

SSSS. Class 97 - Chuck & Joe LLC.

Class 97 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Chuck & Joe, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Chuck & Joe, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 97 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

TTTT. Class 98 - CJK, LLC.

Class 98 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in CJK, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in CJK, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 98 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

UUUU. Class 99 - JGG 1, Inc.

Class 99 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in JGG 1, Inc. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in JGG 1, Inc. shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 99 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

VVVV. Class 100 - Marlin 839 Associates, Inc.

Class 100 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Marlin 839 Associates Inc. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Marlin 839 Associates Inc. shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 100 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

WWWW. Class 101 - Ocean Waters Investments, LLC.

Class 101 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Ocean Waters Investments, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in 222 Seminole, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 101 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

XXXX. Class 102 - Ocean Waters, LLC.

Class 102 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Ocean Waters LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Ocean Waters, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 102 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

YYYY. Class 103 - B&G Ormond Beach Land Trust.

Class 103 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Ormond Beach Land Trust. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Ormond Beach Land Trust shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 103 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

ZZZZ. Class 104 - Southern Hospitality Resorts & Residences, LLC.

Class 104 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Southern Hospitality Resorts & Residences, LLC. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Southern Hospitality Resorts & Residences, LLC shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 104 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

AAAAA. Class 105 – Bray & Gillespie IX, LLP

Class 105 consists of any and all membership interests, common stock, stock options, and warrants currently issued or authorized in Bray & Gillespie IX, LLP. The Class is impaired as, upon the Effective Date, all currently issued or authorized equity interests in Bray & Gillespie IX, LLP shall be canceled and of no further force and effect. Accordingly, the Holders of the Class 105 Interests, except to the extent that they are entitled to Distribution elsewhere under the Plan, shall not have an ownership interest in the Reorganized Debtors.

BBBBB. Class 106 – RIP

Class 106 consists of the Allowed Secured Claim of RIP. The Claim is secured by a Lien on the membership interests of the Bray & Gillespie XXIX, LLC. Because Equity is being cancelled, RIP is wholly unsecured. The Allowed Unsecured Claim of RIP stemming from its deficiency Claim will be treated as a General Unsecured Claim and entitled to the treatment as set forth in Class 25.

ARTICLE VI - UNEXPIRED LEASES AND EXECUTORY CONTRACTS.

To the extent Debtors reject or are deemed to reject any executory contract or unexpired lease prior to the Confirmation Date, any party asserting a Claim pursuant to §365 of the Code arising from the rejection of an executory contract or lease shall file a proof of such Claim within thirty (30) days of the earlier of the entry of an Order rejecting such contract or lease or the entry of the Confirmation Order, and any Allowed Claim resulting from rejection shall be a Class 25 Claim except as otherwise provided herein. All Claims that are not filed within such time period shall be forever barred. Debtors shall have through and including the hearing on Confirmation within which to assume or reject any unexpired lease or executory contract; and, further, that in the event any such unexpired lease or executory contract is not rejected by such date, then such unexpired lease or executory contract shall be deemed rejected as of the Confirmation Date. It is the position of Debtors that the executory contracts listed in the Schedules of Executory Contracts filed pursuant to Rule 1007, are the only executory contracts to which any of the Debtors was a party on the Petition Date. Notwithstanding anything to the contrary contained herein, (i) all LMAs between any Debtor and any owner of Third Party Condo Units are hereby deemed assumed and assigned to the ArborCo Entities, (ii) all executory contracts and unexpired leases that are listed on Schedule G are hereby deemed

are hereby deemed assumed, and (iii) all executory contracts and unexpired leases that are subject of a motion to assume filed at or before the hearing on the Confirmation of this Plan and as to which the Court has issued or subsequently issues an order approving the assumption of such executory contract or unexpired lease shall be deemed assumed, in each case pursuant to the provisions of sections 365 and 1123 of the Code. All executory contracts and unexpired leases that are assumed pursuant to this section shall be assigned to the applicable Reorganized Debtor on the Effective Date.

ARTICLE VII. - MEANS OF IMPLEMENTATION.

A. Business Operations and Cash Flow.

The Reorganized Debtors will continue to maintain a centralized corporate administrative office which shall manage and operate a total of twenty-three (23) hotels and seven (7) other entities which own income producing property. On and after the Effective Date, the Reorganized Debtors may borrow from Wachovia up to \$10,000,000 under the Exit Financing, consisting of a \$6,500,000 term loan and a \$3,500,000 revolving line of credit loan. The terms of the Exit Financing are set forth in Wachovia's commitment letter attached as **Exhibit "D"**. In consideration of the DIP Financing and the Exit Financing provided or to be provided by Wachovia and the substantial contribution made by Wachovia to the Debtors' reorganization, Wachovia shall receive: (i) on the Effective Date, the releases and indemnification from the Debtors, their principals and affiliates, and the Reorganized Debtors pursuant to Article VIII hereof; (ii) on the Effective Date, payment by the Debtors of the Substantial Contribution Payment; and (iii) upon the occurrence of each Capital Event, payment by the Reorganized Debtors of the Wachovia Fees until such fees have been paid in full. Other than with respect to the ArborCo Entities, which will have a separate cash management system, the Debtors anticipate use of a consolidated cash management system. The

Debtors believe cash flow from the continued operation of the hotels and the Exit Financing will be sufficient to meet all required Plan payments and to fund the operating cash needs of the Reorganized Debtors and the prosecution of the Insurance Litigation. Notwithstanding anything to the contrary in the Plan or any other document or agreement, the ArborCo Entities will not be borrowers, guarantors, or otherwise liable under or in respect of the Exit Financing, or any other claims, notes, loan, agreements and liabilities arising under the Plan, and none of the assets of any of the ArborCo Entities will be subject to any Liens or Claims of the Exit Lender, or any other Person, except in each case under and in connection with the New Arbor Loan, the New Arbor Loan Documents and the treatment provided under the Plan for the Class 2 Claims.

B. Merger / Substantive Consolidation.

All Unsecured Claims of the Debtors will be consolidated in two unsecured classes of claims for purposes of voting and distribution. As reflected in Exhibit B, certain Debtors will be reorganized as Reorganized Debtors and the remaining Debtors will be substantively consolidated into, and all of their assets transferred to, Hotel Co., Land Co., or Asset Co., respectively.

C. Funds Generated During Chapter 11.

Cash on hand of all Debtors as of the Effective Date, including funds generated from operations until the Effective Date, will be used for Plan Payments, including the payment of Administrative Expenses, except (i) all Cash held by any of the Six Pack Debtors or, pursuant to any order authorizing any of the Debtors to use cash collateral, as of the Effective Date shall be paid to Arbor, and (ii) as otherwise authorized by prior Court Orders.

D. New Arbor Loan Documents

On the Effective Date, the ArborCo Entities and Arbor shall enter into the New Arbor Loan Documents. Pursuant to the New Arbor Loan Documents, and without limiting in any way any of the terms thereof: (i) a Material Action may not be approved or taken by any of the ArborCo Entities except upon the unanimous vote of the Board of Directors of such ArborCo Entity, including the Independent Director; and (ii) the duties and responsibilities of the Independent Director of each ArborCo Entity shall not be materially altered without the prior written consent of Arbor.

