities, instruments, or documents; (b) the creation of any lien, mortgage, deed of trust, or other security interest; or (c) the making or assignment of any lease or sublease, or the making, delivery, filing, or recording of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with the Plan, shall not be taxed under any law imposing a stamp tax, documentary tax, real estate transfer tax, sales or use tax, intangible tax, recording or filing fee, privilege tax, or other similar tax or fee. Such exemption specifically applies, without limitation, to all documents necessary to evidence and implement the provisions of and the distributions to be made under the Plan, including the Reorganized SEBC Charter, Reorganized SEBC By-laws, and the Transaction.

16. Operations Between Confirmation Date and Effective Date

The Debtor shall continue to operate under control of the Trustee during the period from the Confirmation Date through and until the Effective Date.

H. Post-Consummation Corporate Structure, Management and Operation

1. Continued Corporation Existence

Reorganized SEBC shall continue to exist after the Effective Date as a separate legal entity, in accordance with the applicable laws of the State of Florida and pursuant to the Reorganized SEBC Charter and Reorganized SEBC By-laws.

2. Directors of Reorganized SEBC

On the Effective Date, there shall be a new board of directors of Reorganized SEBC composed of five (5) directors, which shall include three (3) individuals designated by the Trustee and two (2) individuals designated by Investor. The initial directors shall serve from the Effective Date until their successors are duly elected or qualified or until earlier removed or replaced in accordance with the Reorganized SEBC Charter or the Reorganized SEBC By-laws. The designation of the five (5) directors shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing.

3. General Partner of SEBC Holdings

On the Effective Date, a limited liability company owned, controlled and managed by Paul S. Edwards, Managing Director of SCS, shall be appointed as sole, non-equity general partner of SEBC Holdings to conduct, direct and manage all activities of SEBC Holdings in accordance with the SEBC Holdings Partnership Agreement. The designation of the SEBC Holdings General Partner shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing.

4. Management of Real Estate LLC

On the Effective Date, a manager shall be appointed for Real Estate LLC, to conduct, direct and manage all activities of Real Estate LLC in accordance with the Real Estate LLC Charter. The designation of the manager of Real Estate LLC shall be disclosed in a filing made with the Bankruptcy Court no later than ten (10) days before the Confirmation Hearing. The manager of Real Estate LLC may be the same Person as the SEBC Holdings General Partner.

5. Reorganized SEBC's Obligations Under Plan

From and after the Effective Date, Reorganized SEBC shall:

(a) take all steps and execute all instruments and documents necessary to effectuate the Plan;

(b) make decisions regarding the retention, engagement, payment, and replacement of its professionals, employees and consultants;

(c) pay to SCS the SCS Structuring Fee and the SCS Annual Fee;

(d) exercise such other powers as necessary or prudent to carry out the provisions of the Plan;

(e) file appropriate tax returns;

(f) file quarterly financial reports as required by the Office of the United States Trustee until the Bankruptcy Case is closed; and

(g) take such other action as may be necessary or appropriate to administer or close the Bankruptcy Case.

6. SEBC Holdings' Obligations Under Plan

From and after the Effective Date, SEBC Holdings shall:

(a) take all steps and execute all instruments and documents necessary to effectuate the Plan;

(b) make decisions regarding the retention, engagement, payment, and replacement of its professionals, employees and consultants;

(c) exercise such other powers as necessary or prudent to carry out the provisions of the Plan; and

(d) file appropriate tax returns.

7. Other Transactions

On, as of, or after the Effective Date, with the consent of the Reorganized SEBC Board, Reorganized SEBC may enter into such transactions and may take such actions as may be necessary or appropriate, in accordance with any applicable state law, to effect a corporate or operational restructuring of its business, to otherwise simplify its corporate or operational structure, to achieve corporate or operational efficiencies, or to otherwise improve financial results; provided, however, that such transactions or actions are not otherwise inconsistent with the Plan, the distributions to be made under the Plan, the Reorganized SEBC Charter, the Reorganized SEBC By-laws, or the Transaction. Such transactions or actions may include such mergers, consolidations, restructurings, dispositions, liquidations, closures, or dissolutions, as may be determined by Reorganized SEBC to be necessary or appropriate.

8. Successors and Assigns and Binding Effect

The rights, benefits, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor, or assign of such entity, including, but not limited to, Reorganized SEBC, SEBC Holdings, Real Estate LLC, and all other parties-in-interest in the Bankruptcy Case.

9. Compromises and Settlements

From and after the Effective Date, Reorganized SEBC, SEBC Holdings, and Real Estate LLC may compromise and settle various Claims filed in the Bankruptcy Case, and any other claims and causes of action that it may have against other Persons ("Third Party Actions"), without any further approval by the Bankruptcy Court. Until the Effective Date occurs, the Trustee expressly reserves the right to compromise and settle Claims and Third Party Actions, subject to the approval of the Bankruptcy Court upon notice and opportunity for hearing pursuant to Bankruptcy Rule 9019.

I. Releases, Discharge, Injunction, Exculpation and Indemnification

1. Discharge of Debtor

Except as otherwise provided in the Plan or in the Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, settlement, discharge, and release of, all Claims of any nature whatsoever against, and all Interests of any nature whatsoever in, the Debtor or any of its assets or properties and, regardless of whether any property shall have been abandoned by order of the Bankruptcy Court, retained, or distributed pursuant to the Plan on account of such Claims, upon the Effective Date, the Debtor shall (i) be deemed discharged and released under Section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Section 502 of the Bankruptcy Code, whether or not (A) a Proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code, (B) a Claim based upon such debt is Allowed under Section 502 of the Bankruptcy Code, (C) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (D) the Holder of a Claim based upon such debt accepted the Plan, and (ii) terminate all Interests.

As of the Effective Date, except as provided in the Plan or the Confirmation Order or under the terms of the documents evidencing and orders approving the Transaction, all Persons shall be precluded from asserting against the Debtor, Reorganized SEBC, SEBC Holdings, or Real Estate LLC any other or further claims, debts, rights, causes of action, claims for relief, liabilities, or equity interests relating to the Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred before the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities against the Debtor and termination of all Interests, pursuant to Sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest.

2. Discharge of Trustee

As of the Effective Date, except as provided in the Plan or the Confirmation Order, the Trustee shall be discharged and relieved of all duties and obligations with respect to the Debtor, the Jacksonville Property Subsidiaries, the Other SEBC Subsidiaries, any and all other Affiliates and subsidiaries of the Debtor, the SEBNA Receivership, and any and all Affiliates and subsidiaries of the SEBNA Receivership.

3. Injunction

Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold, may hold, or allege that they hold, a Claim or other debt or liability that is discharged or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions against the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, the Indenture Trustees, and their respective subsidiaries or Affiliates or their property, on account of any such discharged Claims, debts, or liabilities or terminated Interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation, or recoupment of any kind against any debt, liability, or obligation due to the Debtor, Reorganized SEBC, SEBC Holdings, or Real Estate LLC, the Indenture Trustees, and their respective subsidiaries or Affiliates or their property; or (v) commencing or continuing any action, in each such case in any manner, in any place, or against any Person that does not comply with or is inconsistent with the provisions of the Plan.

Without limiting the effect of the provisions of Section 9.13 of the Plan upon any Person, by accepting Distributions pursuant to the Plan, each Holder of an Allowed Claim or Allowed Interest receiving Distributions pursuant to the Plan shall be deemed to have specifically consented to the injunctions set forth in Section 9.13 of the Plan.

4. Exculpation and Limitation of Liability

The Plan contains standard exculpation provisions applicable to the key parties in interest with respect to their conduct in the Bankruptcy Case. Specifically, the Plan provides that none of the Trustee, the Indenture Trustees, the Ad Hoc Committee, Reorganized SEBC, SEBC Holdings, Real Estate LLC, the Legal Representative, Investor, Disbursing Agent, Transfer Agent/Registrar, their respective subsidiaries, or any of their respective present or former members, officers, directors, employees, advisors, Professionals, or agents, shall have or incur any liability to any Holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, advisors, attorneys, or Affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the Bankruptcy Case (including without limitation the negotiation, drafting, execution and implementation of the Global Settlement Order), the formulation, negotiation, or implementation of the Plan, the solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan, except for acts or omissions which are the result of fraud, gross negligence, or willful misconduct; provided, however, that nothing contained in the foregoing provisions shall limit, modify, or otherwise affect the ability of any Person to enforce its rights under the Plan or any agreements or other documents provided for, in, or otherwise contemplated by the Plan. The foregoing is not intended to limit or otherwise restrict or affect any defense of qualified immunity that may be available under applicable law.

Moreover, the Plan provides that notwithstanding any other provision of the Plan, no Holder of a Claim or an Interest, no other party in interest, none of their respective agents, employees, representatives, advisors, attorneys, or Affiliates, and none of their respective successors or assigns shall have any right of action against the Trustee, the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, the Legal Representative, the Indenture Trustees, the Ad Hoc Committee, Investor, Disbursing Agent, the Transfer Agent/Registrar, any of the Debtor's or Reorganized SEBC's subsidiaries or Affiliates, or of their respective present or former members, officers, directors, employees, advisors, Professionals, or agents, for any act or omission in connection with, relating to, or arising out of, the Bankruptcy Case (including without limitation the negotiation, drafting, execution and implementation of the Global Settlement Order), the formulation, negotiation, or implementation of the Plan, solicitation of acceptances of the Plan, the pursuit of Confirmation of the Plan, the Confirmation of the Plan, the consummation of the Plan, the administration of the Plan, or the property to be distributed under the Plan, except for acts or omissions which are the result of fraud, gross negligence, or willful misconduct; provided, however, that nothing contained in the foregoing provisions shall limit, modify, or otherwise affect the ability of any Person to enforce its rights under the Plan or any agreements or other documents provided for, in, or otherwise contemplated by the Plan.

The Plan further provides that notwithstanding anything to the contrary set forth therein, nothing in the Plan will restrict any governmental or regulatory agency from pursuing any regulatory or police enforcement action against the Debtor, Reorganized SEBC, SEBC Holdings, Real Estate LLC, their current or former officers, directors or employees, and their respective agents, advisors, attorneys and representatives acting in any capacity, or any other person or entity. Moreover, notwithstanding anything in the Plan to the contrary, and solely with respect to any police or regulatory agency, the discharge and related injunction provisions in the Plan shall not operate to expand the Debtor's discharge beyond that established by the Bankruptcy Code unless otherwise agreed to in writing by the United States of America and the Debtor or the reorganized Debtor, as the case may be.

The exculpations contained in the Plan are appropriate and are standard in large Chapter 11 cases such as the Debtor's Chapter 11 Case. The exculpations are appropriately limited in scope, applying only to acts and omissions occurring after the Petition Date and in connection with the Bankruptcy Case or the Plan and conferring only a qualified immunity by excluding acts or omissions which are the result of fraud, gross negligence or willful misconduct. Moreover, these exculpations have, in the Trustee's view, been earned. The beneficiaries of the exculpations have made significant contributions to the Debtor's reorganization, which contributions have allowed for the formulation of the Plan and which, in the Trustee's view, provides for the best possible recoveries for Claims against the Debtor. In the Trustee's view, the beneficiaries of the exculpations would not have contributed as they did without the prospect of the limited immunity reflected in the exculpations. The Trustee is also unaware of any valid causes of action against any of the beneficiaries of the exculpations. In view of the foregoing, the exculpations are appropriate and in the best interests of the Debtor's Estate.

5. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays provided for in the Bankruptcy Case under Sections 105 or 362 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date.

J. Retention of Jurisdiction

The Plan provides that under Sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, and except as otherwise ordered by the Bankruptcy Court, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Bankruptcy Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, or unsecured status of, any Claim not otherwise Allowed under the Plan, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the allowance or priority of Claims;

(b) hear and determine all applications for compensation and reimbursement of expenses of the Trustee and Professionals under the Plan or under Sections 327, 328, 330, 331 and 503(b) of the Bankruptcy Code; *provided*, *however,* that payment of the fees and expenses of the retained Professionals of Reorganized SEBC, SEBC Holdings, and Real Estate LLC incurred from and after the Effective Date shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(c) effectuate performance of and payments under the provisions of the Plan and enforce remedies upon any default under the Plan;

(d) hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Bankruptcy Case;

(e) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan, and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement, or the Confirmation Order;

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

(g) issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with the implementation, consummation, or enforcement of the Plan or the Confirmation Order;

(h) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(i) hear and determine any matters arising in connection with or relating to the interpretation, implementation, consummation, or enforcement of the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order *provided*, *however*, that any dispute arising under or in connection with the Master Subscription Agreement or any document related thereto shall be dealt with in accordance with the provisions of the governing documents;

(j) enforce, interpret, and determine any disputes arising in connection with any stipulations, orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Bankruptcy Case (whether or not the Bankruptcy Case has been closed), including without limitation the Global Settlement Order;

(k) hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;

(l) hear and determine all disputes involving the existence, nature, or scope of the Debtor's discharge;

(m) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code; and

(n) enter a final decree closing the Bankruptcy Case.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Bankruptcy Case, including the matters set forth in Section 8.1 of the Plan, the provisions of Article VIII of the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

K. Amendment, Alteration and Revocation of Plan

The Trustee may alter, amend, or modify the Plan or any exhibits thereto under Section 1127(a) of the Bankruptcy Code at any time before the Confirmation Date with the express written consent of Investor (which consent shall not be unreasonably withheld, delayed, or conditioned); provided, however, that such modification shall not adversely affect the treatment of Classes 1, 2 or 3 under the Plan. The Trustee shall provide parties in interest with notice of such amendments or modifications as may be required by the Bankruptcy Code and Rules or order of the Bankruptcy Court.

After the Confirmation Date and before substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code) of the Plan, the Trustee, Reorganized SEBC, SEBC Holdings or Real Estate LLC, as the case may be, may file a motion or seek relief in the Bankruptcy Court under Section 1127(b) of the Bankruptcy Code, to remedy any defect or omission or to reconcile any inconsistencies in the Plan, the Disclosure Statement approved with respect to the Plan, or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of Holders of Claims or Interests under the Plan; provided, however, that prior notice of such proceedings shall be served on parties in interest in accordance with the Bankruptcy Code and Rules or order of the Bankruptcy Court.

A Holder of an Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or clarified, if the proposed alteration, amendment, modification, or clarification does not materially and adversely change the treatment of the Interest of such Holder. In the event of any dispute as to whether such proposed alteration, amendment, modification, or clarification materially and adversely changes the treatment of the Interest of any such Holder, the Trustee, Reorganized SEBC, SEBC Holdings or Real Estate LLC, as the case may be, shall bear the burden of demonstrating that such proposed alteration, amendment, modification, or clarification does not materially adversely change the treatment of the Interest of such Holder.

The Trustee reserves the right to revoke or withdraw the Plan at any time before the Confirmation Date and to file subsequent plans of reorganization. If the Trustee revokes or withdraws the Plan, or if Confirmation or the Effective Date does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims) and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims against, or any Interests in the Debtor or other claims by or against the Debtor or any other Person, (ii) prejudice in any manner the rights of the Debtor, the Trustee, or any Person in any further proceedings involving the Debtor, or (iii) constitute an admission of any sort by the Debtor, the Trustee, or any other Person.