E. New 600 North LMA

On the Effective Date, AssetCo and New SoHo will enter into the New 600 North LMA, which shall be a master lease that provides that:

a. all Plaza Revenues of the 600 North Condo Units will be collateral for the New Arbor Loan and subject to Arbor's first priority Lien on SoHo's leasehold interest and the Plaza Gross Revenues;

b. upon the sale of any of the 600 North Condo Units to any Person other than the Exit Lender, any Reorganized Debtor or any of their respective Affiliates, 50% of the Shared Rental Amount (as defined in such New 600 North LMA) attributable to such 600 North Condo Units shall thereafter be paid to New SoHo and, together with other amounts, shall be subject to Arbor's first lien, and 50% of the Shared Rental Amount shall be paid to the purchaser of such condo units;

c. the New 600 North LMA will in all respects run with title to the land, will be superior to any and all Liens whether held by the Exit Lender or any other Person, and will survive any foreclosure or sale of any 600 North Condo Units;

d. none of the 600 North Condo Units, and no interest therein, may be sold, granted, transferred or otherwise assigned without the prior written consent of the Exit Lender and Arbor; and

e. if any Reorganized Debtor, the Exit Lender or any of their respective Affiliates becomes the owner of any of the 600 North Condo Units, whether pursuant to a foreclosure sale or otherwise, such Person shall be deemed to take such ownership subject to New SoHo's rights under the New 600 North LMA in respect of such Units.

F. Secured Notes, New Secured PIK Notes, Creditor Trust Agreement and Exit Credit Facility Financing.

On the Effective Date, Hotel Co. and Land Co. shall execute and deliver the new secured notes and the New Secured PIK Notes provided for in Article IV of this Plan. Holding Co. shall execute and deliver the Creditor Trust Agreement, the Reorganized Debtors shall execute and deliver the Exit Credit Facility Financing and the Reorganized Debtors shall execute and deliver such other agreements, instruments and documents as may be necessary to effect the transactions contemplated by this Plan.

G. Management and Control of Reorganized Debtors

1. On the Effective Date the Creditor Trust will own, directly or indirectly, the Reorganized Debtors, Westbank and all other assets of the Debtors and will be the mechanism for

liquidating the assets of the Reorganized Debtors and payment of the Debtors' Allowed Claims to Creditors.

The Creditor Agent will be the sole manager of each of the Reorganized Debtors, other than the Arbor Co. entities, which will have three member boards of managers, each comprised of the Creditor Agent, an Independent Manager and a third member selected by Holding Co. The Reorganized Debtors will be newly formed Florida limited liability companies (other than the of Arbor Co. Entities, LNR Co., ING Co., Wells-One Co. and Wells-Two Co., each of which will be the same predecessor legal entity as the respective debtor, reorganized pursuant to the Plan with its name changed as reflected in Exhibit B). The Creditor Agent, or in the case of the ArborCo Entities, the ArborCo Entity boards, will be responsible for the management and operation of each Reorganized Debtor and the sale or other disposition of their assets. In addition, the Creditor Agent will be responsible for prosecution of the Insurance Litigation and other claims the Debtors may have and the resolution of Disputed Claims. As of the Effective Date, the Creditor Agent shall act in a fiduciary capacity for the beneficiaries of the Creditor Trust who were previously holders of Allowed Class 25 and 26 Claims and shall have the rights, powers and duties conferred to him by the Plan, as well as the rights and powers of a trustee under sections 542 through 552 of the Bankruptcy Code. With respect to the Reorganized Debtors other than the ArborCo Entities, the Creditor Agent will have the powers and authority of a sole managing member under Florida or other applicable law, including the power to appoint and terminate officers of the Reorganized Debtors and, subject to approval of the Beneficiary Committee, to sell their assets (other than sales in the ordinary course of their business) and wind up their affairs. The Creditor Agent will not need to (but at his discretion may) obtain

may) obtain Bankruptcy Court approval to implement the terms of the Plan or to take actions authorized by the Plan, the Creditor Trust Agreement or The Beneficiary Committee, including (i) the sale or liquidation of the Reorganized Debtors' assets; (ii) the settlement of the Insurance Litigation or any other Cause of Action; (iii) resolving and/or settlement of any Disputed Claims; and (iv) the granting of releases pursuant to settlements entered into on behalf of the Reorganized Debtors. The Creditor Agent will make continuing efforts to dispose of Creditor Trust assets, make timely distributions and not unduly prolong the duration of the Creditor Trust.

The Plan also provides for the creation of a Beneficiary Committee, consisting of five members, one each selected by Arbor, the Committee, and Secured Lenders that have opted into the Class 25 General Unsecured Claims and two selected by Wachovia. The Creditor Agent will report to the Beneficiary Committee, will provide it operational and financial reports and other information concerning the Reorganized Debtors and will participate as an *ex officio* (with no vote) member of the Beneficiary Committee. The Beneficiary Committee will have the power and authority to direct the activities of the Creditor Agent, including the sale of a material amount of assets outside of the ordinary course of business, the settlement of the Insurance Litigation and the prepayment or issuance of indebtedness on behalf of the Reorganized Debtors.

Notwithstanding the foregoing, or any provision of the Plan, the Disclosure Statement, the Confirmation Order or any other document or agreement, the Creditor Trust Agreement shall govern the rights, duties and obligations of the Creditor Agent and the Beneficiary Committee and all other issues relating to any of them or the Creditor Trust.

The members of the Beneficiary Committee have not yet been determined but will be announced prior to the Confirmation Hearing. Messrs. Bray and Gillespie will be involved in the transition phase after Confirmation, and will assist in the prosecution of the Insurance Litigation and Causes of Action, if necessary, as set forth in Article I of the Plan; however, they will not be members of the Beneficiary Committee.

The initial Beneficiary Committee members shall continue to serve until either (i) the Creditor Trust ceases to exist, or (ii) a member resigns or is replaced pursuant to the Creditor Trust Agreement. The members shall be entitled to receive reasonable compensation.

The Reorganized Debtors shall indemnify and hold the Creditor Agent, the members of the Beneficiary Committee and the Post Confirmation Professionals harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's gross negligence or willful misconduct. Any fees and expenses actually and reasonably incurred by any such person in connection with the defense or settlement of any action or suit against such person in connection with his duties and responsibilities hereunder not covered by any applicable insurance policy, shall be paid by Holding Co. or from their Assets, if any, except that no indemnification shall be made in respect of any claim, issue or matter as to which the person seeking indemnity shall have been adjudged by a court of competent jurisdiction to be liable for bad faith, gross negligence, self dealing, breach of fiduciary duty or willful misconduct.

The Officers of the Reorganized Debtors shall be designated by the Creditor Agent or the board of managers with respect to the Arbor Co. Entities and shall have such duties and

responsibilities as the Creditor or the Beneficiary Committee delegate and are set forth in the relevant organizational documents of the relevant Reorganized Debtors.

The officers of the Reorganized Debtors shall be entitled to reasonable compensation as determined by respective management contracts, and, if no contract exists, as fixed by the Creditor Agent or Beneficiary Committee.

H. Creditor Trust

1. Creation of the Creditor Trust. The Creditor Trust shall be created for benefit of Class 25 Creditors under the Plan and shall be governed by the terms of a Creditor Trust Agreement and the terms of the Creditor Trust Agreement shall govern in the event there is any inconsistency or conflict between the terms thereof and the terms of this Plan or the Disclosure Statement. It is the Debtors' position that the Creditor Trust should be exempt from registration as an investment company under §7 of the Investment Company Act, as an entity engaged in transactions that are merely incidental to their dissolution. As set forth herein and in the Plan, the Committee and the Secured Lenders will jointly determine the Beneficiary Committee and will also develop the documents governing the trust and any distributions therefrom. Additionally, it is clear that the Creditor Trust: (i) is to exist solely to prosecute and liquidate trust assets and distribute the proceeds; (ii) will not hold itself out as an investment company, but rather as a trust in the process of liquidation; (iii) will not conduct an active trade or business, and will limit any investments to temporary investments (i.e., short-term government securities) pending the distribution of liquidation proceeds; (iv) will be under the continuing jurisdiction of the Bankruptcy Court; and (v) will terminate at some appointed future date, not to exceed five years from the Effective Date of the Plan, unless extended by the Bankruptcy Court. The terms and conditions of the Creditor Trust shall be acceptable in form and

acceptable in form and substance to Wachovia, the Committee, and Arbor as identified in the Creditor Trust Agreement which will be provided prior to the Confirmation Hearing. The Creditor Trust Agreement will provide for, but not be limited to the following: (i) transfer of the Debtors' assets to the Creditor Trust will be treated for all purposes of the Internal Revenue Code as a taxable transfer to the Allowed Class 25 Creditors who are beneficiaries of the Trust; (ii) such transfer will be treated as a deemed transfer to the Allowed Class 25 Creditor-beneficiaries to the Creditor Trust; (iii) the Allowed Class 25 Creditor-beneficiaries will be treated as grantors and deemed owners of the Trust; (iv) the assets transferred to the Creditor Trust on the Effective Date must be valued by the Trustee and such valuations must be provided to the Debtors, Allowed Class 25 Creditor-beneficiaries and used consistently for all federal income tax purposes by the Debtors. Allowed Class 25 Creditor-beneficiaries and the Creditor Trust; (v) all of the Trust's income will pass-through to the Allowed Class 25 Creditor-beneficiaries annually, in accordance with IRC Section 671 and such income allocation will be based on the population of Allowed Class 25 Creditor-beneficiaries at the end of each calendar year. Except as otherwise provided in the Plan, effective as of the Effective Date, all Causes of Action shall be transferred to the Creditor Trust or Asset Co. to be asserted and prosecuted by the Creditor Agent. From and after the Effective Date, the Creditor Agent and no other person shall be authorized to litigate any Causes of Action, including the Insurance Litigation. The Creditor Agent shall also be vested with all rights, powers and benefits afforded a "trustee" under Sections 704 and 1106 of the Bankruptcy Code.

2. Creditor Agent. The Creditor Agent shall be deemed an agent of the beneficiaries of the Creditor Trust who previously were Class 25 Creditors who may be entitled to

receive distributions from the Creditor Trust under the Plan. The Creditor Agent shall perform the duties and have the rights and obligations proscribed in the Creditor Trust Agreement.

The Debtors shall be authorized and directed to execute, deliver, receive and exchange on behalf of the Estates any and all documents necessary to effectuate the transfer of the trust assets to the Creditor Trust on the Effective Date.

3. Compensation for Creditor Agent. The Creditor Agent shall be paid on a per hour basis plus actual out-of-pocket expenses, to be paid monthly from the trust assets, pursuant to the Creditor Trust Agreement, or on such other basis as he and the Beneficiary Committee may agree, including the formula set forth in Section 326 of the Bankruptcy Code applicable to a Chapter 7 trustee.

4. Removal of Creditor Agent. The Creditor Agent may be removed with or without cause by the Beneficiary Committee in accordance with the Creditor Trust Agreement.

5. Preservation, Prosecution and Defense of Causes of Action.

On behalf of the Creditor Trust and Asset Co., the Creditor Agent shall have the right to pursue any and all Causes of Action of the Debtors that will be transferred to Asset Co., including all pending adversary proceedings, whether or not such causes of action have been commenced as of the Effective Date, and shall be substituted as the real party in interest in any such actions commenced by or against the Debtors, the Debtors' Estates or the Committee. The Creditor Agent shall prosecute or defend, as appropriate, such actions through final judgment, any appeals deemed necessary and appropriate by the Creditor Agent and collection; *provided, however*, that the Creditor Agent shall be authorized at any point in any litigation (a) to enter into such settlements as

the Creditor Agent deems to be in the best interest of creditors, subject to Bankruptcy Court approval after notice and a hearing in accordance with Bankruptcy Rule 9019; or (b) to abandon, dismiss and/or decide not to prosecute any such litigation if the Creditor Agent deems such action to be in the best interest of creditors without Bankruptcy Court or other approval. The Creditor Agent shall be subject to the direction of the Beneficiary Committee and the Lender Releases set forth in Article VIII(E) of this Plan.

6. Retention of Professionals. The Creditor Agent and Beneficiary Committee may retain professionals (whether or not such professionals were engaged by the Debtors or any party in interest in the Debtors' Chapter 11 cases) on such terms as the Creditor Agent deems reasonable, subject to the terms of the Creditor Trust Agreement, without Bankruptcy Court approval, except that payments to the professionals for post-confirmation services and expenses shall be made in accordance with the Creditor Trust Agreement.

7. Payment of Costs/Expenses.

(i) As and to the extent provided in the Creditor Trust Agreement, all costs and expenses and obligations incurred by the Creditor Agent in administering the Creditor Trust and/or Plan or in any manner connected, incidental or related thereto shall be a charge against the Creditor Trust, including but not limited to, payments to the Creditor Agent, members of the Beneficiary Committee and any attorneys, accountants, brokers or other professionals employed by the Creditor Agent or the Beneficiary Committee, together the "Post Confirmation Professionals". The Creditor Agent, members of the Beneficiary Committee and the Post Confirmation Professionals shall submit copies of the complete invoices (with time records) to one another each month. Unless

month. Unless the Creditor Agent receives an objection to the correctness or reasonableness of any such costs, expenses or obligations, the Creditor Agent shall approve and direct payment within thirty days of receipt of the invoice.

(ii) Any professionals retained by the Committee or the Debtors pursuant to 11 U.S.C. § 327 and 1103 need not submit applications to the Court for fees and expenses incurred during the period between the Confirmation Date and Effective Date pursuant to 11 U.S.C. § 330, and such shall be paid either by the Debtors or Reorganized Debtors.

I. Equity Interest in Reorganized Debtors.

After Confirmation but prior to the Effective Date, Reorganized Debtors shall be formed consistent with the terms set forth herein. Holding Co shall be a limited liability company eligible to be taxed as a partnership or treated as a disregarded entity for tax purposes.

The Debtors have not filed, and do not intend to file, a registration statement under the Securities Act or any other federal or state securities laws with respect to any of the Plan Securities that they may be deemed to be offering by virtue of the Debtors' solicitation of acceptances of the Plan pursuant to this Disclosure Statement. The Debtors are relying on Section 1145(a) of the Bankruptcy Code ("Section 1145(a)") to exempt from registration under the Securities Act and any applicable state securities laws the offer of any Plan Securities that may be deemed to be made pursuant to the Plan to creditors or other parties in exchange for their Claims against or Interests in the Company. Generally, Section 1145(a)(1) exempts the offer and sale of securities pursuant to a Plan of reorganization from such registration requirements if the following conditions are satisfied: (i) the securities are issued by a debtor (or its affiliate or successor) under a plan of reorganization; (ii) the

reorganization; (ii) the recipients of the securities hold a claim against, an interest in, or a claim for an administrative expense against, the debtor; and (iii) the securities are issued entirely in exchange for the recipient's claim against or interest in the debtor, or are issued "principally" in such exchange and "partly for cash or property". The Debtors believe that the Plan Securities issued to the Creditor Trust pursuant to the Plan will satisfy the requirements of Section 1145(a).

In the alternative, the Debtors would rely on the private placement exemption provided by Section 4(2) of the Securities Act. Recipients of Plan Securities issued in reliance upon the exemption provided under Section 4(2) of the Securities Act should be advised that because the Debtors are not registering any of the Plan Securities under the federal securities laws that such Plan Securities may not be offered, sold, pledged or otherwise transferred except in compliance with the registration requirements of the Securities Act and other applicable securities laws, pursuant to an exemption therefrom or in a transaction not subject thereto.