If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Trustee, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted; provided, however, that such alteration or interpretation shall not adversely affect the treatment of Classes 1, 2, or 3 under the Plan. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

L. Plan Implementing Documents

The documents necessary to implement the Plan include the following:

(a) Master Subscription Agreement;

(b) Reorganized SEBC Charter;

(c) Reorganized SEBC By-laws;

(d) SEBC Holdings Charter;

(e) SEBC Holdings Partnership Agreement;

(f) Real Estate LLC Charter;

(g) Real Estate LLC Agreement;

(h) Real Estate LLC Debt instrument issued to SEBC;

(i) Securities Purchase Agreement;

(j) Agreement with Disbursing Agent;

(k) Agreements between SEBC and Investment Vehicle;

(l) Agreements with Transfer Agent for SEBC and SEBC Holdings Securities;

(m) Custodial/Servicing Agreement for SEBC;

(n) DTC Agreement for SEBC;

(o) DTC Agreement for SEBC Holdings; and

(p) such other documents as may be included in the Plan Supplement.

Proposed forms of the foregoing documents will each be included in the Plan Supplement. The Plan Supplement will be filed with the Clerk of the Bankruptcy Court at least ten (10) days before the Confirmation Hearing. Holders of Claims or Interests may obtain a copy of any document included in the Plan Supplement upon written request to the Debtors in accordance with Section 9.18 of the Plan.

M. Confirmation and Consummation

Described below are certain important considerations under the Bankruptcy Code in connection with confirmation of the Plan.

1. Requirements for Confirmation of the Plan

Before the Plan can be confirmed, the Bankruptcy Court must determine at the Confirmation Hearing that, among others, the following requirements for confirmation, set forth in Section 1129 of the Bankruptcy Code, have been satisfied:

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

(b) The Trustee has complied with the applicable provisions of the Bankruptcy Code.

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

(d) Any payment made or promised by the Debtor or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.

(e) The Trustee has disclosed (a) the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of Reorganized SEBC or any successor to the Debtor under the Plan (and the appointment to, or continuance in, such office of such individual(s) is consistent with the interests of Claim and Interest holders and with public policy), and (b) the identity of any insider that will be employed or retained by the Debtor and the nature of any compensation for such insider.

(f) With respect to each Class of Claims or Interests, each Impaired Claim and Impaired Interest Holder either has accepted the Plan or will receive or retain under the Plan, on account of the Claims or Interests held by such Holder, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtor was liquidated on such date under Chapter 7 of the Bankruptcy Code. See Section X.D. hereto.

(g) The Plan provides that Administrative Claims will be paid in full on the Effective Date, except to the extent that the Holder of any such Claim has agreed to a different treatment. See Section VI.C.1. hereto.

(h) If a Class of Claims or Interests is Impaired under the Plan, at least one Class of Impaired Claims or Interests has accepted the Plan, determined without including any acceptance of the Plan by insiders holding Claims or Interests in such Class.

(i) Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. See Section X.A. hereto.

(j) The Plan provides for the continuation after the Effective Date of all retiree benefits, if any, at the level established pursuant to Section 1114(e)(1)(B) or 1114(g) of the Bankruptcy Code at any time before confirmation of the Plan, for the duration of the period the Debtor has obligated itself to provide such benefits.

The Trustee believes that, upon receipt of the votes required to confirm the Plan, the Plan will satisfy all the statutory requirements of Chapter 11 of the Bankruptcy Code, that the Trustee has complied or will have complied with all of the requirements of Chapter 11, and that the Plan has been proposed and submitted to the Bankruptcy Court in good faith.

2. Conditions to Confirmation Date and Effective Date

The Plan specifies conditions precedent to the Confirmation Date and the Effective Date.

Under the Plan, the conditions precedent to the occurrence of the Confirmation Date, which is the date of entry by the Clerk of the Bankruptcy Court of the Confirmation Order, are that: (a) an order finding that the Disclosure Statement contains adequate information pursuant to Section 1125 of the Bankruptcy Code shall have been entered; and (b) the proposed Confirmation Order shall be in form and substance reasonably satisfactory to Investor.

The Plan further provides that the conditions that must be satisfied on or before the Effective Date, which is the Business Day, on or before April 30, 2009, upon which all conditions to the consummation of the Plan have been satisfied or waived and the Plan becomes effective, are that: (a) the Confirmation Order shall have been entered in form and substance reasonably satisfactory to Investor and shall, among other things: (i) provide that the Trustee, Reorganized SEBC, SEBC Holdings, Real Estate LLC and the Disbursing Agent are authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, releases, and other agreements or documents created in connection with the Plan; (ii) approve and authorize the Transaction; (iii) authorize the issuance of the Reorganized SEBC Securities, the SEBC Holdings Securities and the Real Estate LLC Securities; (iv) authorize the Trustee to act as a duly authorized agent for Reorganized SEBC for purposes of implementing the Plan and the Transaction; to execute on behalf of Reorganized SEBC, SEBC Holdings and Real Estate LLC all transaction documents and any other documents reasonably necessary to effectuate the Plan and the Transaction; and to bind Reorganized SEBC, SEBC Holdings and Real Estate LLC thereto; and (v) provide that notwithstanding Rule 3020(e) of the Bankruptcy Rules, the Confirmation Order shall be immediately effective, subject to the terms and conditions of the Plan; (b) the Confirmation Order shall be a Final Order; and (c) all conditions to the occurrence of the Closing Date, other than the occurrence of the Effective Date, shall have occurred or been waived in accordance with the terms of Master Subscription Agreement.

The Plan provides that each of the aforementioned conditions, with the express exception of the conditions contained in Sections 7.2(a)(i), (a)(ii), (a)(iii), (a)(iv) and (b) of the Plan, may be waived in whole or in part by the Trustee without any notice to parties-in-interest or the Bankruptcy Court and

without a hearing; provided, however, that such waiver shall be subject to any consent of Investor required under the Master Subscription Agreement.

3. Anticipated Effective Date

The length of time between a confirmation date and an effective date varies from case to case and depends upon how long it takes to satisfy each of the conditions precedent to the occurrence of the effective date specified in the particular plan of reorganization. Assuming the timely satisfaction of the conditions precedent set forth above, the Effective Date here will not occur later than April 30, 2009.

VII. CERTAIN RISK FACTORS TO BE CONSIDERED

The holders of Interests in Classes 4 and 5 should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein), before deciding whether to vote to accept or reject the Plan. These risk factors should not, however, be regarded as constituting the only risks associated with the Plan and its implementation.

A. General Considerations

The Plan sets forth the means for satisfying the Claims against and Interests in the Debtor. Although Claims will not receive payment in full of the remaining amount of post-petition interest due and owing, reorganization of the Debtor's business and operations under the proposed Plan is intended to generate modest additional value for Holders of Claims on account of their remaining post-petition interest claims, as well as for Holders of Interests who otherwise would have received no distributions at all in a Chapter 7 liquidation.

B. Certain Bankruptcy Considerations

Because Class 6 is deemed to have rejected the Plan (and to the extent that any other Impaired Class rejects the Plan), the Trustee shall request Confirmation of the Plan, as it may be modified from time to time, by way of Cramdown under Section 1129(b) of the Bankruptcy Code. Likewise, in the event any party in interest may seek to object to Confirmation of the Plan based on any alleged inadequacy of the number of ballots cast to accept or reject for any Class of Interests, or the procedure by which ballots were solicited, the Trustee shall request Confirmation of the Plan, as it may be modified from time to time, by way of Cramdown. The Trustee reserves the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement, or any exhibit, including to amend or modify it to satisfy the requirements of Section 1129(b) of the Bankruptcy Code, if necessary.

Even if all voting Impaired Classes vote in favor of the Plan, and even if with respect to any Impaired Class deemed to have rejected the Plan the requirements for Cramdown are met, the Bankruptcy Court, which, as a court of equity, may exercise substantial discretion, may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtor, see Section X.A. hereto, and that the value of distributions to dissenting Holders of Claims and Interests will not be less than the value such Holders would receive if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. See Section X.C. hereto. Although the Trustee believes that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion. See Section X.D. for a liquidation analysis of the Debtor.

If a liquidation or protracted reorganization were to occur, there is a significant risk that the value of the Debtor's enterprise would be substantially eroded to the detriment of all stakeholders.

The Debtor's future results are dependent upon the successful confirmation and implementation of a plan of reorganization. Failure to obtain this approval in a timely manner could adversely affect the

Debtor's operating results, as the Debtor's ability to consummate the Transaction may be harmed by protracted bankruptcy proceedings.

C. Conditions Precedent to Consummation; Timing

The Plan provides for certain conditions that must be satisfied (or waived) before the Confirmation Date and for certain other conditions that must be satisfied (or waived) before the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Moreover, Investor has the right to terminate the Master Subscription Agreement at its option provided that the Estate would retain the $500,000 Reimbursement Fee. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed.

MLE is an Affiliate of Merrill Lynch & Co., Inc. ("Merrill Lynch"). Consummation of the Plan has always been subject to the risk that Merrill Lynch and/or MLE would make the decision, pursuant to provisions of the transactional documents, not to consummate the Transaction. On January 1, 2009, Bank of America Corporation ("Bank of America") completed its purchase of Merrill Lynch ("Purchase"). Accordingly, consummation of the Plan is now subject to the risk that Bank of America, Merrill Lynch and/or MLE would make the decision, pursuant to provisions of the transactional documents, not to consummate the Transaction. The consequences of the Purchase are difficult to predict and accordingly, it is impossible to state whether the risk of consummating the Plan is enhanced or diminished by the Purchase.

D. Inherent Uncertainty of Financial Projections

The Projections cover the operations of Reorganized SEBC and SEBC Holdings through April 30, 2014. These Projections are based on numerous assumptions, including confirmation and consummation of the Plan in accordance with its terms; realization of the operating strategy of Reorganized SEBC and SEBC Holdings; industry performance; no material adverse changes in applicable legislation or regulations, or the administration thereof, or GAAP; no material adverse changes in general business and economic conditions; no material adverse changes in competition; adequate financing; the absence of material contingent or unliquidated litigation, indemnity, or other claims; and other matters, many of which will be beyond the control of Reorganized SEBC and SEBC Holdings and some or all of which may not materialize.

To the extent that the assumptions inherent in the Projections are based upon future business decisions and objectives, they are subject to change. In addition, although they are presented with numerical specificity and are based on assumptions considered reasonable by the Trustee, the assumptions and estimates underlying the Projections are subject to significant business, economic, and competitive uncertainties and contingencies, many of which will be beyond the control of Reorganized SEBC and SEBC Holdings. Accordingly, the Projections are only estimates and are necessarily speculative in nature. It can be expected that some or all of the assumptions in the Projections will not be realized and that actual results will vary from the Projections, which variations may be material and are likely to increase over time. In light of the foregoing, readers are cautioned not to place undue reliance on the Projections. The Projections were not prepared in accordance with standards for projections promulgated by the AICPA, based upon financial statements prepared in accordance with GAAP, or with a view to compliance with published guidelines of the SEC regarding projections or forecasts. Rather, the Projections have been developed by the Trustee and his advisors. The Trustee and his advisors considered a number of factors in developing the Projections, including, but not limited to, general economic conditions, market growth forecasts, and fresh start accounting adjustments. A more comprehensive discussion of the assumptions used in the Projections is found in the section entitled Summary of Significant Assumptions Adopted for Purposes of the Projections.

The Projections, financial information, and valuations for SEBC Holdings and Reorganized SEBC have not been audited, reviewed, or compiled by independent public accountants and do not purport to be in accordance with GAAP or any other comprehensive basis of accounting. The projected financial

information contained in this Disclosure Statement should not be regarded as a representation or warranty by the Trustee, the Trustee's advisors, or any other Person that the Projections can or will be achieved. Neither MLE nor any of its Affiliates makes any representation or warranty as to, has independently verified or assumes any responsibility for the accuracy, completeness or sufficiency of the Projections.

E. Certain Risk Factors Relating to Securities to be Issued Under the Plan

1. No Current Public Market for Securities

There is currently no established public trading market for either the Reorganized SEBC Securities or the SEBC Holdings Securities to be issued pursuant to the Plan. Neither Reorganized SEBC nor SEBC Holdings intends to apply to list the Reorganized SEBC Securities or SEBC Holdings Securities, respectively, on any securities exchange and there can be no assurance as to the development or liquidity of any market for any of the securities. If a trading market does not develop in the Over-the-Counter market or is not maintained, holders of the Reorganized SEBC Securities and the SEBC Holdings Securities may experience difficulty in reselling such securities or may be unable to sell them at all. Even if such a market were to exist, such securities could trade at prices higher or lower than the estimated values set forth in this Disclosure Statement depending upon many factors, including, without limitation, prevailing interest rates, markets for similar securities, industry conditions and the performance of, and investor expectations for, Reorganized SEBC and SEBC Holdings.

Furthermore, Persons to whom either the Reorganized SEBC Securities or the SEBC Holdings Securities are issued pursuant to the Plan may prefer to liquidate their investments rather than hold such securities on a long-term basis. Accordingly, any market that does develop for such securities may be volatile.

One or more series of the Reorganized SEBC Securities or the SEBC Holdings Securities may be deemed to be a "penny stock" if, among other things, the price for such series is below $5.00 per share or unit, it is not listed on a national securities exchange or approved for quotation on the Nasdaq Stock Market or any other national stock exchange or it has not met certain net tangible asset or average revenue requirements. Broker-dealers who sell penny stocks must provide purchasers of these stocks with a standardized risk-disclosure document prepared by the SEC. This document provides information about penny stocks and the nature and level of risks involved in investing in the penny-stock market. A broker must also give a purchaser, orally or in writing, bid and offer quotations and information regarding broker and salesperson compensation, make a written determination that the penny stock is a suitable investment for the purchaser and obtain the purchaser's written agreement to the purchase. Broker-dealers must also provide customers that hold penny stock in their accounts with such broker-dealer a monthly statement containing price and market information relating to the penny stock. If a penny stock is sold to an investor in violation of the penny stock rules, the investor may be able to cancel its purchase and get its money back. If applicable, the penny stock rules may make it difficult for holders to sell their shares of Reorganized SEBC Securities or SEBC Holdings Securities. Because of the rules and restrictions applicable to a penny stock, there is less trading in penny stocks and the market price of the Reorganized SEBC Securities or SEBC Holdings Securities may be adversely affected. Also, many brokers choose not to participate in penny stock transactions. Accordingly, holders may not always be able to resell their Reorganized SEBC Securities or SEBC Holdings Securities publicly at times and prices that they feel are appropriate.

In addition, it is anticipated that Reorganized SEBC will not be a reporting company under the Exchange Act, and SEBC Holdings is not expected to register its equity securities under the Exchange Act until after it completes its first fiscal year after the Transaction is consummated. Accordingly, until such registration and the filing of periodic reports with the SEC by SEBC Holdings, holders and prospective purchasers of its securities will have limited information regarding its financial condition and operations. The absence of such information may effectively prevent the establishment of an active trading market for Reorganized SEBC Series K Junior Preferred Stock or for SEBC Holdings Securities in

the over the counter market or otherwise. Accordingly, the market value and volume of trading activity in such securities is likely to be adversely affected.

2. Transfer Restrictions

The Reorganized SEBC Charter and the SEBC Holdings Partnership Agreement will contain restrictions on the transfer of Reorganized SEBC Common Stock and SEBC Holdings Common Units, as applicable. From and after the date of filing of the Reorganized SEBC Charter and until the Restriction Release Date, any Transfer of any Reorganized SEBC Common Stock (i) to any Person (including a group of Persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership) or (B) prior to giving effect to such purported Transfer held at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any Person who at the time is an owner of at least 4.75% of Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio unless (x) either the transferor or the transferee receives the prior unanimous written consent of the Reorganized SEBC Board to such Transfer on twenty (20) days' prior written notice or (y) such Transfer is by certain Institutional Shareholders to a Person whose percentage ownership of Reorganized SEBC Common Stock (including Indirect Ownership) after such Transfer solely reflects securities acquired from such Institutional Shareholders.

From and after the Effective Date until the SEBC Holdings Restriction Release Date, any attempted Transfer of any Common Units (i) to any Person (including a group of Persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), or (B) prior to giving effect to such purported Transfer held at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any Person who at the time is an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio. These restrictions will not apply to the Depository Trust Company as holder of any global units. In addition, Securities Restrictions on resale under the securities laws as described above in Section VI.G.10(f) will apply.

Securities Restrictions will also apply to SEBC Holdings Senior Preferred Units and SEBC Holdings Junior Preferred Units. In addition, a holder of record of SEBC Holdings Senior Preferred Units may not sell or otherwise transfer any of such units held of record by such holder unless such sale or transfer is to a single holder of record and includes all SEBC Holdings Senior Preferred Units held of record by such holder immediately prior to any such sale or transfer.

The Reorganized SEBC Charter, in order to ensure Reorganized SEBC's exemption from registration under the 1940 Act, will contain provisions which prohibit the transfer of Reorganized SEBC Series K Junior Preferred Stock to any Person who is not a QIB (as defined in Rule 144A under the Securities Act) or an institutional accredited investor (as defined in paragraphs 1, 2, 3 and 7 of Rule 501(a) of Regulation D under the Securities Act. In addition, a "holder of record" (as defined for purposes of Sections 12(g) and 15(d) of the Exchange Act) of shares of Reorganized SEBC Series K Junior Preferred Stock may not sell or otherwise transfer any of such shares "held of record" (as defined for purposes of Sections 12(g) and 15(d) of the Exchange Act) by such holder unless such sale or transfer is to a single holder of record and includes all shares of Reorganized SEBC Series K Junior Preferred Stock held of record by such holder immediately prior to any such sale or transfer. In addition, Securities Restrictions on resale of the Reorganized SEBC Series K Junior Preferred Stock will apply.

Moreover, Persons who are deemed to be statutory underwriters for purposes of Section 1145 of the Bankruptcy Code and who receive Reorganized SEBC Securities or SEBC Holdings Securities under the Plan would not be permitted to sell such Reorganized SEBC Securities or SEBC Holdings Securities unless such securities were registered under the Securities Act, or an exemption from such registration requirements is available. See Article VIII, Section B.

3. Potential Dilution

Although it is currently not anticipated that either Reorganized SEBC or SEBC Holdings will issue additional equity securities after the Plan becomes effective, there can be no assurance that either will not need to raise additional capital through the issuance of equity securities in the future. Any such issuances could materially and adversely affect the market value of Reorganized SEBC and SEBC Holdings Securities and could be at prices that would be dilutive to existing holders.

4. Dividends

The ability of Reorganized SEBC to pay Cash dividends with respect to the Reorganized SEBC Preferred Stock will be dependent upon the income generated by Reorganized SEBC from its assets, which will be limited to the Investment Vehicle Initial Investments, other investments permitted by the Reorganized SEBC Charter, and the Real Estate LLC Debt. There can be no assurance that the income generated from the assets of Reorganized SEBC will be sufficient to cover the ongoing operating expenses of Reorganized SEBC and to provide for all required dividends. Moreover, if Reorganized SEBC fails to pay required dividends, then the holders of Reorganized SEBC Senior Preferred Stock and Series J Junior Preferred Stock and Series K Junior Preferred Stock (voting as a single class with the Series J Junior Preferred Stock) will be entitled to certain rights, including the right to elect a majority of the Reorganized SEBC Board. In addition, under such circumstances, Reorganized SEBC could be required to redeem the Reorganized SEBC Preferred Stock. The ability of Reorganized SEBC to pay the full redemption prices of the Reorganized SEBC Preferred Stock will be dependent upon the value of its assets at the time of redemption. There can be no assurance that these assets, if liquidated, would provide sufficient funds to pay such redemption prices in full.

Scheduled distributions on the SEBC Holdings Preferred Units will be payable in Cash or by accumulation. As a practical matter, the ability of SEBC Holdings to pay such distributions in Cash will be primarily dependent upon dividends from Reorganized SEBC and income generated by SEBC Holdings from the real estate assets to be transferred under the Plan to Real Estate LLC, which will be controlled by SEBC Holdings, subject, however to the Real Estate LLC Debt. Such real estate assets consist solely of undeveloped land which currently produces no income and, in fact, will impose significant carrying costs upon Real Estate LLC and SEBC Holdings, including, without limitation, servicing of the Real Estate LLC Debt issued to Reorganized SEBC, real estate taxes and development costs. Accordingly, there can be no assurance that SEBC Holdings will be in a position to pay any such distributions in Cash unless and until such real estate development business to be engaged in by Real Estate LLC generates sufficient income or sales. The real estate development business of Real Estate LLC will encompass the management, development, and possible disposition of two properties in Jacksonville, Florida and is subject to numerous risks, including, but not limited to: (a) an inability to obtain required governmental permits and authorizations to allow a purchaser to develop the property, particularly those relating to environmental and land use regulations; (b) increases in real estate property taxes and/or insurance premiums; (c) the occurrence of hurricanes and other natural disasters in Florida; (d) the availability to a prospective purchaser of real estate financing on favorable terms or at all; (e) demand for real estate in the Jacksonville area and the impact of competing real estate developments; (f) the condition of both the national and Jacksonville economies; and (g) compliance with building codes and other local regulations. The Trustee does not anticipate that distributions will be paid with respect to the SEBC Holdings Common Units until liquidation. See Sections VI.G.6(c), VII.E.5, VII.F.

5. Operations of SEBC Holdings

The operations of SEBC Holdings will consist predominantly of the real estate development business of Real Estate LLC, which will be controlled by SEBC Holdings. The real estate development business of Real Estate LLC will encompass the management, development, and possible disposition of two properties in Jacksonville, Florida which will be transferred under the Plan to Real Estate LLC. The real estate development business of Real Estate LLC is subject to particular development risks, including, but not limited to, the following:

The undeveloped properties are subject to federal, state and local environmental regulations and restrictions that may impose significant limitations on the development of the undeveloped properties to develop such properties. Such regulations and restrictions could materially and adversely affect the demand for and value of Real Estate LLC's undeveloped real estate. In most cases, approval to develop requires multiple permits which involve a long, uncertain and costly regulatory process. The undeveloped properties contain jurisdictional wetlands, some of which may be unsuitable for development or prohibited from development by law. Development approval most often requires mitigation for impacts to wetlands that require land to be conserved at a disproportionate ratio versus the actual wetlands impacted and approved for development. The undeveloped properties are located in areas where development may have to avoid, minimize or mitigate for impacts to the natural habitats of various protected wildlife or plant species. The undeveloped properties are in coastal areas that usually have a more restrictive permitting burden and must address issues such as coastal high hazard, hurricane evacuation, floodplains and dune protection.

Approval to develop real property in Florida entails an extensive entitlements process involving multiple and overlapping regulatory jurisdictions and often requiring discretionary action by local government. This process is often political, uncertain and may require significant exactions in order to secure approvals. Real estate projects in Florida must generally comply with the provisions of the Local Government Comprehensive Planning and Land Development Regulation Act (the "Growth Management Act") and local land development regulations. In addition, development projects that exceed certain specified regulatory thresholds require approval of a comprehensive Development of Regional Impact (the "DRI"), application. Compliance with the Growth Management Act, local land development regulations and the DRI process is usually lengthy and costly and can be expected to materially affect the real estate development activities of Real Estate LLC. Although the Trustee has engaged in a significant and orderly sequence of steps to resolve zoning, planning, access and wetlands issues for the undeveloped properties, these issues have not been finally resolved and the steps taken towards resolution may not meet the needs of all potential purchasers. See Section V.A.3(a).

Property insurance companies doing business in Florida have reacted to recent hurricanes by significantly increasing premiums, requiring higher deductibles, reducing limits, restricting coverages, imposing exclusions, refusing to insure certain property owners, and in some instances, ceasing insurance operations in the state. These actions have been most dramatically applied to coastal communities. The undeveloped properties are located in such coastal communities. This trend of rising insurance rates could continue if there are severe hurricanes in the future. Current high insurance costs and future increases in such costs could materially and adversely affect the demand for and value of Real Estate LLC's undeveloped real estate.

Because of its location between the Gulf of Mexico and the Atlantic Ocean, Florida is particularly susceptible to the occurrence of hurricanes. Importantly, regardless of actual impact of these storms on Real Estate LLC's undeveloped properties, the occurrence of hurricanes in Florida and the southeastern United States could negatively impact demand for the undeveloped properties because of consumer perceptions of hurricane risks. For example, the southeastern United States experienced a record-setting hurricane season in 2005. In particular, Hurricane Katrina, which struck New Orleans and the Mississippi Gulf Coast, caused severe devastation to those areas and received prolonged national media attention. Another severe hurricane or hurricane season in the future could have a similar negative effect on real estate in the southeastern United States.

Changing market conditions may adversely affect companies in the real estate industry which rely upon credit in order to finance their purchases of land, which could materially and adversely affect the demand for and value of Real Estate LLC's undeveloped real estate. Changes in interest rates and other economic factors can dramatically affect the availability of capital for potential purchasers of the undeveloped properties. Residential and commercial developers who may seek to acquire the undeveloped properties typically rely upon third party financing to provide the capital necessary for their acquisition of land. Changes in economic and other external market conditions may result in a developer's inability to obtain suitable financing, which could adversely impact Real Estate LLC's ability to

sell the undeveloped properties, or force Real Estate LLC to sell the undeveloped properties at lower prices.

The undeveloped properties are both located in Jacksonville, Florida. As a result, economic, real estate, and other general conditions in Florida will significantly affect the value of Real Estate LLC's properties. Business layoffs or downsizing, industry slowdowns, changing demographics and other similar factors may adversely affect the economic climate in Florida. Any resulting oversupply or reduced demand for real estate properties in Florida could adversely affect the demand for and value of the properties owned by Real Estate LLC.

6. Change of Control

The transfer restrictions upon the Reorganized SEBC Securities and the SEBC Holdings Securities described elsewhere herein will effectively prevent a change of control of either entity.

7. Early Redemption of Reorganized SEBC Securities

The Reorganized SEBC Charter permits the majority holders of Reorganized SEBC Series B Senior Preferred Stock or Series J Junior Preferred Stock to require Reorganized SEBC to liquidate Reorganized SEBC or to redeem all outstanding shares of Reorganized SEBC Preferred Stock if MLE is unable to sell at least $250 million face amount of Reorganized SEBC Senior Preferred Stock prior to the first anniversary of the Closing Date. In addition, on or after the first anniversary of the date of acquisition by any holder of any Reorganized SEBC Series A Senior Preferred Stock from MLE and for so long as any shares of Reorganized SEBC Series A Senior Preferred Stock are outstanding, such holder or any of its transferees (other than MLE or any of its Affiliates) will have the right to cause Reorganized SEBC to liquidate or to redeem all of the Reorganized SEBC Series A Senior Preferred Stock owned by such holder in lieu of liquidation. Upon any such liquidation or redemption, the holders of the Reorganized SEBC Series K Junior Preferred Stock would be entitled to be paid a liquidation preference or redemption price equal to the face amount of their shares plus any unpaid dividends accrued to the date of liquidation or redemption. There can be no assurance that holders would be able to reinvest the proceeds of any such liquidation or redemption in other investments providing an equal or better return than the Reorganized SEBC Series K Junior Preferred Stock. Moreover, there can be no assurance that the assets of Reorganized SEBC will be adequate to pay the full liquidation preferences or redemption prices on all Reorganized SEBC Securities.

8. Limited Voting Rights

The holders of Reorganized SEBC Series K Junior Preferred Stock will have limited voting rights. Generally, such holders will not be entitled to vote in the election of directors of Reorganized SEBC. In addition, they will ordinarily be entitled to vote on only certain limited matters, such as the creation, authorization or issuance of additional equity securities ranking senior to or on parity with their respective series of Reorganized SEBC Preferred Stock or the adoption of an amendment to the Reorganized SEBC Charter that adversely affects the Reorganized SEBC Preferred Stock. See Section VI.G.6(a).

9. SEBC Holdings Partnership Agreement

(a) General Risks

(i) Unit holders may not have limited liability in specified circumstances and may be liable for the return of distributions.

The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some states. If it were determined that SEBC Holdings had been conducting business in any state without compliance with the applicable limited partnership statute, or that the right, or the exercise of the right by the limited partners as a group, to:

- remove or replace the SEBC Holdings' General Partner;

- make specified amendments to SEBC Holdings' partnership agreements; or

- take other action pursuant to SEBC Holdings' partnership agreements that constitutes participation in the "control" of SEBC Holdings' business,

then the limited partners could be held liable in some circumstances for SEBC Holdings' obligations to the same extent as a general partner.

In addition, under some circumstances a unit holder may be liable to SEBC Holdings for the amount of a distribution for a period of three years from the date of the distribution. Unit holders will not be liable for assessments in addition to their initial capital investment in SEBC Holdings Securities. Under Delaware law, SEBC Holdings may not make a distribution to SEBC Holdings' unit holders if the distribution causes all SEBC Holdings' liabilities to exceed the fair value of SEBC Holdings' assets. Liabilities to partners on account of their partnership interests and liabilities for which recourse is limited to specific property are not counted for purposes of determining whether a distribution is permitted. Delaware law provides that a limited partner who receives such a distribution and knew at the time of the distribution that the distribution violated the Delaware law will be liable to the limited partnership for the distribution amount for three years from the distribution date. Under Delaware law, an assignee that becomes a substituted limited partner of a limited partnership is liable for the obligations of the assignor to make contributions to SEBC Holdings. However, such an assignee is not obligated for liabilities unknown to that assignee at the time such assignee became a limited partner if the liabilities could not be determined from the SEBC Holdings Partnership Agreements.

(ii) SEBC Holdings General Partner's liability to SEBC Holdings' unit holders may be limited.

The SEBC Holdings Partnership Agreement contains language limiting the liability of the SEBC Holdings' General Partner to SEBC Holdings Securities. For example, the SEBC Holdings Partnership Agreement provides that:

- The SEBC Holdings' General Partner does not breach any duty to SEBC Holdings' unit holders by taking any actions consistent with the standards of reasonable discretion outlined in the definitions of available Cash and Cash from operations contained in the SEBC Holdings Partnership Agreement; and

- The SEBC Holdings' General Partner does not breach any standard of care or duty by resolving conflicts of interest unless the SEBC Holdings General Partner acts in bad faith.