The Plan Securities issued to the Creditor Trust may be resold by the holders thereof without restriction, except for any such holder that is deemed to be an "underwriter" with respect to the Plan Securities as defined in Section 1145(b)(1) of the Bankruptcy Code. Generally, Section 1145(b)(1) defines an "underwriter" as any person who (i) purchases a claim against, or an interest in, a debtor with a view towards distribution of any security to be received in exchange for such claim or interest, (ii) offers to sell securities issued pursuant to a bankruptcy plan for the holders of such securities, (iii) offers to buy securities issued pursuant to a bankruptcy plan from persons receiving such securities, if the offer to buy is made with a view towards distribution of such securities, or (iv) is an issuer within the meaning of Section 2(11) of the Securities Act. Section 2(11) of the Securities Act provides that the term "issuer" includes all persons who, directly or indirectly, through one or

indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. Under Rule 405 of Regulation C under the Securities Act, the term “control” 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 affiliate or successor) under a plan of reorganization may be deemed to “control” such debtor (and therefore be an underwriter for purposes of Section 1145), particularly if such management position is coupled with the ownership of a significant percentage of a debtor’s (or its affiliate’s or successor’s) voting securities. Any entity that is an “underwriter” but not an “issuer” with respect to an issue of securities is, however, entitled to engage in exempt “ordinary trading transactions” within the meaning of Section 1145(b).

Holders of such securities who are deemed to be “underwriters” within the meaning of Section 1145(b)(1) of the Bankruptcy Code or who may otherwise be deemed to be “underwriters” of, or to exercise “control” over, the Company within the meaning of Rule 405 of Regulation C under the Securities Act should, assuming all other conditions of Rule 144A are met, be entitled to avail themselves of the safe harbor resale provisions thereof. Rule 144A, promulgated under the Securities Act, provides a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales to certain “qualified institutional buyers” of securities which are “restricted securities” within the meaning of the Securities Act irrespective of whether the seller of such securities purchased its securities with a view towards reselling such securities under the provisions of Rule 144A. Under Rule 144A, a “qualified institutional buyer” is defined to include, among other Entities (e.g., “dealers” registered as such pursuant to Section 15 of the Exchange Act and “banks” as

and “banks” as defined in Section 3(a)(2) of the Securities Act), any entity which purchases securities for its own account or for the account of another qualified institutional buyer and which (in the aggregate) owns and invests on a discretionary basis at least \$100 million in the securities of unaffiliated issuers. Subject to certain qualifications, Rule 144A does not exempt the offer or sale of securities then listed on a national securities exchange (registered as such under Section 6 of the Exchange Act) or quoted in a U.S. automated interdealer quotation system (e.g. NASDAQ).

To the extent that Rule 144A is unavailable, holders may, under certain circumstances, be able to sell their securities pursuant to the more limited safe harbor resale provisions of Rule 144 under the Securities Act. Generally, Rule 144 provides that if certain conditions are met (e.g., one-year holding period with respect to “restricted Securities”, volume limitations, manner of sale, availability of current information about the issuer, etc.), (a) any person who resells “restricted securities” and (b) any “affiliate” of the issuer of the securities sought to be resold will not be deemed to be an “underwriter” as defined in Section 2(11) of the Securities Act. Under paragraph (k) of Rule 144, the aforementioned conditions to resale will no longer apply to restricted securities sold for the account of a holder who is not an affiliate of the Company at the time of such resale and who has not been such during the three-month period next preceding such resale, so long as a period of at least two years has elapsed since the later of (i) the Effective Date and (ii) the date on which such holder acquired his or its securities from an affiliate of the Company. The Securities and Exchange Commission has taken the position in no-action letters that the holding period requirement set forth in Rule 144(d) is not applicable to holders of securities issues pursuant to Section 1145 of the Bankruptcy Code.

THE FOREGOING SUMMARY DISCUSSION IS GENERAL IN NATURE AND HAS BEEN INCLUDED IN THIS PLAN SOLELY FOR INFORMATIONAL PURPOSES. THE DEBTORS MAKE NO REPRESENTATIONS CONCERNING, AND DO NOT HEREBY PROVIDE ANY OPINION OR ADVICE WITH RESPECT TO, THE SECURITIES LAW AND BANKRUPTCY LAW MATTERS DESCRIBED ABOVE. IN LIGHT OF THE COMPLEX AND SUBJECTIVE INTERPRETIVE NATURE OF WHETHER A PARTICULAR RECIPIENT OF PLAN SECURITIES MAY BE DEEMED TO BE AN “UNDERWRITER” WITHIN THE MEANING OF SECTION 1145(B)(1) OF THE BANKRUPTCY CODE UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS AND, CONSEQUENTLY, THE UNCERTAINTY CONCERNING THE AVAILABILITY OF EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND EQUIVALENT STATE SECURITIES AND “BLUE SKY” LAWS, THE DEBTORS ENCOURAGE EACH HOLDER OF A CLAIM OR INTEREST POTENTIALLY ENTITLED TO RECEIVE PLAN SECURITIES UNDER THE PLAN TO CONSIDER CAREFULLY AND CONSULT WITH ITS OWN LEGAL ADVISOR(S) WITH RESPECT TO SUCH (AND ANY RELATED) MATTERS.

J. Additional Provisions.

1. Procedures For Resolving Disputed Claims

a. Prosecution of Objections to Claims

Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, and except as otherwise provided in the Plan, the Debtors, the Reorganized Debtors and the Creditor Trust shall have the exclusive right to make and file objections to all Claims. All Claims objections filed post-Confirmation related to Class 25 Claims will be administered and maintained by the Creditor Trust. All objections commenced prior to Confirmation Date shall be finished by Reorganized Debtors.

Pursuant to the Plan, unless another time is set by order of the Bankruptcy Court, all objections to Claims and Equity Interests shall be Filed with the Court and served upon the Holders of each of the Claims and Equity Interests to which objections are made within 180 days after the Confirmation Date.

Except as may be specifically set forth in the Plan, nothing in the Plan, the Disclosure Statement, the Confirmation Order or any order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any claim, cause of action, right of setoff, or other legal or equitable defense that, any Debtor had immediately prior to the commencement of the Chapter 11 Cases, against or with respect to any Claim or Equity Interest. Except as set forth in the Plan, upon Confirmation, the Debtors and the Creditor Trust/Creditor Agent shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, rights of setoff and other legal or equitable defenses that any Debtor had immediately prior to the commencement of the Chapter 11 Cases as if the Chapter 11 Cases had not been commenced.

b. Estimation of Claims

Pursuant to the Plan, the Debtors may, at any time, request that the Bankruptcy Court estimate any contingent, disputed or unliquidated Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, disputed or unliquidated Claim, that estimated amount will constitute either the Allowed Amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim.

c. Cumulative Remedies

In accordance with the Plan, all of the aforementioned Claims objections, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court. Until such time as an Administrative Claim, Claim or Equity Interest becomes an Allowed Claim, such Claim shall be treated as a Disputed Administrative Claim, Disputed Claim or Disputed Equity Interest for purposes related to allocations, Distributions, and voting under the Plan.

d. Payments and Distributions on Disputed Claims

As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid from the Reorganized Debtors' Cash and Assets but not from any Cash or Assets of the ArborCo Entities, such that the Holder of such Allowed Claim receives all payments and Distributions to which such Holder is entitled under the Plan in order to bring payments to the affected Claimants current with the other participants in the particular Class in question. Except as otherwise provided in the Plan, no partial payments and no partial Distributions will be made with respect to a Disputed Claim until the resolution of such disputes by settlement or Final Order. Unless otherwise agreed by the Reorganized Debtors or as otherwise specifically provided in the Plan, a Creditor who holds both an Allowed Claim and a Disputed Claim will not receive a Distribution until such dispute is resolved by settlement or Final Order.

e. Allowance of Claims and Interests

(i) Disallowance of Claims

According to the Plan, all Claims held by Entities against whom any Debtor has obtained a Final Order establishing liability for a cause of action under Sections 542, 543, 522(f), 522(h), 544, 545, 547, 548, 549, or 550 of the Bankruptcy Code shall be deemed disallowed pursuant to Section 502(d) of the Bankruptcy Code, and Holders of such Claims may not vote to accept or reject the Plan, both consequences to be in effect until such time as such causes of action against that Entity have been settled or resolved by a Final Order and all sums due the related Debtor by that Entity are turned over to such Debtor.