The modifications of state law standards of fiduciary duty contained in the SEBC Holdings Partnership Agreement may significantly limit the ability of unit holders to successfully challenge the actions of the SEBC Holdings General Partner as being a breach of what would otherwise have been a fiduciary duty. These standards include the highest duties of good faith, fairness and loyalty to the limited partners. Such a duty of loyalty would generally prohibit a general partner of a Delaware limited partnership from taking any action or engaging in any transaction for which it has a conflict of interest. Under the SEBC Holdings Partnership Agreement, the SEBC Holdings' General Partner may exercise its broad discretion and authority in SEBC Holdings' management and the conduct of SEBC Holdings' operations as long as the SEBC Holdings' General Partner's actions are in SEBC Holdings' best interest.

(iii) The SEBC Holdings General Partner has broad discretion to determine the amount of "available Cash" for distribution to holders of SEBC Holdings Securities through the establishment and maintenance of Cash reserves, thereby potentially lessening and limiting the amount of "available Cash" eligible for distribution.

The SEBC Holdings General Partner determines the timing and amount of SEBC Holdings' distributions and has broad discretion in determining the amount of funds that will be recognized as "available Cash." Part of this discretion comes from the ability of the SEBC Holdings General Partner to establish and make additions to SEBC Holdings' reserves. Decisions as to amounts to be placed in or released from reserves have a direct impact on the amount of available Cash for distributions because increases and decreases in reserves are taken into account in computing available Cash. Funds within or added to SEBC Holdings' reserves are not considered to be "available Cash" and are therefore not required to be distributed. Each fiscal quarter, the SEBC Holdings General Partner may, in its reasonable discretion, determine the amounts to be placed in or released from reserves, subject to restrictions on the purposes of the reserves. Reserves may be made, increased or decreased for any proper purpose, including, but not limited to, reserves:

- to provide for the proper conduct of business of SEBC Holdings' business and that of SEBC Holdings' subsidiaries;

- to comply with the terms of any of SEBC Holdings' agreements or obligations; and

- to provide for distributions of Cash over the succeeding four quarter periods.

The decision by the SEBC Holdings General Partner to establish, increase or decrease SEBC Holdings' reserves may limit the amount of Cash available for distribution to holders of SEBC Holdings Securities. Holders of SEBC Holdings Securities will not receive payments required by such securities unless SEBC Holdings is able to first satisfy SEBC Holdings' own obligations and the establishment of any reserves.

(iv) Unit holders have limits on their voting rights; the SEBC Holdings General Partner manages and operates SEBC Holdings, thereby generally precluding the participation of SEBC Holdings' unit holders in operational decisions.

The SEBC Holdings General Partner manages and operates SEBC Holdings. Unlike the holders of common stock in a corporation, unit holders have only limited voting rights on matters affecting SEBC Holdings' business. Amendments to the SEBC Holdings Partnership Agreement may be proposed only by or with the consent of the SEBC Holdings General Partner. Proposed amendments must generally be approved by holders of at least a majority of outstanding SEBC Holdings Common Units.

Unit holders will have no right to elect the SEBC Holdings General Partner on an annual or other continuing basis, and SEBC Holdings General Partner may not be removed except by a majority interest of specified holders of SEBC Holdings Securities.

(v) Ownership of the SEBC Holdings General Partner may be transferred which could cause a change of SEBC Holdings' management and affect the decisions made by the SEBC Holdings General Partner regarding resolutions of conflicts of interest.

The owner of the SEBC Holdings General Partner may, in some circumstances, transfer the equity of the SEBC Holdings General Partner without the consent of the holders of SEBC Holdings Securities. In such an instance, the SEBC Holdings General Partner will remain bound by the SEBC

Holdings' Partnership Agreement. If, however, through equity ownership or otherwise, Persons not now affiliated with the SEBC Holdings General Partner were to acquire the SEBC Holdings General Partner or effective control of the SEBC Holdings General Partner, SEBC Holdings' management and resolutions of conflicts of interest, such as those described above, could change substantially.

(b) Tax Risks

(i) The IRS could treat SEBC Holdings as a corporation for tax purposes, which would substantially reduce the Cash available for distribution to SEBC Holdings' unit holders.

The anticipated after-tax economic benefit of an investment in SEBC Holdings depends largely on SEBC Holdings' being treated as a partnership for federal income tax purposes. SEBC Holdings believes that, under current law, SEBC Holdings will be classified as a partnership for federal income tax purposes. One of the requirements for such classification is that at least 90% of SEBC Holdings' gross income for each taxable year will be "qualifying income" within the meaning of Section 7704 of the Internal Revenue Code. Whether SEBC Holdings will continue to be classified as a partnership in part depends on SEBC Holdings' ability to meet this qualifying income test in the future.

If SEBC Holdings were classified as a corporation for federal income tax purposes, SEBC Holdings would pay tax on SEBC Holdings' income at corporate rates and SEBC Holdings would probably pay additional state income taxes as well. In addition, distributions would generally be taxable to the recipient as corporate distributions and no income, gains, losses or deductions would flow through to SEBC Holdings' unit holders. Because a tax would be imposed upon SEBC Holdings as a corporation, the Cash available for distribution to SEBC Holdings' unit holders would be substantially reduced. Therefore, treatment of SEBC Holdings as a corporation would result in a material reduction in the anticipated Cash flow and after-tax return to SEBC Holdings' unit holders and thus would likely result in a substantial reduction in the value of SEBC Holdings Common Units.

A change in current law or a change in SEBC Holdings' business could cause SEBC Holdings to be treated as a corporation for federal income tax purposes or otherwise subject SEBC Holdings to entity-level taxation.

(ii) A successful IRS contest of the federal income tax positions SEBC Holdings takes may reduce the market value of SEBC Holdings Common Units and the costs of any contest will be borne by SEBC Holdings and therefore indirectly by SEBC Holdings' unit holders and the SEBC Holdings General Partner.

SEBC Holdings has not requested any ruling from the IRS with respect to:

- SEBC Holdings' classification as a partnership for federal income tax purposes; or

- whether SEBC Holdings' operations generate "qualifying income" under Section 7704 of the Internal Revenue Code.

The IRS may adopt positions that differ from those expressed herein or from the positions SEBC Holdings takes. It may be necessary to resort to administrative or court proceedings in an effort to sustain some or all of the positions SEBC Holdings takes, and some or all of these positions ultimately may not be sustained. Any contest with the IRS may materially reduce the market value of SEBC Holdings Common Units and the prices at which SEBC Holdings Common Units trade. In addition, SEBC Holdings' cost of any contest with the IRS will be borne by SEBC Holdings and therefore indirectly by SEBC Holdings' unit holders and the SEBC Holdings General Partner.

(iii) Unit holders may be required to pay taxes on income from SEBC Holdings even if unit holders do not receive any Cash distributions from SEBC Holdings.

A unit holder will be required to pay federal income taxes and, in some cases, state and local income taxes on its share of SEBC Holdings' taxable income, even if it does not receive Cash distributions from SEBC Holdings. A unit holder may not receive Cash distributions equal to its share of SEBC Holdings' taxable income or even the tax liability that results from that income. Further, a unit holder may incur a tax liability in excess of the amount of Cash it receives upon the sale of its units.

(iv) There are limits on the deductibility of losses

In the case of unit holders subject to the passive loss rules (generally, individuals, closely held corporations and regulated investment companies), any losses generated by SEBC Holdings will only be available to offset SEBC Holdings' future income and cannot be used to offset income from other activities, including passive activities or investments. Unused losses may be deducted when the unit holder disposes of its entire investment in SEBC Holdings in a fully taxable transaction with an unrelated party. A unit holder's share of SEBC Holdings' net passive income may be offset by unused losses carried over from prior years, but not by losses from other passive activities, including losses from other publicly-traded partnerships.

(v) Tax gain or loss on the disposition of SEBC Holdings Common Units could be different than expected.

If a unit holder sells its SEBC Holdings Common Units, the unit holder will recognize a gain or loss equal to the difference between the amount realized and its tax basis in those SEBC Holdings Common Units. Prior distributions in excess of the total net taxable income the unit holder was allocated for a SEBC Holdings Common Unit, which decreased its tax basis in that SEBC Holdings Common Unit, will, in effect, become taxable income to the unit holder if the SEBC Holdings Common Unit is sold at a price greater than its tax basis in that SEBC Holdings Common Unit, even if the price received is less than its original cost. A substantial portion of the amount realized, whether or not representing a gain, may be ordinary income to that unit holder. Should the IRS successfully contest some positions SEBC Holdings takes, a selling unit holder could recognize more gain on the sale of units than would be the case under those positions, without the benefit of decreased income in prior years. In addition, if a unit holder sells its units, the unit holder may incur a tax liability in excess of the amount of Cash that unit holder receives from the sale.

(vi) Tax-exempt entities, regulated investment companies, and foreign Persons face unique tax issues from owning common equity units that may result in additional tax liability or reporting requirements for them.

An investment in SEBC Holdings Common Units by tax-exempt entities, such as employee benefit plans, individual retirement accounts, regulated investment companies, generally known as mutual funds, and non-U.S. Persons, raises issues unique to them. For example, virtually all of SEBC Holdings' income allocated to organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, will be unrelated business taxable income and thus will be taxable to them. Net income from a "qualified publicly-traded partnership" is qualifying income for a regulated investment company, or mutual fund. However, no more than 25% of the value of a regulated investment company's total assets may be invested in the securities of one or more qualified publicly-traded partnerships. SEBC Holdings expects to be treated as a qualified publicly-traded partnership. Distributions to non-U.S. Persons will be reduced by withholding taxes, at the highest effective tax rate applicable to individuals, and non-U.S. Persons will be required to file federal income tax returns and generally pay tax on their share of SEBC Holdings' taxable income.

(vii) Certain information relating to a unit holder's investment may be subject to special IRS reporting requirements.

Treasury regulations require taxpayers to report particular information on Form 8886 if they participate in a "reportable transaction." Unit holders may be required to file this form with the IRS. A transaction may be a reportable transaction based upon any of several factors. The IRS may impose significant penalties on a unit holder for failure to comply with these disclosure requirements. Disclosure and information maintenance obligations are also imposed on "material advisors" that organize, manage or sell interests in reportable transactions, which may require SEBC Holdings or SEBC Holdings' material advisors to maintain and disclose to the IRS certain information relating to unit holders.

(viii) Reporting of partnership tax information is complicated and subject to audits; SEBC Holdings cannot guarantee conformity to IRS requirements.

SEBC Holdings will furnish each unit holder with a Schedule K-1 that sets forth that unit holder's allocable share of income, gains, losses and deductions. In preparing these schedules, SEBC Holdings will use various accounting and reporting conventions and adopt various depreciation and amortization methods. SEBC Holdings cannot guarantee that these schedules will yield a result that conforms to statutory or regulatory requirements or to administrative pronouncements of the IRS. If any of the information on these schedules is successfully challenged by the IRS, the character and amount of items of income, gain, loss or deduction previously reported by unit holders might change, and unit holders might be required to adjust their tax liability for prior years and incur interest and penalties with respect to those adjustments.

(ix) Unit holders may lose tax benefits as a result of nonconforming depreciation conventions.

Because SEBC Holdings cannot match transferors and transferees of SEBC Holdings Securities, uniformity of the economic and tax characteristics of SEBC Holdings Securities to a purchaser of SEBC Holdings Securities of the same class must be maintained. To maintain uniformity and for other reasons, SEBC Holdings will take depreciation and amortization positions that may not conform to all aspects of the Treasury Regulations. A successful IRS challenge to those positions could reduce the amount of tax benefits available to SEBC Holdings' unit holders. A successful challenge could also affect the timing of these tax benefits or the amount of gain from the sale of SEBC Holdings Securities and could have a negative impact on the value of SEBC Holdings Securities or result in audit adjustments to a unit holder's tax returns.

(x) States may subject partnerships to entity-level taxation in the future, thereby decreasing the amount of Cash available to SEBC Holdings for distributions and potentially causing a decrease in SEBC Holdings' distribution levels, including a decrease in the minimum quarterly distribution.

Several states have enacted or are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise or other forms of taxation. If additional states were to impose a tax upon SEBC Holdings as an entity, the Cash available for distribution to unit holders would be reduced.

10. Investment Company

If either Reorganized SEBC or SEBC Holdings is deemed an investment company and either company were then required to register under the 1940 Act, it would be subject to restrictions under that Act that could make it impracticable for Reorganized SEBC or SEBC Holdings either to enter into or continue its business as contemplated. The impact of these regulatory restrictions of the 1940 Act could

have a material adverse impact on the return on and value of the Reorganized SEBC Securities and the SEBC Holdings Securities, or could require the redemption of such securities prior to their intended maturity. The Trustee does not believe that Reorganized SEBC will be required to register as an "investment company" under the 1940 Act because the nature of its assets, operations and ownership would not cause it to fall within the definition of an investment company under the 1940 Act, or would allow it to remain exempt from registration pursuant to an exemptive rule adopted by the SEC, and SEBC Holdings will not fall within the definition of an investment company under the 1940 Act due to the nature of its assets and operations. It is anticipated that Reorganized SEBC and SEBC Holdings will conduct their operations so that each will not be deemed an investment company. However, if either entity were to be deemed an investment company, it could seek exemptive relief from the SEC to remove or limit the impact of such provisions, although there is no assurance that such relief, if sought, would be available. If restrictions were imposed by the 1940 Act, the restrictions could include limitations on the capital structure and the ability of each to transact with Affiliates. These restrictions could make it impractical for Reorganized SEBC or SEBC Holdings to continue its business as contemplated.

F. Operational Risk Factors

Reorganized SEBC will face a number of risks with respect to its continuing business operations upon emergence from Chapter 11, including but not limited to the following: the ability of the Jacksonville Property Subsidiaries to realize value from their real estate holdings, either through sale, lease or other disposition, or through development and continued ownership; changes in federal, state or local laws or regulations, particularly those affecting real estate development, including zoning, environmental impact and land use; general economic conditions affecting both the national and the Jacksonville real estate market and real estate values; lack of inflation in construction costs; changes in the capital markets affecting the availability and cost of real estate and construction financing; and demographic trends in the Jacksonville area and the demand for real estate and housing. Because the Jacksonville Property is located in Florida, there are a number of risks related to possible hurricane and windstorm activity in the region. Windstorm activity affecting Florida and the southeastern United States could negatively affect demand for the Jacksonville Property, as well as cause increases in the cost of construction and windstorm insurance, and there can be no assurance that the impact of hurricanes and windstorms will not have a material adverse effect on the ability of Real Estate LLC to realize anticipated values from the real estate.

Reorganized SEBC is also exposed to the risks associated largely with the performance of the Investment Vehicle and interest rates including the prevailing market interest rates at the time of or leading up to the Effective Date. It is expected and assumed that the Investment Vehicle Senior Securities are properly priced with expected loss estimates reasonably predicted using ratings agency expected loss tables. It is acknowledged that these tables have not been good predictors in the recent circumstances of substantial negative shifts in economic and financial market circumstances but given that Reorganized SEBC will be investing during a period when such exigencies are well known the gauging of actual risk will be more realistic. Secondly, by virtue of the liquidation and redemption rights applicable to the Reorganized SEBC Series J Junior Preferred Stock, MLE takes substantial first loss of 99% of any unexpected loss on Reorganized SEBC's investments up to the entire $611 million face amount of Reorganized SEBC Series J Junior Preferred Stock. This should accommodate unexpected loss experience at many times the statistically projected expected loss such that even if loss experience was five times expected loss, the effect on holders of other series of Reorganized SEBC Preferred Stock and Reorganized SEBC Common Stock would be mitigated. The most significant variable to value is prevailing interest rates on the Effective Date. It is expected that Reorganized SEBC will invest on a fixed rate basis, or use the interest swaps to achieve the same for any floating rate assets acquired; however, between now and the Effective Date, market interest rates including both the level of swap rates and the pricing of credit spreads will fluctuate and the revenues of Reorganized SEBC will move directly with such changes. The implementation of the recapitalization will respond directly to such movements and the parties will in good faith determine the corresponding adjustments to both the Projections and the dividend rates on each class of securities, and the face value of the Reorganized SEBC Series K Junior Preferred Stock and SEBC Holdings Senior Preferred Units issued to creditors.

Reorganized SEBC is also subject to the risk of legislative and regulatory change including but not limited to securities laws, taxation laws, corporations laws and accounting rules which could affect the nature and profitability of operations.

G. Environmental and Other Regulations

The Trustee is not aware of any material environmental condition at the Jacksonville Property. It is possible, however, that environmental investigations of the Jacksonville Property might not have revealed all potential environmental liabilities or might have underestimated certain potential environmental issues. It is also possible that future environmental laws and regulations, or new interpretations of existing environmental laws, will impose material environmental liabilities on the Jacksonville Property Subsidiaries, Real Estate LLC, SEBC Holdings, or Reorganized SEBC, or that current environmental conditions of the Jacksonville Property will be adversely affected by hazardous substances associated with other nearby properties or the actions of unrelated third parties. The costs to defend any future environmental claims, perform any future environmental remediation, satisfy any environmental liabilities, or respond to changed environmental conditions could have a material adverse effect on the financial condition and operating results of the Jacksonville Property Subsidiaries, Real Estate LLC, SEBC Holdings, or Reorganized SEBC.

H. Litigation

Jacksonville Property Subsidiaries, Real Estate LLC, SEBC Holdings, or Reorganized SEBC may be subject to various claims and legal actions arising in the ordinary course of their businesses. The Trustee is not able to predict the nature and extent of any such claims and actions and cannot guarantee that the ultimate resolution of such claims and actions will not have a material adverse effect on Jacksonville Property Subsidiaries, Real Estate LLC, SEBC Holdings, or Reorganized SEBC.

I. Adverse Publicity

Adverse publicity or news coverage relating to Reorganized SEBC, including but not limited to publicity or news coverage in connection with the Bankruptcy Case, may negatively impact Reorganized SEBC's efforts to establish and promote name recognition and a positive image after the Effective Date.

J. Certain Tax Considerations

There are a number of income tax considerations, risks, and uncertainties associated with consummation of the Plan. Interested parties should read carefully the discussions set forth in Section IX of this Disclosure Statement regarding certain U.S. federal income tax consequences of the transactions proposed by the Plan to the Debtor and Reorganized SEBC and to certain Holders of Claims and Interests who are entitled to vote to accept or reject the Plan.

VIII. APPLICABILITY OF FEDERAL AND OTHER SECURITIES LAWS

The Trustee believes that, subject to certain exceptions described below, various provisions of the Securities Act, the Bankruptcy Code, and state securities laws exempt from federal and state securities registration requirements (a) the offer and the sale of the Reorganized SEBC Preferred Stock and SEBC Holdings Securities pursuant to the Plan and (b) subsequent transfers of certain of such securities.

A. Offer and Sale of New Securities; Bankruptcy Code Exemption

Under the Plan, Holders of Allowed Claims and Interests will receive SEBC Holdings Securities, and certain Holders of Allowed Claims will receive Reorganized SEBC Series K Junior Preferred Stock. Investor will receive shares of Reorganized SEBC Class B and C Common Stock, Reorganized SEBC Senior Preferred Stock, and Reorganized SEBC Series J Junior Preferred Stock. Section 1145(a)(1) of

the Bankruptcy Code exempts the offer or sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state laws if three principal requirements are satisfied: (1) the securities must be issued "under a plan" of reorganization by the debtor or its successor under a plan or by an affiliate participating in a joint plan of reorganization with the debtor; (2) the recipients of the securities must hold a pre-petition or administrative expense claim against the debtor or an interest in the debtor; and (3) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or "principally" in such exchange and "partly" for Cash or property. In reliance upon this exemption, the Trustee believes that the offer and sale of the Reorganized SEBC Series K Junior Preferred Stock and the SEBC Holdings Securities under the Plan will be exempt from registration under the Securities Act and state securities laws.

In addition, the Trustee will seek to obtain, as part of the Confirmation Order, a provision confirming such exemption. Accordingly, such securities may be resold without registration under the Securities Act or other federal securities laws pursuant to an exemption provided by Section 4(1) of the Securities Act, unless the holder is an "underwriter" (see discussion below) with respect to such securities, as that term is defined under the Bankruptcy Code. In addition, such securities generally may be resold without registration under state securities or "blue sky" laws pursuant to various exemptions provided by the respective laws of the several states. However, recipients of securities issued under the Plan are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirement or conditions to such availability.

B. Subsequent Transfer of New Securities

Section 1145(b) of the Bankruptcy Code defines the term "underwriter" for purposes of the Securities Act as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer," (1) purchases a claim against, interest in, or claim for an administrative expense in the case concerning the debtor, if such purchase is with a view to distributing any security received in exchange for such a claim or interest; (2) offers to sell securities offered or sold under a plan for the holders of such securities; (3) offers to buy securities offered or sold under the plan from the holders of such securities, if the offer to buy is: (a) with a view to distribution of such securities and (b) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (4) is an "issuer" with respect to the securities, as the term "issuer" is defined in Section 2(11) of the Securities Act.

The term "issuer" is defined in Section 2(4) of the Securities Act; however, the reference contained in Section 1145(b)(1)(D) of the Bankruptcy Code to Section 2(11) of the Securities Act purports to include as statutory underwriters all Persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. "Control" (as such term is defined in Rule 405 of Regulation C under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor (or its successor) under a plan of reorganization may be deemed to be a "control person," particularly if such management position is coupled with the ownership of a significant percentage of the debtor's (or successor's) voting securities. Mere ownership of securities of a reorganized debtor could result in a Person being considered to be a "control person."

To the extent that Persons deemed to be "underwriters" receive Reorganized SEBC Securities or SEBC Holdings Securities under the Plan, resales by such Persons would not be exempted by Section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Such Persons would not be permitted to resell such Reorganized SEBC Securities or SEBC Holdings Securities unless such securities were registered under the Securities Act or an exemption from such registration requirements were available. Entities deemed to be statutory underwriters for purposes of Section 1145 of the Bankruptcy Code may, however, be able, at a future time and under certain conditions, to sell securities without registration pursuant to the resale provisions of Rule 144 under the Securities Act.

Pursuant to the Plan, certificates evidencing Reorganized SEBC Series K Junior Preferred Stock and SEBC Holdings Securities will bear a legend regarding restrictions on transfer arising under the Securities Act.

Whether or not any particular Person would be deemed to be an "underwriter" with respect to the Reorganized SEBC Securities or SEBC Holdings Securities to be issued pursuant to the Plan, or an "affiliate" of Reorganized SEBC or SEBC Holdings, would depend upon various facts and circumstances applicable to that Person. Accordingly, the Trustee expresses no view as to whether any such Person would be such an "underwriter" or "affiliate." PERSONS WHO RECEIVE REORGANIZED SEBC SERIES K JUNIOR PREFERRED STOCK OR SEBC HOLDINGS SECURITIES UNDER THE PLAN ARE URGED TO CONSULT THEIR OWN LEGAL ADVISOR WITH RESPECT TO THE RESTRICTIONS APPLICABLE UNDER RULE 144 AND THE CIRCUMSTANCES UNDER WHICH SECURITIES MAY BE SOLD IN RELIANCE UPON SUCH RULE.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS DISCLOSURE STATEMENT SOLELY FOR INFORMATIONAL PURPOSES. THE TRUSTEE MAKES NO REPRESENTATIONS CONCERNING, AND DOES NOT PROVIDE, ANY OPINIONS OR ADVICE WITH RESPECT TO THE NEW SECURITIES OR THE BANKRUPTCY MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT. IN LIGHT OF THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES LAWS, THE TRUSTEE ENCOURAGES EACH CREDITOR AND EQUITY HOLDER TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISORS WITH RESPECT TO ALL SUCH MATTERS. BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR HOLDER MAY BE AN UNDERWRITER, THE TRUSTEE MAKES NO REPRESENTATION CONCERNING THE ABILITY OF A PERSON TO DISPOSE OF THE NEW SECURITIES.

C. Possible Restrictions on Transfer of New Securities

The Reorganized SEBC Charter and the SEBC Holdings Partnership Agreement will contain restrictions on the transfer of the Reorganized SEBC Common Stock and SEBC Holdings Common Units. The following restrictions will apply, but generally only during the Restriction Period (as defined below):

From and after the date of filing of the Reorganized SEBC Charter and until the Restriction Release Date, any attempted Transfer of any Reorganized SEBC Common Stock (i) to any Person (including a group of Persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership) or (B) prior to giving effect to such purported Transfer held at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any Person who at the time is an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio unless (x) either the transferor or the transferee receives the prior unanimous written consent of the Reorganized SEBC Board to such Transfer on twenty (20) days' prior written notice or (y) such Transfer is by certain Institutional Shareholders to a Person whose percentage ownership of the Reorganized SEBC Common Stock (including Indirect Ownership) after such Transfer solely reflects securities acquired from such Institutional Shareholders.

From and after the Effective Date until the SEBC Holdings Restriction Release Date, any attempted Transfer of any SEBC Holdings Common Units (i) to any Person (including a group of Persons making a coordinated acquisition) who (A) after giving effect to such purported Transfer would become an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), or (B) prior to giving effect to such purported Transfer held at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership) and whose ownership percentage subsequent to such Transfer would increase, or (ii) by any Person who at the time is an owner of at least 4.75% of the Reorganized SEBC Common Stock (including Indirect Ownership), will be void ab initio. These restrictions will not apply to the Depository Trust Company as holder of any global units. In addition, a holder of record of

SEBC Holdings Senior Preferred Units may not sell or otherwise transfer any of such units held of record by such holder unless such sale or transfer is to a single holder of record and includes all SEBC Holdings Senior Preferred Units held of record by such holder immediately prior to any such Transfer.

The Reorganized SEBC Charter, in order to ensure Reorganized SEBC's exemption from registration under the 1940 Act, will contain provisions that prohibit the transfer of Reorganized SEBC Series K Junior Preferred Stock to any Person who is not a QIB or an Institutional Accredited Investor. In addition, a "holder of record" (as defined for purposes of Sections 12(g) and 15(d) of the Exchange Act) of shares of Reorganized SEBC Series K Junior Preferred Stock may not Transfer any of such shares "held of record" (as defined for purposes of Sections 12(g) and 15(d) of the Exchange Act) by such holder unless such Transfer is to a single holder of record and includes all shares of Reorganized SEBC Series K Junior Preferred Stock held of record by such holder immediately prior to any such Transfer.

In addition, Persons who are deemed to be statutory underwriters for purposes of Section 1145 of the Bankruptcy Code and who receive Reorganized SEBC Securities or SEBC Holdings Securities under the Plan will not be permitted to sell such Reorganized SEBC Securities or SEBC Holdings Securities unless such securities were registered under the Securities Act, or an exemption from such registration requirements is available. See Section VIII.B.

The period during which the transfer restrictions described above (the "Restriction Period") apply will commence on the Effective Date and will remain in effect until the Restriction Release Date or the SEBC Holdings Restriction Release Date, as applicable.

The Trustee believes there are very few, if any, equity holders who will, on the Effective Date, hold more than 4.75% of the outstanding SEBC Holdings Common Units and none will own any shares of Reorganized SEBC Common Stock. Accordingly, the Trustee determined that the imposition of these restrictions on transfer is in the best interests of Reorganized SEBC.

These restrictions will be included in the Reorganized SEBC Charter and SEBC Holdings Partnership Agreement. It is a condition precedent to the effectiveness of the Plan that the Reorganized SEBC Charter and SEBC Holdings Partnership Agreement be in form and substance reasonably acceptable to both the Trustee and Investor.

IX. CERTAIN U.S. FEDERAL TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain anticipated U.S. federal income tax consequences of the Plan to the Debtor and certain Holders of Claims and Interests that are entitled to vote to accept or reject the Plan. This summary is provided for information purposes only and is based on the Internal Revenue Code, Treasury regulations promulgated thereunder, judicial authorities, and current administrative rulings and practice, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect, that could adversely affect the U.S. federal income tax consequences described below.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to a particular Holder of a Claim or Interest in light of its particular facts and circumstances or to certain types of Holders of Claims subject to special treatment under the Internal Revenue Code (for example, non-U.S. Persons, financial institutions, broker-dealers, life insurance companies, tax-exempt organizations, real estate investment trusts, regulated investment companies, grantor trusts, Persons holding a Claim or Interest as part of a "hedging," "integrated," or "constructive" sale or straddle transaction, Persons holding claims through a partnership or other pass-through entity, Persons that have a "functional currency" other than the U.S. dollar, and Persons who have acquired an equity interest or a security in the Debtor in connection with the performance of services). In addition, this summary does not discuss any aspects of state, local, or non-U.S. taxation.

A substantial amount of time may elapse between the date of this Disclosure Statement and the receipt of a final Distribution under the Plan. Events occurring after the date of this Disclosure Statement, such as additional tax legislation, court decisions, or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. There can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view with respect to one or more of the issues discussed below. No ruling will be sought from the IRS with respect to any of the tax aspects of the Plan, and no opinion of counsel has been or will be obtained by the Debtor with respect thereto.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH HOLDER IS HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A HOLDER UNDER THE TAX CODE; (B) SUCH DISCUSSION IS INCLUDED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE TRUSTEE OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. U.S. Federal Income Tax Consequences to the Debtor

Under applicable federal income tax rules, if a "loss corporation," which includes a corporation like SEBC that has net operating loss ("NOL") carryovers, undergoes a change in control, the loss corporation is limited, following such ownership change, in the use of its own NOL carryovers. In making the determination as to whether a loss corporation has undergone a change in control, certain types of preferred stock are ignored. In the reorganization, the amount of new Debtor common stock to be issued to Investor is anticipated to be in an amount that is less than the 50% statutory threshold that would trigger a change in control. The Trustee believes that the issuance of the Reorganized SEBC Preferred Stock and the SEBC Holdings Senior Preferred Units and SEBC Holdings Junior Preferred Units should be ignored in determining whether a change in control has occurred. The transfer of the Old SEBC Common Stock Interests to SEBC Holdings should not have an effect on the change in control analysis because the existing common stock Holders will receive all of the SEBC Holdings Common Units in exchange for such contribution. Accordingly, it is not anticipated that the reorganization will cause the Debtor to become limited in its use of its NOL carryovers. No opinion of counsel or ruling from the IRS has been obtained on this issue, however, and it is possible that the IRS could take a contrary position.