(ii) Allowance of Claims

Except as expressly provided in the Plan, no Claim or Equity Interest shall be deemed Allowed by virtue of the Plan, Confirmation, or any Order of the Bankruptcy Court in the Chapter 11 Cases, unless and until such Claim or Equity Interest is deemed Allowed under the Bankruptcy Code or the Bankruptcy Court enters a Final Order in the Chapter 11 Cases allowing such Claim or Equity Interest.

f. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Equity Interests or any Class of Claims or Equity Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy before the Confirmation Date. If such controversy is not resolved prior to the Effective Date, the Debtors' interpretation of the Plan shall govern.

g. Consolidation

Pursuant to the Confirmation Order, on the Confirmation Date: (i) all assets, and all proceeds thereof, and all liabilities of the Debtors, will be treated as though the assets and liabilities were merged into a single entity; (ii) all Intercompany Claims will receive no distribution under the Plan; (iii) any obligation of any Debtors and all Guaranties thereof executed by one or more of the Debtors, and any Claims filed in a case of a Debtor hereof or to be filed in connection with any such obligation and guarantee will be deemed one Claim against the respective consolidated entity; (iv) each and every Claim filed in the individual Chapter 11 Case of any of the Debtors will be deemed filed against the consolidated entity; and (v) for purposes of determining the availability of the right of setoff under Section 553 of the Bankruptcy Code, the Debtors shall be treated for purposes of the Plan as one entity so that, subject to the other provisions of Section 553 of the Bankruptcy Code, debts due to any of the Debtors may be set off against the debts of any of the Debtors. Following consolidation, the Reorganized Debtors shall be formed consistent with the terms of this Plan.

2. Tax Cooperation with Principals

The Reorganized Debtors and their employees, professionals, agents, and associates will work with Charles A. Bray and Joseph G. Gillespie and their professionals to help preserve and provide tax benefits for 2008, 2009, and other years as required without impairing assets available for distribution and entity governance issues of the Reorganized Debtors. The objective is to minimize the tax exposure of the Debtors, the Reorganized Debtors, Joseph G. Gillespie and Charles A. Bray, to the extent permissible under the law. Charles A. Bray and Joseph G. Gillespie and their professionals will provide the reorganized debtors and their professionals written explanations and other evidence

other evidence satisfactory to them concerning such benefits. The Reorganized Debtors and their employees will work in an efficient manner with Charles A Bray and his professionals to expedite the tax matters discussed above, as well as, the processing of the tax returns for 2008, 2009, and others years as required and other tax matters for 2008, 2009, and other years as required before, during, and after the Debtors are reorganized. Notwithstanding the foregoing, neither the Creditor Trust nor the Reorganized Debtors, or any of their respective employees, professionals, agents, and associates, shall be required to incur any expense or liability to comply with the obligations imposed by this paragraph.

ARTICLE VIII. - MISCELLANEOUS.

A. Effect of Confirmation

1. Cancellation of Equity

On the Effective Date, all of the outstanding Equity Interests in the Debtors will be extinguished. The Equity Interests in the Reorganized Debtors will be distributed as described in **Exhibit B** and as otherwise set forth herein.

2. Authority to Effectuate the Plan

Subject to the Conditions of Effectiveness set forth in Article VIII(D) hereof, upon the entry of the Confirmation Order by the Bankruptcy Court, the Plan provides all matters provided under the Plan will be deemed to be authorized and approved without further approval from the Bankruptcy Court. The Confirmation Order will act as an order modifying the Debtors' by-laws such that the provisions of this Plan can be effectuated. The Reorganized Debtors and the Creditor Agent shall be authorized, without further application to or order of the Bankruptcy Court, to take

whatever action is necessary to achieve Consummation and carry out the Plan including execution of Exit Financing loan documents.

3. Post-Confirmation Status Report

Pursuant to the Plan, within 120 days of the entry of the Confirmation Order, the Debtors will file status reports with the Court explaining what progress has been made toward consummation of the confirmed Plan. The status report will be served on the United States Trustee, the Creditor Agent, and those parties who have requested special notice post-confirmation. The Bankruptcy Court may schedule subsequent status conferences in its discretion.

4. Escrows

Pursuant to the Plan, all escrows previously established in the Chapter 11 Cases and still in existence on the Effective Date will continue to be administered, and the escrowed funds shall be released, according to their terms and any orders of the Bankruptcy Court previously entered or this Plan. Escrowed funds that are released to the Reorganized Debtors after the Effective Date will be used to achieve Consummation and carry out the Plan.

B. Dissolution of Creditors' Committee and Creation of Beneficiary Committee

1. Dissolution of Creditors' Committee. As of the Effective Date, the Committee shall be disbanded and the duties of the Committee and any professionals retained by the Committee in this case shall terminate except as to: (i) applications under Section 330 and 503 of the Bankruptcy Code and the Committee's objections to such application; and (ii) enforcement of the provisions of the Plan until the Plan is substantially consummated. On the Effective Date, the Creditor Agent shall be substituted in place of the Committee in any legal proceedings in which the Committee is a named

party and shall have all rights and duties of the Committee in such proceeding. No further action between the Creditor Agent and Committee shall be necessary to effectuate such transfer.

2. Creation of Beneficiary Committee. As of the Effective Date, a Beneficiary Committee shall be created, which shall consist five (5) members. The members shall be selected as follows: one by Arbor, two by Wachovia, one by the Committee, and one by the other Secured Lenders who hold Allowed Class 25 General Unsecured Claims. In order to be eligible to become, or to continue as a member of the Beneficiary Committee, an individual must be a Creditor with a beneficial interest in the Creditor Trust or be designated by the holder of such a beneficial interest. Any Beneficiary Committee member may withdraw from the Beneficiary Committee by sending written notice of withdrawal to the other members of the Beneficiary Committee, the Creditor Agent and Creditors Agent service list. Any member who withdraws or is otherwise not able to continue serving will be replaced pursuant to the Creditor Trust Agreement.

The Beneficiary Committee shall have overall direction and control of the Creditor Trust and, ultimately, Holding Co. The Beneficiary Committee shall oversee all of the activities of the Creditor Agent. The Beneficiary Committee shall have the powers and duties provided in the Plan and Creditor Trust Agreement and shall not be governed by the United States Trustee's office.