The Debtor will cause the Jacksonville Property Subsidiaries (sometimes, the "real estate") to merge with and into limited liability companies. These mergers will be treated as liquidations of such subsidiaries. Following these mergers, the real estate held by the subsidiaries will be considered to be held by the Debtor directly. The discussion below reflects that the surviving limited liability companies are disregarded until the ownership interests in such companies are distributed to Holders of the common stock of the Debtor and to creditors.

The Debtor will realize income upon the distribution of the Real Estate LLC interests in an amount equal to the excess of the fair value of the real estate over the adjusted basis of the real estate in the hands of Debtor's subsidiaries currently holding such assets. This income arises from two related rules. First, when a debtor, here, the Debtor, transfers property with a value in excess of its tax basis in settlement of a claim, here the claims of the creditors, the debtor is treated as though it sold such property for its fair market value. Second, when a corporation distributes appreciated property in respect of its stock, the corporation recognizes gain as though the property were sold for its fair value. In either case, the Trustee anticipates that such gain will be sheltered by SEBC's NOL carryovers (subject to a possible alternative minimum tax). Reorganized SEBC intends to use the Appraisals to determine the fair value of the real estate held by the Jacksonville Property Subsidiaries and, hence, the amount of its gain. There cannot be a guarantee that the IRS will agree with such valuation. The IRS could assert that the real estate has a value in excess of the amount shown on such appraisals and assert that Reorganized SEBC recognized additional gain.

B. U.S. Federal Income Tax Consequences to Claim Holders

This section focuses on Claims Holders who are individual citizens or residents of the United States and has only limited application to corporations, estates, trusts, non-resident aliens, foreign corporations, tax-exempt institutions, individual retirement accounts, real estate investment trusts, dealers or traders in securities or mutual funds. Participation in the reorganization by such taxpayers raises issues unique to such Persons and may substantially increase the tax liability and requirements imposed on such taxpayers. Each Claims Holder should consult, and depend on, its own tax advisor in analyzing the federal, state, local and foreign tax consequences particular to that Claims Holder of participation in the reorganization.

1. Cash

Cash being distributed to Claims Holders should be characterized based upon the underlying right giving rise to the right to receive Cash. Since the right giving rise on the part of Claims Holders to receive Cash is based upon Postpetition Interest that has accrued on the Claims held by the Claims Holders, such Cash should be taxable as ordinary interest income.

If the Claims Holder possesses the Claim that it holds as property held for investment, then the Cash paid to such Claims Holder should constitute investment income. The amount of investment income realized by a non-corporate taxpayer acts as a limitation on the amount of investment interest deductible by such taxpayer.

2. Reorganized SEBC Series K Junior Preferred Stock.

Claims Holders who receive Reorganized SEBC Series K Junior Preferred Stock will be taxable on their receipt of such stock in an amount equal to the fair market value of such stock. To the extent applicable, Reorganized SEBC will report the fair market value of such stock as equal to the par value of such stock. As was the case with the distribution of Cash, the transfer of the Reorganized SEBC Series K Junior Preferred Stock should be treated as an in-kind payment of Postpetition Interest.

Claims Holders who continue to hold the shares of Reorganized SEBC Series K Junior Preferred Stock will have the right to receive dividends, as and when declared by the Reorganized SEBC Board. It is anticipated that the dividends to be paid on the Reorganized SEBC Series K Junior Preferred Stock will be eligible for the beneficial federal income tax rates applicable to "qualified dividend income." Qualified dividend income is eligible to be taxed at a maximum tax rate of 15% through taxable years ending on or before December 31, 2010. In addition, in order for dividends paid on preferred stock, such as the Reorganized SEBC Series K Junior Preferred Stock, to constitute qualified dividend income, the holder of the stock giving rise to such dividends must hold such stock for at least 60 days within the 121-day period beginning prior to the ex-dividend date for the stock. Special rules apply in determining whether the applicable holding period will be satisfied. Claims Holders who will hold shares of Reorganized SEBC Series K Junior Preferred Stock should contact their own tax advisors to determine whether they will be considered to have held such stock for the applicable holding period or otherwise would be precluded from treating dividends on such stock as qualified dividend income.

Gain or loss from the disposition of shares of Reorganized SEBC Series K Junior Preferred Stock will be capital gain or loss and will be long-term capital gain or loss if the Reorganized SEBC Series K Junior Preferred Stock has been held for more than one year as of the date of the disposition. A Claims Holder's initial basis in the shares of Reorganized SEBC Series K Junior Preferred Stock should be equal to the fair market value of such shares when they are transferred to the Claims Holder. Net long-term capital gains are eligible for the benefits of a reduced tax rate of no more than 15% for dispositions occurring in taxable years ending on or prior to December 31, 2010.

3. SEBC Holdings Senior Preferred Units.

Claims Holders who receive SEBC Holdings Senior Preferred Units will be taxable on their receipt of such units in an amount equal to the fair market value of such units. To the extent applicable, Reorganized SEBC will report the fair market value of such units as equal to the par value of such instruments. As was the case with the distribution of Cash, the transfer of the SEBC Holdings Senior Preferred Units should be treated as an in-kind payment of Postpetition Interest.

SEBC Holdings intends to elect to be taxed as a partnership for federal income tax purposes. The Internal Revenue Code provides that publicly-traded partnerships will, as a general rule, be taxed as corporations. However, an exception, referred to as the "Qualifying Income Exception," exists with respect to publicly-traded partnerships of which 90% or more of the gross income for every taxable year consists of "qualifying income." Although it is expected that SEBC Holdings and Real Estate LLC will conduct their business so as to enable SEBC Holdings to meet the Qualifying Income Exception, if SEBC Holdings fails to meet the Qualifying Income Exception, other than a failure that is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery, SEBC Holdings will be treated as if it had transferred all of its assets, subject to liabilities, to a newly formed corporation on the first day of the year in which it fails to meet the Qualifying Income Exception in return for stock in that corporation, and as if it had then distributed that stock to the holders of interests in SEBC Holdings in liquidation of their interests in it. This contribution and liquidation should be tax-free to SEBC Holdings so long as SEBC Holdings, at that time, does not have liabilities in excess of the tax basis of its assets and should be tax-free to a holder so long as that holder generally does not have liabilities allocated to that holder in excess of the tax basis in that holder's units. Thereafter, SEBC Holdings would be treated as a corporation for federal income tax purposes. The remainder of this discussion assumes that SEBC Holdings is properly treated as a partnership for federal income tax purposes.

The SEBC Holdings Senior Preferred Units should be considered to be partnership interests for federal income tax purposes. Subject to the discussion regarding "publicly-traded partnerships" below, a partnership is not itself subject to federal income tax. Instead, each partner of a partnership is required to take into account that partner's allocable share of items of income, gain, loss and deduction of the partnership in computing that partner's federal income tax liability, regardless of whether Cash distributions are made. Each item generally will have the same character as if the partner had received the item directly.

Distributions to a holder of SEBC Holdings Senior Preferred Units will not be taxable to that holder for federal income tax purposes to the extent of the tax basis in that holder's SEBC Holdings Senior Preferred Units immediately before the distribution. Any Cash distributions in excess of a holder's tax basis will be considered to be gain from the sale or exchange of the SEBC Holdings Senior Preferred Units. Any reduction in a holder's share of SEBC Holdings liabilities for which no partner, including the SEBC Holdings General Partner, bears the economic risk of loss, which are known as "nonrecourse liabilities," will be treated as a distribution of Cash to that holder.

A holder of SEBC Holdings Senior Preferred Units will have an initial tax basis for its common units equal to the fair market value of the SEBC Holdings Senior Preferred Units at the time that such units are distributed to such holder plus that holder's share of SEBC Holdings' nonrecourse liabilities. That basis will be increased by that holder's share of SEBC Holdings' income and by any increases in that holder's share of SEBC Holdings' nonrecourse liabilities. That basis will be decreased, but not below zero, by distributions that that holder receives from SEBC Holdings, by that holder's share of SEBC Holdings' losses, by any decreases in that holder's share of SEBC Holdings nonrecourse liabilities and by that holder's share of SEBC Holdings' expenditures that are not deductible in computing SEBC Holdings' taxable income and are not required to be capitalized. A holder will have no share of SEBC Holdings' debt which is recourse to the SEBC Holdings General Partner, but will have a share, primarily based on that holder's share of profits, of SEBC Holdings' nonrecourse liabilities.

The deduction by a holder of that holder's share of SEBC Holdings' losses will be limited to the holder's tax basis in its interests in SEBC Holdings and, in the case of an individual holder or a corporate

holder (if more than 50% of the value of the corporate holder's stock is owned directly or indirectly by five or fewer individuals or particular tax-exempt organizations), to the amount for which the holder is considered to be "at risk" with respect to SEBC Holdings' activities, if that is less than the holder's tax basis. A holder must recapture losses deducted in previous years to the extent that SEBC Holdings' distributions cause that holder's at risk amount to be less than zero at the end of any taxable year. Losses disallowed to a holder or recaptured as a result of these limitations will carry forward and will be allowable to the extent that the holder's tax basis or at risk amount, whichever is the limiting factor, subsequently increases. Upon the taxable disposition of SEBC Holdings Senior Preferred Units, any gain recognized by a holder can be offset by losses that were previously suspended by the at risk limitation, provided that the holder has no other interests in SEBC Holdings but, in any event, may not be offset by losses suspended by the basis limitation. Any excess loss, above such gain, previously suspended by the at risk or basis limitations would no longer be utilizable.

Gain or loss will be recognized on a sale of SEBC Holdings Senior Preferred Units equal to the difference between the amount realized and the holder's tax basis for the SEBC Holdings Senior Preferred Units sold. A holder's amount realized will be measured by the sum of the Cash or the fair market value of other property received plus that holder's share of SEBC Holdings' nonrecourse liabilities. Because the amount realized includes a holder's share of SEBC Holdings' nonrecourse liabilities, the gain recognized on the sale of SEBC Holdings Senior Preferred Units could result in a tax liability in excess of any Cash received from such sale.

Except as noted below, gain or loss recognized by a holder on the sale or exchange of SEBC Holdings Senior Preferred Units will be taxable as capital gain or loss. Capital gain recognized on the sale of SEBC Holdings Senior Preferred Units held for more than 12 months will be taxed at a maximum rate of 15% for sales occurring prior to January 1, 2011. A portion of this gain or loss, which will likely be minimal, however, will be separately computed and taxed as ordinary income or loss to the extent attributable to assets giving rise to depreciation recapture or other "unrealized receivables" or to "inventory items" owned by SEBC Holdings. The term "unrealized receivables" includes potential recapture items, including depreciation recapture. Ordinary income attributable to unrealized receivables, inventory items and depreciation recapture may exceed net taxable gain realized upon the sale of SEBC Holdings Common Units and may be recognized even if there is a net taxable loss realized on the sale of SEBC Holdings Senior Preferred Units. Thus, a holder may recognize both ordinary income and a capital loss upon a disposition of SEBC Holdings Common Units. Net capital loss may offset no more than $3,000 of ordinary income in the case of individuals and may only be used to offset capital gain in the case of corporations.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Upon a sale or other disposition of less than all of such interests, a portion of that tax basis must be allocated to the interests sold using an "equitable apportionment" method.

4. Holders of EuroNotes

The Holders of the EuroNotes are, per se, not U.S. citizens or resident taxpayers. Distributions of securities under the Plan to Holders of EuroNotes should be considered distributions of unpaid interest. Such distributions should be treated as portfolio interest for both foreign individuals under 26 U.S.C. § 871(h) and for foreign corporations under 26 U.S.C. § 881(c), unless the recipient of such securities is a bank or owns more than 10% of the payor. Payments of portfolio interest to non-U.S. Persons described in the preceding sentence are not subject to United States taxation or withholding, provided that the Holders of the EuroNotes do not hold such Notes in connection with the conduct of a trade or business in the United States.

C. U.S. Federal Income Tax Consequences to Interest Holders

In the reorganization, shares of Old SEBC Common Stock Interests will be automatically converted into shares of SEBC Holdings Common Units. For federal income tax purposes, however,

Interest Holders first should be considered to have received a distribution of SEBC Holdings Common Units to the extent of their interest in the Jacksonville Property as a distribution on their Old SEBC Common Stock Interests. Since the interest of the Interest Holders in these properties is expected to be de minimis, the Debtor does not intend to report any amount as a taxable distribution to Interest Holders. Interest Holders will then be considered to have contributed their Old SEBC Common Stock Interests to SEBC Holdings in exchange for SEBC Holdings Common Units. This contribution should be considered to be a non-taxable contribution to the capital of SEBC Holdings.

A holder of SEBC Holdings Common Units will have an initial tax basis for its units determined with reference to the tax basis of the Old SEBC Common Stock Interests surrendered in exchange for the SEBC Holdings Common Units plus that holder's share of SEBC Holdings' nonrecourse liabilities. That basis will be increased by that holder's share of SEBC Holdings' income and by any increases in that holder's share of SEBC Holdings' nonrecourse liabilities. That basis will be decreased, but not below zero, by distributions that that holder receives from SEBC Holdings, by that holder's share of SEBC Holdings' losses, by any decreases in that holder's share of SEBC Holdings nonrecourse liabilities and by that holder's share of SEBC Holdings' expenditures that are not deductible in computing SEBC Holdings' taxable income and are not required to be capitalized. A holder will have no share of SEBC Holdings' debt that is recourse to the SEBC Holdings General Partner, but will have a share, primarily based on that holder's share of profits, of SEBC Holdings' nonrecourse liabilities.

For federal income tax purposes, however, SEBC Holdings expects to be taxed as a partnership. Specifically, SEBC Holdings expects to be taxed as a publicly-traded partnership. The Internal Revenue Code provides that publicly-traded partnerships will, as a general rule, be taxed as corporations. However, an exception, referred to as the "Qualifying Income Exception," exists with respect to publicly-traded partnerships of which 90% or more of the gross income for every taxable year consists of "qualifying income." Although it is expected that SEBC Holdings and Real Estate LLC will conduct their business so as to enable SEBC Holdings to meet the Qualifying Income Exception, if SEBC Holdings fails to meet the Qualifying Income Exception, other than a failure that is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery, SEBC Holdings will be treated as if it had transferred all of its assets, subject to liabilities, to a newly formed corporation on the first day of the year in which it fails to meet the Qualifying Income Exception in return for stock in that corporation, and as if it had then distributed that stock to the holders of interests in SEBC Holdings in liquidation of their interests in it. This contribution and liquidation should be tax-free to SEBC Holdings so long as it, at that time, does not have liabilities in excess of the tax basis of its assets and should be tax-free to a holder so long as that holder does not have liabilities allocated to that holder in excess of the tax basis in that holder's interests in SEBC Holdings. Thereafter, SEBC Holdings would be treated as a corporation for federal income tax purposes. The remainder of this discussion assumes that SEBC Holdings is properly treated as a partnership for federal income tax purposes.

The SEBC Holdings Common Units should be considered to be partnership interests for federal income tax purposes. Subject to the discussion regarding "publicly-traded partnerships" above, a partnership is not itself subject to federal income tax. Instead, each partner of a partnership is required to take into account that partner's allocable share of items of income, gain, loss and deduction of SEBC Holdings in computing that partner's federal income tax liability, regardless of whether Cash distributions are made. Each item generally will have the same character as if the partner had realized the item directly.

Distributions to a holder of SEBC Holdings Common Units will not be taxable to that holder for federal income tax purposes to the extent of the tax basis in that holder's SEBC Holdings Common Units immediately before the distribution. Any Cash distributions in excess of a holder's tax basis will be considered to be gain from the sale or exchange of the SEBC Holdings Common Units. Any reduction in a holder's share of SEBC Holdings liabilities for which no partner, including the SEBC Holdings General Partner, bears the economic risk of loss, which are known as "nonrecourse liabilities," will be treated as a distribution of Cash to that holder.

The deduction by a holder of that holder's share of SEBC Holdings' losses will be limited to the holder's tax basis in its interests in SEBC Holdings and, in the case of an individual holder or a corporate holder (if more than 50% of the value of the corporate holder's stock is owned directly or indirectly by five or fewer individuals or particular tax-exempt organizations), to the amount for which the holder is considered to be "at risk" with respect to SEBC Holdings' activities, if that is less than the holder's tax basis. A holder must recapture losses deducted in previous years to the extent that SEBC Holdings' distributions cause that holder's at risk amount to be less than zero at the end of any taxable year. Losses disallowed to a holder or recaptured as a result of these limitations will carry forward and will be allowable to the extent that the holder's tax basis or at risk amount, whichever is the limiting factor, subsequently increases. Upon the taxable disposition of SEBC Holdings Common Units, any gain recognized by a holder can be offset by losses that were previously suspended by the at risk limitation, provided that the holder has no other interests in SEBC Holdings but, in any event, may not be offset by losses suspended by the basis limitation. Any excess loss, above such gain, previously suspended by the at risk or basis limitations would no longer be utilizable.

Gain or loss will be recognized on a sale of SEBC Holdings Common Units equal to the difference between the amount realized and the holder's tax basis for the SEBC Holdings Common Units sold. A holder's amount realized will be measured by the sum of the Cash or the fair market value of other property received plus that holder's share of SEBC Holdings' nonrecourse liabilities. Because the amount realized includes a holder's share of SEBC Holdings' nonrecourse liabilities, the gain recognized on the sale of SEBC Holdings Common Units could result in a tax liability in excess of any Cash received from such sale.

Except as noted below, gain or loss recognized by a holder on the sale or exchange of SEBC Holdings Common Units will be taxable as capital gain or loss. Capital gain recognized on the sale of SEBC Holdings Common Units held for more than 12 months will be taxed at a maximum rate of 15% for sales occurring prior to January 1, 2011. A portion of this gain or loss, however, will be separately computed and taxed as ordinary income or loss to the extent attributable to assets giving rise to depreciation recapture or other "unrealized receivables" or to "inventory items" owned by SEBC Holdings. The term "unrealized receivables" includes potential recapture items, including depreciation recapture. Ordinary income attributable to unrealized receivables, inventory items and depreciation recapture may exceed net taxable gain realized upon the sale of SEBC Holdings Common Units and may be recognized even if there is a net taxable loss realized on the sale of SEBC Holdings Common Units. Thus, a holder may recognize both ordinary income and a capital loss upon a disposition of SEBC Holdings Common Units. Net capital loss may offset no more than $3,000 of ordinary income in the case of individuals and may only be used to offset capital gain in the case of corporations.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Upon a sale or other disposition of less than all of such interests, a portion of that tax basis must be allocated to the interests sold using an "equitable apportionment" method.

D. Information Reporting and Backup Withholding

Certain payments, including certain payments of Claims pursuant to the Plan, payments of interest, payments of dividends, if any, on the Reorganized SEBC Securities or SEBC Holdings Securities and the proceeds from the sale or other taxable disposition of the Reorganized SEBC Securities or SEBC Holdings Securities, may be subject to information reporting to the IRS. Moreover, such reportable payments may be subject to backup withholding at the then-applicable withholding rate unless the taxpayer: (i) comes within certain exempt categories (which generally include corporations) or (ii) provides a correct taxpayer identification number and otherwise complies with applicable backup withholding provisions. In addition, Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and

whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns.

E. Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

X. FEASIBILITY OF THE PLAN AND BEST INTERESTS OF CREDITORS

A. Feasibility of the Plan

In connection with confirmation of the Plan, the Bankruptcy Court will be required to determine that the Plan is feasible under Section 1129(a)(11) of the Bankruptcy Code, which means that the confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor.

To support his belief in the feasibility of the Plan, the Trustee has relied upon the Projections, which are annexed to this Disclosure Statement as Appendix B.

The Projections indicate that SEBC Holdings and Reorganized SEBC should have sufficient Cash flow to pay and service their obligations and to fund their operations. Accordingly, the Trustee believes that the Plan complies with the financial feasibility standard of Section 1129(a)(11) of the Bankruptcy Code.

The Projections are based on numerous assumptions, including confirmation and consummation of the Plan in accordance with its terms; realization of the operating strategy of Reorganized SEBC; industry performance; no material adverse changes in applicable legislation or regulations, or the administration thereof, or GAAP; no material adverse changes in general business and economic conditions; no material adverse changes in competition; adequate financing; the absence of material contingent or unliquidated litigation, indemnity, or other claims; and other matters, many of which will be beyond the control of Reorganized SEBC and some or all of which may not materialize.

To the extent that the assumptions inherent in the Projections are based upon future business decisions and objectives, they are subject to change. In addition, although they are presented with numerical specificity and are based on assumptions considered reasonable by the Trustee, the assumptions and estimates underlying the Projections are subject to significant business, economic, and competitive uncertainties and contingencies, many of which will be beyond the control of Reorganized SEBC. Accordingly, the Projections are only estimates and are necessarily speculative in nature. It can be expected that some or all of the assumptions in the Projections will not be realized and that actual results will vary from the Projections, which variations may be material and are likely to increase over time. In light of the foregoing, readers are cautioned not to place undue reliance on the Projections. The Projections were not prepared in accordance with standards for projections promulgated by the AICPA or with a view to compliance with published guidelines of the SEC regarding projections or forecasts. The Projections have not been audited, reviewed, or compiled by independent public accountants. Reorganized SEBC will be required to adopt "fresh start" accounting upon its emergence from Chapter 11. The actual adjustments for "fresh start" accounting that Reorganized SEBC may be required to adopt upon emergence, may differ substantially from those "fresh start" adjustments in the Projections. The projected financial information contained in this Disclosure Statement should not be regarded as a

representation or warranty by the Trustee, the Trustee's advisors, or any other Person that the Projections can or will be achieved. Neither MLE nor any of its Affiliates makes any representation or warranty as to, has independently verified or assumes any responsibility for the accuracy, completeness or sufficiency of the Projections.

The Projections should be read together with the information in Section VII of this Disclosure Statement entitled "Certain Risk Factors to be Considered," which sets forth important factors that could cause actual results to differ from those in the Projections.

The Trustee does not intend to update or otherwise revise the Projections, including any revisions to reflect events or circumstances existing or arising after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events, even if any or all of the underlying assumptions do not come to fruition. Furthermore, the Trustee does not intend to update or revise the Projections to reflect changes in general economic or industry conditions.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Certain statements made in this Disclosure Statement and the Projections contained in this Disclosure Statement, and other written or oral statements made by the Trustee or on the Trustee's behalf, may constitute "forward-looking statements" within the meaning of the federal securities laws. Statements regarding future events and developments and the Debtor's future performance, as well as management's expectations, beliefs, plans, estimates, or projections related to the future, are forward-looking statements within the meaning of these laws. These forward-looking statements include and may be indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "believes," or "intends" and similar words and phrases.

All forward-looking statements, as well as the Debtor's business and strategic initiatives, are subject to risks and uncertainties that could cause actual results to differ materially from expected results after the Effective Date. The Trustee believes that these forward-looking statements are reasonable. However, you should not place undue reliance on such statements. These statements are based on current expectations and speak only as of the date of such statements. The Trustee undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information or otherwise. Additional information concerning the risks and uncertainties listed below, and other factors that you may wish to consider, are contained in this Disclosure Statement and SEBC's other filings with the SEC. A number of factors could cause the Debtor's actual results to differ materially from the expected results described in the Debtor's forward-looking statements after the Effective Date.

SEBC Holdings will face a number of risks with respect to its continuing business operations upon emergence from Chapter 11, including but not limited to the following: the ability of the Jacksonville Property Subsidiaries to realize value from their real estate holdings, either through sale, lease or other disposition, or through development and continued ownership; changes in federal, state or local laws or regulations, particularly those affecting real estate development, including zoning, environmental impact and land use; general economic conditions affecting both the national and the Jacksonville real estate market and real estate values; lack of inflation in construction costs; changes in the capital markets affecting the availability and cost of real estate and construction financing; and demographic trends in the Jacksonville area and the demand for real estate and housing. Because the Jacksonville Property is located in Florida, there are a number of risks related to possible hurricane and windstorm activity in the region. Windstorm activity affecting Florida and the southeastern United States could negatively affect demand for the Jacksonville Property, as well as cause increases in the cost of construction and windstorm insurance, and there can be no assurance that the impact of hurricanes and windstorms will not have a material adverse effect on the ability of Real Estate LLC to realize anticipated values from the real estate.

Reorganized SEBC is exposed to the risks associated largely with the performance of the Investment Vehicle and interest rates including the prevailing market interest rates at the time of or leading up to the Effective Date. It is expected and assumed that the Investment Vehicle Senior Securities are properly priced with expected loss estimates reasonably predicted using ratings agency

expected loss tables. It is acknowledged that these tables have not been good predictors in the recent circumstances of substantial negative shifts in economic and financial market circumstances but given that Reorganized SEBC will be investing during a period when such exigencies are well known the gauging of actual risk will be more realistic. Secondly, by virtue of the liquidation and redemption rights applicable to the Reorganized SEBC Series J Junior Preferred Stock, MLE takes substantial first loss of 99% of any unexpected loss on Reorganized SEBC's investments up to the entire $611 million face amount of Reorganized SEBC Series J Junior Preferred Stock. This should accommodate unexpected loss experience at many times the statistically projected expected loss such that even if loss experience was five times expected loss, the effect on holders of other series of Reorganized SEBC Preferred Stock and Reorganized SEBC Common Stock would be mitigated. The most significant variable to value is prevailing interest rates on the Effective Date. It is expected that Reorganized SEBC will invest on a fixed rate basis, or use the interest swaps to achieve the same for any floating rate assets acquired; however, between now and the Effective Date, market interest rates including both the level of swap rates and the pricing of credit spreads will fluctuate and the revenues of Reorganized SEBC will move directly with such changes. The implementation of the recapitalization will respond directly to such movements and the parties will in good faith determine the corresponding adjustments to the dividend rates on each class of securities and the face value of the Reorganized SEBC Series K Junior Preferred Stock and SEBC Holdings Senior Preferred Units.

Reorganized SEBC and SEBC Holdings are also subject to the risk of legislative and regulatory change including but not limited to securities laws, taxation laws, corporations laws and accounting rules which could affect the nature and profitability of operations.

Reorganized SEBC is also exposed to the risk that MLE is unable to resell the Reorganized SEBC Series A Senior Preferred Stock such that this would trigger the early liquidation of Reorganized SEBC or the redemption of Reorganized SEBC Securities. This would result in the expected earnings beyond year one being significantly reduced. While creditors would still be entitled to receive the liquidation preference on the Reorganized SEBC Series K Junior Preferred Stock, the value of the Reorganized SEBC Common Stock would be reduced. In such event, creditors would be largely dependent on the performance of the real estate for all future value; however, at Reorganized SEBC the exposure is effectively the $9 million Real Estate LLC Debt which has first claim against real estate value and is considered secure based on appraisals at over three times this value. MLE is also well-placed to sell the Reorganized SEBC Series A Senior Preferred Stock, as MLE's Affiliates have a substantial track record of selling such instruments, the Reorganized SEBC Series A Senior Preferred Stock is structurally superior to all other classes and, accordingly, is likely to be considered a well secured investment, and the yield is expected to be attractive for such an investment. However current market turbulence makes it clear that this remains a risk area. In addition, the right of holders of Reorganized SEBC Series A Senior Preferred Stock to require a liquidation of Reorganized SEBC creates an additional risk of early liquidation.

B. Acceptance of the Plan

As a condition to Confirmation, the Bankruptcy Code requires that each Class of Impaired Claims and Interests vote to accept the Plan, except under certain circumstances.

1. Classes 1 through 3.

Pursuant to former Section 1124(3) of the Bankruptcy Code, Classes 1, 2A, 2B, 2C, 2D, 2E, and 3 are Unimpaired and therefore deemed to have accepted the Plan. Accordingly, the Trustee will not solicit the votes of the Holders of Claims in Classes 1, 2A, 2B, 2C, 2D, 2E, and 3.

2. Classes 4 and 5.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired interests as acceptance by holders of at least two-thirds (2/3) in dollar amount in the class, but for that purpose counts only those who actually vote to accept or to reject the Plan. Thus, Holders of Interests in

each of Classes 4 and 5 will have voted to accept the Plan only if two-thirds (2/3) in amount actually voting in each Class cast their ballots in favor of acceptance. Holders of Interests who fail to vote are not counted as either accepting or rejecting a plan.

3. Class 6.

Pursuant to the Solicitation Order, Holders of Interests in Class 6 are conclusively presumed to have rejected the Plan, and therefore their votes will not be solicited with respect to the Plan.

C. Best Interests Test

As noted above, even if a plan is accepted by each class of claims and interests, the Bankruptcy Code requires a bankruptcy court to determine that the plan is in the best interests of all holders of claims or interests that are impaired by the plan and that have not accepted the plan. The "best interests" test, as set forth in Section 1129(a)(7) of the Bankruptcy Code, requires a bankruptcy court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under Chapter 7 of the Bankruptcy Code.

To calculate the probable distribution to holders of each impaired class of claims and interests if the debtor were liquidated under Chapter 7, a bankruptcy court must first determine the aggregate dollar amount that would be generated from the debtor's assets if its Chapter 11 case were converted to a Chapter 7 case under the Bankruptcy Code. This "liquidation value" would consist primarily of the proceeds from a forced sale of the debtor's assets by a Chapter 7 trustee.

The amount of liquidation value available to creditors would be reduced by the costs and expenses of liquidation, as well as by other administrative expenses and costs of both the Chapter 7 Case and the Chapter 11 Case. Costs of liquidation under Chapter 7 of the Bankruptcy Code would include the compensation of a trustee, as well as of counsel and other professionals retained by the trustee, asset disposition expenses, and all unpaid expenses incurred in the Debtor's Chapter 11 Case (such as compensation of attorneys, financial advisors, and accountants) that are allowed in the Chapter 7 Case. This case was initially filed as a Chapter 7 case and was converted to a case under Chapter 11 after sixteen years in order to realize incremental value not only for Holders of Claims, but also for Holders of Interests. **As set forth in the Liquidation Analysis attached as Appendix E and discussed below (the "Liquidation Analysis"), if the case were reconverted to Chapter 7, Holders of Claims would not receive payment in full of their post-petition interest claims, and Holders of Interests would receive no distribution at all**.