C. Conditions to Effectiveness.

The Effective Date shall not occur and the Plan shall not become effective unless and until the Confirmation Order has been entered and all of the following conditions have been satisfied in full or waived:

1. The entry of the Confirmation Order by the Bankruptcy Court in form and content acceptable to the Debtors, Wachovia and Arbor and expiration of the appeal period with respect to the Confirmation Order without the filing of a notice of appeal of such Order; *provided, however,* that, if an appeal of the Confirmation Order is filed but no stay is granted in connection with the appeal, Debtors, Wachovia and Arbor may elect in writing to permit the Effective Date to occur notwithstanding the pendency of the appeal;

2. Inclusion in the Confirmation Order of an injunctive provision: (x) staying, restraining, and enjoining all individuals or entities, from commencing, enforcing, perfecting, or setting off any claim, judgment, or interest against Debtors, any of their past or current officers or directors, or any property thereof, or against any of Debtors' transferees including the Reorganized Debtors, for the purposes of, directly or indirectly, collecting, recovering, or receiving payment of, on, or with respect to, any Claim or Equity Interest (except with respect to the Causes of Action) and (y) effecting the releases of the Released Claims under this Article VIII; provided, that such injunctive provision shall not prevent any governmental unit from enforcing such governmental unit's police or regulatory power;

3. The Creditor Trust is created pursuant to the terms of the Plan, the Creditor Agent has been retained, and Debtors shall have taken all necessary actions and joined in all necessary motions to assign and transfer all of their assets, including the Causes of Action to the Reorganized Debtors in accordance with this Plan;

4. The Bankruptcy Court shall have approved the appointment of Soneet R. Kapila as the Creditor Agent and form of the Creditor Trust Agreement;

5. Any amendments to the terms of the Exit Credit Facility Financing or of the existing loans of the Secured Lenders reasonably requested by the Debtors in order to make the terms of such loans consistent with the terms of the Plan shall have been made and the new secured notes and the New Secured PIK notes required by Article V of this Plan shall have been executed and delivered;
6. All authorizations, consents and regulatory approvals required (if any) for the Plan's effectiveness shall have been obtained;
7. The Reorganized Debtors shall have entered into and consummated the Exit Credit Facility Financing;
8. The Reorganized Debtors shall have funded the Reserve with the Reserve Amount;
9. The Reorganized Debtors shall have received the full amount of the Bray and Gillespie Contribution in Cash in immediately available funds;
10. The certificates of incorporation, limited liability agreements or other organizational documents for each of the Reorganized Debtors shall have been filed or amended consistent with the Plan;
11. Each of the Reorganized Debtors shall have been formed consistent with the Plan;

12. The New Arbor Loan Documents, including without limitation, the New Arbor Loan and the Liens securing it, the Junior Condo Lien, the Arbor Insurance Proceeds Lien, the New Intercreditor Agreement, and the Amended 600 North LMA shall be in form and substance acceptable to Arbor; and

13. The Bankruptcy Court shall have approved the payment by the Debtors of the Substantial Contribution Payment and the payment of the Wachovia Fees.

14. Each of the conditions set forth in Article VIII(D)2 through 13 above, may be waived in whole or in part by the Debtors without any notice to parties in interest or the Bankruptcy court and without a hearing; provided, however, that such waiver shall not be effective without the written consent of both Wachovia and Arbor.

Upon the satisfaction or waiver by the Debtors, Wachovia and Arbor of each of the foregoing conditions, the Debtors shall so notify the Bankruptcy Court, and upon the filing of such notice the Plan shall become Effective without further Order of the Bankruptcy Court provided that all of the conditions to effectiveness of the Plan set forth in Article VIII(D) herein have been met.

D. Releases and Injunctions.

1. Messrs. Bray & Gillespie

Messrs. Bray and Gillespie are the principal shareholders, members, or partners, and the ultimate controlling persons, of each of the Debtors. Messrs. Bray and Gillespie have been involved with the acquisition and development of each of the Debtors' properties and business operations since their inception. As a consequence of their intricate involvement with the

Debtors' business development and financial affairs, Messrs. Bray and Gillespie are obligated on numerous direct, limited, or conditional guarantees of the Debtors' financial obligations, and as a result are liable under those contractual undertakings as accommodation parties for the Debtors or as direct obligors on account of credit obtained for the benefit of the Debtors on substantially all of the Debtors' business and operational indebtedness. Additionally, by reason of their status as officers, directors, managers, and control persons of the Debtors' business activities, Messrs. Bray and Gillespie have been joined in numerous litigations and claims arising from the Debtors' operations. Messrs. Bray and Gillespie estimate their potential exposure on contractual recourse liability for the Debtors' business obligations and other Debtor related non-contractual claims to exceed \$400,000,000.00. Conversely, Messrs. Bray and Gillespie have represented to the Debtors and to many of the secured lenders within the Chapter 11 cases, under terms of confidentiality, that recourse by creditors to their combined assets would yield less than a 1% distribution to those creditors who seek recourse against Messrs. Bray and Gillespie.

With the assistance of Messrs. Bray and Gillespie, the assets can be managed and achieve a cash flow that will provide a clear economic benefit to creditors. The Debtors believe that Messrs. Bray and Gillespie have and are continuing to contribute significant value to the Debtors' estates, and will continue to contribute value to the Reorganized Debtor based upon the following;

(a) Messrs. Bray and Gillespie have continued to manage the ongoing business operations of the Debtors since the Petition Date with no compensation and, will support and seek

approval of the Plan and will continue to assist in the transition of the Debtors' business to the Reorganized Debtors with no compensation through confirmation of the Plan;

(b) As authorized by the Court on November 19, 2008, Messrs. Bray and Gillespie have funded a \$1,000,000 Debtor in Possession loan to the Debtors on an unsecured basis under Section 364(b) of the Code which is entitled to administrative expense treatment, but will upon Confirmation be contributed by Messrs. Bray and Gillespie;

(c) Messrs. Bray and Gillespie have extensive factual knowledge of the circumstances of the hurricane damage claims being advanced by the Debtors, which constitute a significant asset potentially available to the Reorganized Debtors, and their continued participation, knowledge, and expertise in advancing those claims to maximum value is of critical importance to the success of the Plan and the Reorganized Debtors. To date, approximately \$11,000,000.00 and hundreds of hours have already been spent by the Debtors in managing the litigation, and over \$100,000,000.00 has been received. The insurance claims are important to the success of the plan. For a period of two years following the Confirmation Date, Messrs. Bray and Gillespie will make themselves available and will cooperate with and assist the Reorganized Debtors and their professionals in the continued prosecution of the Insurance Litigation;

(d) Messrs. Bray and Gillespie will contribute free of any Liens or other encumbrances and clear the land known as the Zaxby's Restaurant, which was purchased for approximately \$1,750,000.00;

(e) Messrs. Bray and Gillespie will contribute free and clear of any Liens or other encumbrances (other than Liens in favor of Wachovia and Arbor) the 600 North Condo Units;

(f) Messrs. Bray and Gillespie will contribute free and clear of any Liens or other encumbrances the property known as the Rodeway Land; and

(g) Messrs. Bray and Gillespie will contribute free and clear of any Liens or other encumbrances, other than a Lien in favor of Bear Stearns, securing a \$20,000,000 liability, the Westbank hotel located in Gretna, Louisiana; provided, however, the Reorganized Debtors will use commercially reasonable efforts to remove Messrs. Bray and Gillespie from any contingent liability on this loan pursuant to guaranties in favor of the lender except that notwithstanding the foregoing, the Reorganized Debtors shall not be required to incur any expense in connection with the obligation imposed on them pursuant hereto.

On the Effective Date of the Plan, Messrs. Bray and Gillespie will make a contribution of capital to the Reorganized Debtors in the amount of \$5,000,000 in cash (the “Bray and Gillespie Capital Contribution”). Neither Messrs. Bray nor Gillespie will acquire any equity interest in the Reorganized Debtors on account of the Bray and Gillespie Capital Contribution or other contributions to the Reorganized Debtors, and accordingly such contributions constitute an extraordinary, substantial contribution of assets which is critical to the success of the Reorganized Debtors. Additionally, neither Mr. Bray nor Mr. Gillespie will be entitled to any distribution under the Plan in respect of any Claim or Interest held by either of them, except to the extent distributions may be made on account of Claims assigned to Federal Trust Bank or Wachovia or to other Creditors in consideration of releases by them, all of which will be Allowed Class 25 General Unsecured Claims.

Claims. In consideration of the substantial contributions made and to be made by Messrs. Bray and Gillespie, the Plan contemplates the provision to Messrs. Bray and Gillespie of broad third-party releases and injunctions of pursuit against Messrs. Bray and Gillespie of claims arising out of and deriving from the business operations and financial affairs of the Debtors. The third-party releases and injunctions will not include Claims or liabilities of Messrs. Bray and Gillespie, or either of them, owing to holders of Claims against the Debtors that do not relate to or arise from transactions with the Debtors.

2. Releases/Injunctions

The Plan is premised upon the releases contained below. Debtors assert the releases are being given as consideration for the accommodations provided by the Released Parties under the Plan and are fair consideration for, as the case may be, funds contributed, generous loan terms, or valuable services. The Debtors do not believe that any Claims or Causes of Action against Bray and Gillespie Released Parties have any merit. The Debtors further believe that unless the settlement is binding on all parties through confirmation of the Plan, protracted and costly litigation would ensue, distributions to Creditors would be substantially delayed and the Debtors would not be restructured and reorganized.

Messrs. Bray and Gillespie will cooperate with Reorganized Debtors including;

- (i) assistance with transition issues as to management and operations;
- (ii) deposition and trial testimony for the Insurance Litigation (without the need for subpoena but upon reasonable notice);
- (iii) deposition and hearing testimony for claims objections (without the need for subpoena but upon reasonable notice); and
- (iv) documentary support for (i) – (iii) to the extent such documents are in the possession of the Released Parties for a period of twenty-four (24) months following the Effective

Effective Date. Request for assistance should be made in writing and sent by email to Mr. Bray at charlesbraypersonal@gmail.com with a copy to his counsel, John Kozyak at jk@kttl.com and for Mr. Gillespie to jgillespie@oceanwatersmanagement.com with a copy to his counsel at jmacdonald@akerman.com. As to Mr. Bray, it is understood that his role will be a part-time role and Mr. Bray will need to seek employment by others so that he may not be immediately available to assist, but he will use his best efforts to be helpful and responsive. In the event Mr. Bray moves his residence outside of Daytona Beach, Florida during the two (2) years, he will continue to cooperate and appear for depositions and trials, provided he receives reasonable notice and travel allowance from within the continental United States. Failure to comply with the cooperation requirements set forth herein will be grounds to void the releases granted herein. The Releases described in this Article VIII.E.1 in the Plan and in Article VII in the Disclosure Statement shall become effective on the Effective Date, and all Holders of Claims and Interests, including the Creditor Agent and the Creditor Trust and all holders of interests therein, shall be enjoined from commencing or continuing any Released Claims against any Released Parties; provided that from and after the Confirmation Date, all such enjoined parties shall be enjoined from commencing or continuing any such claim that will become a Released Claim against each such Released Party and provided further that in the event the Bankruptcy Court determines that a Released Party has not complied with the terms of the Release, the injunction with respect to such Released Party shall be dissolved.

a. **Rule 3016(c) Declaration.** In accordance with the requirements of Rule 3016(c), the provisions of this Article VII operate to specifically release Messrs. Bray and Gillespie (“Released Parties”) from all liabilities associated with their business interests in the Debtors and in these cases. By reason of their contribution of work, expertise, and knowledge of the Debtors’ affairs,

affairs, the Bray and Gillespie Capital Contribution, the forgiveness of the DIP Loan, the 600 North Condo Units and other real estate as the new value for the Reorganized Debtors, the contributions of Messrs. Bray and Gillespie are critical to the successful reorganization of the Debtors. The Debtors believe that without the protection of such injunctions, the Plan would have less likelihood of success.

Within this Section, ***bold print and italics*** are used to identify the exact nature of releases and to identify the parties subject to the release.

b. **General Releases by Holders of Claims or Interests.** *On the Effective Date, in consideration for the obligations of the Debtors, its managers, members, directors and officers, and Reorganized Debtors under the Plan, and the cash, stock, warrants and other contracts, instruments, releases, written agreements or other documents to be entered into or delivered in connection with the Plan, and all consideration distributed under the Plan, **all Holders of Claims and Interests** will be deemed to forever release, waive, discontinue and discharge all existing and future claims, obligations, proceedings, suits, judgments, damages, demands, debts, rights, Causes of Action, objections to the Claims of the Released Parties that have been assigned to other Creditors of the Debtors in connection with their Release of Messrs. Bray and Gillespie, and liabilities (other than the right to enforce Reorganized Debtors' or Released Parties' obligations under the Plan and the contracts, instruments, releases, written agreements or other documents to be entered into or delivered in connection with the Plan) that are based in whole or in part on any act, failure to act, omission, transaction or other occurrence taking place on or prior to the Effective Date, including without limitation any claim such Holder had, or may have against the Released Parties, and including but not limited to all claims arising from the business activities, loans to, or contracts with,*

contracts with, or the operations and activities of the Debtors, excepting there from only the personal obligation of or personal liability of Messrs. Bray and Gillespie to the Holder of a Claim against the Debtors, or any of them, arising solely for personal or family purposes, including mortgage liabilities on personal residences, personal loans (but not loans for which the proceeds were applied to or contributed to operations of the Debtors), and other personal and consumer obligations (the "Bray and Gillespie Excepted Liabilities").

c. **General Releases by Holders of Claims or Interests.** *On the Effective Date, and in consideration of the contributions of Messrs. Bray and Gillespie, and conditioned upon Messrs. Bray and Gillespie funding the Bray and Gillespie Contribution, the forgiveness of the obligations of the first DIP Loan, the contribution of the 600 North Condo Units and other real estate, the support by Messrs. Bray and Gillespie for approval of the Plan, and the cooperation of Messrs. Bray and Gillespie in the transition of the business of the Reorganized Debtors for a period of twenty-four months following the Effective Date, **the Debtors and Reorganized Debtors** shall be deemed to have released, waived, and discharged Messrs. Bray and Gillespie from any and all claims, obligations, suits, judgments, damages, rights, causes of action, and liabilities whatsoever, including without limitations any claim or cause of action pursuant to Section 542 through 554 of the Bankruptcy Code, inclusive, whether known or unknown, foreseen or unforeseen, existing or hereafter arising in law, equity, or otherwise, and based in whole or in part upon any act or omission, transaction, even, or other occurrence taking place on or prior to the Effective Date.*

d. ***Injunction Related to Releases.***

i. *Except as expressly provided in the Plan or to otherwise enforce the terms of the Plan, as of the Confirmation Date, but conditioned upon the occurrence of the Effective Date, **all Persons that have held, currently hold or may 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,** to the fullest extent permitted by applicable law, are permanently enjoined from taking any of the following actions on account of any such discharged Claims, debts or liabilities or terminated Interests or rights: (i) commencing or continuing in any manner any action or proceeding against the Debtors, Reorganized Debtors, or their respective property, other than to enforce any right pursuant to the Plan to a distribution; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Debtors or Reorganized Debtors, other than as permitted pursuant to (i) above; (iii) creating, perfecting, or enforcing any lien or encumbrance against the Debtors, Reorganized Debtors or their respective property; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or Reorganized Debtors; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.*

ii. *Except as expressly provided in the Plan or to otherwise enforce the terms of the Plan or the obligation of the Released Parties' under the Plan, as of the Confirmation Date, but conditioned upon the occurrence of the Effective Date, and the continued performance of the Released Parties' obligations under the terms of the Release, **all Persons that have held, currently hold or may hold a Claim or other debt or liability that are released, waived***

waived or discharged or in interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan, to the fullest extent permitted by applicable law, are permanently enjoined from taking any actions against any released Person or entity or its property on account of such released claims, demands, rights, causes of action or liabilities including, without limitation: (i) commencing or continuing in any manner 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 any released entity; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan; provided that any such Person or the Creditor Agent may petition the Bankruptcy Court for relief from such injunction and upon a determination by the Bankruptcy Court that a Released Party has not complied with the terms of the Release, the injunction with respect to such Released Party shall be dissolved.