In the event that the Plan is not accepted by each Holder of an Impaired Interest in Classes 4, 5 and 6, the Bankruptcy Court must then determine whether each such Holder will receive or retain property under the Plan or value that is not less than the amount that each such Holder would receive in a liquidation of the Estate under Chapter 7. As set forth in the Liquidation Analysis, the estimated net value available for distribution in a Chapter 7 liquidation is far less than the amount of unpaid post-petition interest owed to the Holders of Class 1, 2 and 3 Claims at the rate of 5.57% set forth in the Global Settlement Order, such that the Holders of Impaired Interests in Classes 4, 5 and 6 would receive no distribution in Chapter 7. Accordingly, the Trustee believes that with respect to these Impaired Classes of Interests the Plan satisfies the best interests test established under Section 1129(a)(7)(A)(ii) of the Bankruptcy Code.

D. Liquidation Analysis

For purposes of the best interests test under Section 1129(a)(7)(A)(ii) of the Bankruptcy Code, in order to determine the amount of liquidation value available to Creditors, the Trustee, with the assistance of his investment banker, SCS, and his accountants, Kapila & Co., prepared the Liquidation Analysis,

which concludes that in a Chapter 7 liquidation, Holders of Allowed Claims would receive all of the value distributed in a Chapter 7 liquidation, and the Holders of Impaired Class 4, 5 and 6 Interests would receive no value whatsoever in respect of their Interests. This conclusion is premised upon the assumptions set forth in the Liquidation Analysis, which the Trustee, SCS and Kapila believe are reasonable.

Notwithstanding the foregoing, the Trustee believes that any liquidation analysis with respect to the Debtor is inherently speculative. The Liquidation Analysis for the Debtor necessarily contains estimates of the net proceeds that would be received from a forced sale of assets. The Liquidation Analysis is attached hereto as Appendix E.

E. Valuation of SEBC Holdings

Solely for purposes of the Plan, the estimated reorganization value of the total preferred and common equity units of SEBC Holdings is assumed to be $33.5 million, as of an assumed Effective Date of April 30, 2009. The estimated reorganization value is based on a projected value of the real estate assets of $39.3 million at April 30, 2014, including both the excess mitigation credits and the partner receivables but excluding any value for the concurrency credits and the assumptions set forth in the Projections including the interest rates and implicit discount rates assumed therein. Based on the assumed reorganization value of SEBC Holdings, SCS has determined an imputed estimate of the future value for the common equity of SEBC Holdings at April 30, 2014 of $9.85 million.

The foregoing estimate of the reorganization value of SEBC Holdings is based on a number of assumptions, including the Closing of the Transaction and the successful reorganization of SEBC's business and finances in a timely manner, the implementation of Reorganized SEBC's business plan, the achievement of the forecasts reflected in the Projections, market conditions as of November 2008 continuing through the period covered by the Projections, and the Plan becoming effective in accordance with the estimates and other assumptions discussed herein. Accordingly, there can be no assurance that the estimated value of SEBC Holdings will be obtained and the actual value could be materially less or more than the estimates.

F. Valuation of Reorganized SEBC

Solely for purposes of the Plan, the estimated reorganization value of the total preferred stock of Reorganized SEBC is assumed to be $1,633.5 million, as of an assumed Effective Date of April 30, 2009, based upon the various interest rate, implicit discount rates and other assumptions set forth in the Projections.[29] This estimate will change to reflect movements in market rates. Based upon the assumed value of Reorganized SEBC, SCS has determined an imputed estimate of the aggregate value (includes dividends earned and residual cash) of the common equity of Reorganized SEBC of $25.9 million for the period to April 30, 2014.

The foregoing estimate of the reorganization value of Reorganized SEBC is based on a number of assumptions, including the Closing of the Transaction and a successful reorganization of SEBC's business and finances in a timely manner, the implementation of Reorganized SEBC's business plan, the achievement of the forecasts reflected in the Projections, market conditions as of November 2008 continuing through the period covered by the Projections, and the Plan becoming effective in accordance with the estimates and other assumptions discussed herein. Accordingly, there can be no assurance that the estimated value of Reorganized SEBC will be obtained and the actual value could be materially less or more than the estimates.

[29] *Id.*

G. Application of the "Best Interests" of Creditors Test to the Liquidation Analysis and the Valuation

Notwithstanding the difficulty in quantifying recoveries with precision, the Trustee believes that the financial disclosures and projections contained in this Disclosure Statement imply a greater recovery to Holders of Claims than the recovery available in a Chapter 7 liquidation, and provide a recovery to Holders of Interests who otherwise would receive no recovery whatsoever in a Chapter 7 liquidation. Accordingly, the Trustee believes that the "best interests" test of Section 1129 of the Bankruptcy Code is satisfied.

H. Confirmation Without Acceptance of All Impaired Classes: "Cramdown"

As set forth in Section VI.C. above, the Trustee will seek confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. Specifically, Section 1129(b) of the Bankruptcy Code provides that a plan can be confirmed even if the plan is not accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. The Bankruptcy Court may confirm a plan at the request of the trustee if the plan "does not discriminate unfairly" and is "fair and equitable" as to each impaired class that has not accepted the plan. A plan does not discriminate unfairly within the meaning of the Bankruptcy Code if a dissenting class is treated equally with respect to other classes of equal rank.

The Trustee believes the Plan does not discriminate unfairly with respect to the Interests in Class 6. Such Class includes Interests that are subordinated to other Claims and Interests under Section 510(b) or (c) of the Bankruptcy Code, Section 726(a)(2)(C), (a)(3), (a)(4), or (a)(5) of the Bankruptcy Code as incorporated into Section 1129(a)(7) of the Bankruptcy Code, and/or under the Global Settlement Order, or are otherwise not entitled to payment under the absolute priority rule until all creditors have been paid in full.

A plan is fair and equitable as to a class of equity interests that rejects a plan if the plan provides (i) that each holder of an interest included in the rejecting class receive or retain on account of that interest property that has a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled or the value of such interest or (ii) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property at all.

The Trustee believes that the Plan will meet the "fair and equitable" requirements of Section 1129(b) of the Bankruptcy Code with respect to Holders of Interests in Class 6, and the Trustee will demonstrate at the Confirmation Hearing that the Plan does not discriminate unfairly and is fair and equitable with respect to such Class. The fair and equitable test for Class 6 Interests is that the Plan provides property to the Holders of Interests in Class 6 that has a value, as of the Effective Date, equal to the greatest allowed amount of any fixed liquidation preference to which such Holder is entitled or any fixed redemption price to which such Holder is entitled, or the value of such Interest, or that the Holder of any Interest that is junior to the Interests of Class 6 will not receive or retain under the Plan on account of such junior interest any property at all (because Class 6 is the most junior Class of Interests). The treatment proposed for Class 6 satisfies the fair and equitable test and can be crammed down.

XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Trustee believes that the Plan affords Holders of Claims in Classes 2 and 3, and Holders of Interests in Classes 4, 5, and 6 the potential for the greatest realization on the Debtor's assets and, therefore, is in the best interests of such Holders. If, however, the requisite acceptances are not received or the Plan is not confirmed and consummated, the theoretical alternatives include (a) formulation of an alternative plan or plans of reorganization or (b) liquidation of the Debtor under Chapter 7 or Chapter 11 of the Bankruptcy Code.

A. Alternative Plans of Reorganization

If the requisite acceptances are not received or if the Plan is not confirmed, the Trustee or any other party in interest could attempt to formulate and propose a different plan or plans of reorganization. Such a plan or plans might involve either a reorganization and resumption of the Debtor's businesses or an orderly liquidation of assets. The Trustee notes, however, that pursuant to Section 1121(c)(1) of the Bankruptcy Code, any party interest could have filed an alternative plan at any time since the Conversion Date, but to date no party in interest has done so.

The Trustee believes that the Plan enables Claim and Interest Holders to realize the greatest possible value under the circumstances and has the greatest chance to be confirmed and consummated.

B. Liquidation under Chapter 7 or Chapter 11

If no plan is confirmed, the Debtor's case may be reconverted to a case under Chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the Debtor's remaining assets for distribution in accordance with the priorities established by the Bankruptcy Code. The proceeds of the liquidation would continue to be distributed to Holders of Claims in accordance with the Global Settlement Order, and there would be no distribution available to Holders of Interests.

The Trustee believes that in a liquidation under Chapter 7, additional administrative expenses involved in the appointment of a trustee and attorneys, accountants, and other professionals to assist such trustee would cause a substantial diminution in the value of the Debtor's Estate. The assets available for distribution to Claim Holders would be reduced by such additional expenses and by Claims, some of which would be entitled to priority, and the failure to realize the greater going concern value of the Debtor's assets.

The Debtor could also be liquidated pursuant to the provisions of a Chapter 11 plan of reorganization. In a liquidation under Chapter 11, the Debtor's assets theoretically could be sold in an orderly fashion over a more extended period of time than in a liquidation under Chapter 7, thus resulting in a potentially greater recovery. Any recovery in a Chapter 11 liquidation, while potentially greater than in a Chapter 7 liquidation, would also be highly uncertain.

Although preferable to a Chapter 7 liquidation, the Trustee believes that any alternative liquidation under Chapter 11 is a much less attractive alternative to Creditors than the Plan because of the greater return anticipated by the Plan.

XII. THE SOLICITATION: VOTING PROCEDURES

A. Parties in Interest Entitled to Vote

In general, a holder of a claim or interest may vote to accept or to reject a plan if (a) the claim or interest is "allowed," which means generally that no party in interest has objected to such claim or interest and (b) the claim or interest is "impaired" by the plan.

Under Section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default. In addition, under former Section 1124(3) of the Bankruptcy Code, creditors who have received payment in full of their allowed prepetition claims without postpetition interest were unimpaired.

Prior to its repeal as a part of the Bankruptcy Reform Act of 1994 (the "Reform Act"), Section 1124(3) of the Bankruptcy Code provided that a class of claims or interests was impaired under a plan, unless "on the effective date of the plan, the holder of such claim or interest receives, on account of such claim or interest, Cash equal to- (A) with respect to a claim, the allowed amount of such claim. . . ." 11 U.S.C. § 1124(3)(A). By its own terms, the Reform Act is not retroactive, and only applies to cases commenced after October 22, 1994. To be sure, Section 702(b) of the Reform Act expressly provides that "amendments made by this Act shall not apply with respect to cases commenced under title 11 of the United States Code before the date of the enactment of this Act." Pub. L. No. 103-394. Relying on this section, numerous courts have found the Reform Act to be inapplicable to cases commenced prior to October 22, 1994. E.g., In re Westar Paving, Inc., 246 B.R. 390, 395 (Bankr. C.D. Cal. 1999) (case commenced prior to effective date governed by Bankruptcy Code as it existed prior to the Reform Act); In re Rocha, 179 B.R. 305, 307 n.1 (Bankr. M.D. Fla. 1995) (case was not subject to provisions enacted or modified by Reform Act because it was filed prior to the effective date).

Because the Chapter 7 Case was commenced before October 22, 1994 the Reform Act does not apply, and former Section 1124(3) remains applicable to determine whether classes of claims and interests are impaired and entitled to vote on the Plan. This analysis remains unaffected by the 2007 conversion of the case from a case under Chapter 7 to a case under Chapter 11, in that the conversion of a case operates as an order for relief under the Chapter to which it is converted as of the original petition date. 11 U.S.C. s 348(a).

Under Section 1126(f) of the Bankruptcy Code, "a class not impaired under a plan, and each holder of a claim or interest in such class, are conclusively presumed to have accepted the plan." Based upon the plain language of former Section 1124(3), Classes 1, 2, and 3 are Unimpaired and accordingly not entitled to vote and are deemed to have accepted the Plan.

B. Classes Entitled to Vote to Accept or Reject the Plan

Only Holders of Interests in Classes 4 and 5 are entitled to vote to accept or reject the Plan. By operation of law, each Unimpaired Class of Claims is deemed to have accepted the Plan, and pursuant to the Solicitation Order, Class 6 Interests will be deemed to have rejected the Plan and, therefore, are not entitled to vote to accept or reject the Plan.

C. Solicitation Order

On February 9, 2009, the Bankruptcy Court entered an order that, in effect, determined that only Holders of Class 4 and 5 Interests are entitled to vote on the Plan, and established the dates, procedures, and forms applicable to the solicitation of votes on the Plan (the "Solicitation Order"). Parties in interest may obtain a copy of the Solicitation Order by making written request to the Trustee's counsel or may access www.sebcglobalsettlement.com.

D. Waivers of Defects, Irregularities, Etc.

Unless otherwise directed by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots will be determined by the Trustee in his sole discretion, which determination will be final and binding. As indicated below under "Withdrawal of Ballots; Revocation," effective withdrawals of ballots must be delivered to the Trustee before the Voting Deadline. The Trustee reserves the absolute right to contest the validity of any such withdrawal. The Trustee also reserves the right to reject any and all ballots not in proper form, the acceptance of which would, in the opinion of the Trustee or his counsel, be unlawful. The Trustee further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular ballot. The interpretation (including the ballot and the respective instructions thereto) by the Trustee, unless otherwise directed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of ballots must be cured within such time as the Trustee (or the Bankruptcy Court) determines. Neither the Trustee nor any other Person will be under

any duty to provide notification of defects or irregularities with respect to deliveries of ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

E. Withdrawal of Ballots; Revocation

Any party who has delivered a valid ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Trustee at any time before the Voting Deadline. To be valid, a notice of withdrawal must (i) contain the description of the Interest(s) to which it relates and the aggregate principal amount represented by such Interest(s), (ii) be signed by the withdrawing party in the same manner as the ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Interest(s) and possesses the right to withdraw the vote sought to be withdrawn, and (iv) be received by the Trustee in a timely manner at SOUTHEAST BANKING CORPORATION, c/o Jeffrey H. Beck, Chapter 11 Trustee, J Beck & Associates, Inc., 595 S. Federal Highway, Suite 600, Boca Raton, Florida 33432. As stated above, the Trustee expressly reserves the absolute right to contest the validity of any such withdrawals of ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of ballots which is not received in a timely manner by the Trustee will not be effective to withdraw a previously cast ballot.

Any party who has previously submitted to the Trustee before the Voting Deadline a properly completed ballot may revoke such ballot and change his or its vote by submitting to the Trustee before the Voting Deadline a subsequent properly completed ballot for acceptance or rejection of the Plan. In the case where more than one timely, properly completed ballot is received, only the ballot which bears the latest date will be counted for purposes of determining whether the requisite acceptances have been received.

F. Further Information; Additional Copies

If you have any questions or require further information about the voting procedures for voting your Interest or about the packet of material you received, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits or appendices to such documents (at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d) or the Solicitation Order), please contact:

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RECOMMENDATION AND CONCLUSION

For all of the reasons set forth in this Disclosure Statement, the Trustee believes that confirmation and consummation of the Plan is preferable to all other alternatives. Consequently, the Trustee urges all Holders of Interests in Classes 4 and 5 to vote to ACCEPT the Plan, and to complete and return their ballots so that they will be RECEIVED on or before 4:00 p.m. Eastern Time on the Voting Deadline.

Dated: February 9, 2009

SOUTHEAST BANKING CORPORATION

By: _____
Name: Jeffrey H. Beck
Title: Chapter 11 Trustee

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