3. **Lender Releases**

On the Effective Date, and notwithstanding any other provisions of the Plan, the Debtors and the Reorganized Debtors, on behalf of themselves and their estates, shall be deemed to release unconditionally Arbor and Wachovia and all of their respective officers, directors, principals, members, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, and other professionals (collectively the “Lender Released Parties,” and each a “Lender Released Party”) from any and all claims, obligations, suits, judgments, damages, rights, Causes of Action and liabilities whatsoever, whether known or

unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon actions taken solely in their respective capacities as Lenders and Creditors or any omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Chapter 11 Cases, or the Plan, including but not limited to claims arising under Article 5 of the Code, provided, however, that (a) the foregoing release shall not apply to any obligations that remain outstanding in respect of loans or advances made to individuals by the Debtors or to any obligations under the New Arbor Loan or the Exit Credit Facility Financing outstanding as of or after the Effective Date, and (b) the foregoing release applies to the Lender Released Parties solely in their respective capacities described above. This release shall not in any way release, impair, reduce or otherwise affect any Causes of Action, whether now pending or hereafter filed, against any person or entity other than Arbor and Wachovia.

4. Police Power.

Nothing in this Article VIII shall be deemed to effect, impair, or restrict any federal or state governmental unit from pursuing its police or regulatory enforcement action against any person or entity, other than to recover monetary claims against the Debtors for any act, omission, or event occurring prior to Confirmation Date to the extent such monetary claims are discharged pursuant to Section 1141 of the Code.

E. Limitations on Allowance of Punitive Damages or Fines.

No punitive damages, exemplary damages, penalties, or fines shall be paid with respect to any Claim or Equity Interest under the Plan except to the extent that such fine, penalty, or damage is compensation for actual pecuniary loss suffered by the holder of such Claim and is Allowed by

Allowed by Final Order of the Bankruptcy Court.

F. Retention of Jurisdiction.

After the Effective Date, Debtors will be free to perform all functions assigned to it under the Plan without approval of the Bankruptcy Court, except as specifically set forth herein. However, the Bankruptcy Court will continue to retain jurisdiction in these Cases with respect to the following matters:

1. All objections to the allowance of Claims and Interests and the compromise of Claims;
2. All applications for allowance of compensation and reimbursement of out-of-pocket expenses of professionals retained in Debtors' case by Order of the Bankruptcy Court to the extent that such compensation and out-of-pocket expenses relate to services performed before the Confirmation Date; *provided, however*, that fees of professionals for services rendered after the Effective Date may be paid by the Creditor Agent in the ordinary course of business without a Bankruptcy Court order; *provided, further, however*, in the event that an objection is made as to post-Confirmation Date requested fees or expenses, application shall be made to the Bankruptcy Court for allowance of such fees and expenses;
3. Any adversary proceedings or contested matters brought by Debtors or the Creditor Agent, including, without limitation, the Causes of Action, the proceedings then pending or thereafter brought pursuant to §§544, 545, 547, 548, 549, and 550 of the Code or other proceedings calculated to generate payments to Holders of Allowed Class 25 Claims;
4. All controversies and disputes arising under or in connection with the Plan;
5. The enforcement and interpretation of the provisions of the Plan;

6. To issue such orders in aid of execution and consummation of the Plan as may be necessary and appropriate;
7. Any motion to modify the Plan in accordance with Code §1127, or to correct any defect, cure any omission, or reconcile any inconsistency in the Plan, Disclosure Statement, or any Confirmation Order as may be necessary to carry out the purposes of the Plan;
8. All Claims arising from the rejection of any executory contract or lease; and
9. Such other matters as may be provided for in the Code or the Plan.
10. To protect the property of the Estates from adverse claims or interference inconsistent with the Plan.
11. To ensure that Distributions are accomplished as provided herein and to resolve any dispute concerning the right of any person to a Distribution hereunder, applicable law or under a contract or agreement.
12. To hear and determine any action or controversy by or against the Creditor Agent, Beneficiary Committee or involving the Creditor Trust.
13. Motions for the assumption or rejection of executory contracts or unexpired leases pending on the Confirmation Date, and the allowance of Claims resulting therefrom;
14. Applications, adversary proceedings, and contested matters pending on the Effective Date;
15. Disputes as to the ownership of any Claim or Equity Interest;
16. Matters arising in aid of execution of the Plan, to the extent authorized by section 1142 of the Code;

17. Motions relating to modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Court, including, without limitation, the Confirmation Order;

18. Matters concerning any issue for which the Plan requires a Final Order of the Court;

19. Disputes concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

20. Disputes arising in connection with compensation and reimbursement of expenses of professionals for services rendered during the period commencing on the Petition Date through and including the Effective Date;

21. Disputes concerning the existence, nature and scope of the Debtors' discharge;

22. Disputes concerning the existence, nature, and scope of the releases and exculpation provided under the Plan, including the Releases and the injunctions issued in favor of the Released Parties; and

23. Entry of a final decree closing the Chapter 11 Cases.

G. Headings.

Article, Section and Paragraph headings used herein are for convenience only and shall not affect the interpretation or construction of any provision of this Plan.

H. Cramdown.

Debtors reserve the right to seek confirmation of the Plan under §1129(b) of the Code.

I. Discharge.

As of the Effective Date and pursuant to §1141 of the Code, Debtors shall be discharged from any debt that arose before the Confirmation Date, and any debt of a kind specified in §§502(g), 502(h), and 502(i) of the Code, whether or not:

1. A proof of claim based upon such debt is filed or deemed filed under §501 of the Code;
2. A Claim based upon such debt is allowed under §502 of the Code; or
3. The holder of a Claim or Interest based upon such debt has accepted the Plan.

J. Regulatory Approval and Retirement Plans.

It will not be necessary for Debtors to await any required regulatory approvals from agencies or departments of the United States to consummate the Plan. The Plan will be implemented pursuant to its provisions and the provisions of the Code. Debtors do not have any retirement plans.

K. Notices.

All notices required or permitted to be made in accordance with the Plan shall be in writing and shall be delivered personally or by facsimile transmission or mailed by United States Mail to the following:

Counsel for the Debtors:

R. Scott Shuker, Esquire
Latham, Shuker, Eden & Beaudine, LLP
390 N. Orange Avenue, Suite 600
Orlando, Florida 32801

Debtors:

Bray & Gillespie Management, LLC
Attn: Joseph G. Gillespie
600 North Atlantic Avenue
Daytona Beach, Florida 32118; and

Ocean Waters Management
Erin Thompson, Associate General Counsel
501 North Atlantic Avenue
Daytona Beach, Florida 32118

If to Official Committee of Unsecured Creditors:

Peter N. Hill, Esq.
Wolff Hill McFarlin & Herron P.A.
1851 West Colonial Drive
Orlando, Florida 32804

United States Trustee
135 West Central Boulevard
Suite 620
Orlando, Florida 32801

L. Manner of Payment.

Any payment of Cash made under this Plan may be made either by check drawn on an account of the Reorganized Debtors (or with respect to Class 25 payments under the Creditor Trust, the Creditor Agent after the Effective Date), by wire transfer or by automated clearing house transfer from a domestic bank, at the option of the Reorganized Debtors or the Creditor Agent, as applicable.

M. Compliance with Tax Requirements.

In connection with this Plan, to the extent applicable, the Reorganized Debtors or Creditor Agent in making distributions under this Plan shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all Distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. Any property withheld pursuant to such requirements will then be paid by the Reorganized Debtors or the Creditor Agent to the

the appropriate authority. If the holder of an Allowed Claim fails to provide to the Reorganized Debtors or the Creditor Agent the information necessary to comply with any withholding requirements of any governmental unit within six months after the date of first notification by the Reorganized Debtors or Creditor Agent to the holder of the need for such information or for the Cash necessary to comply with any applicable withholding requirements, then the holder's distribution shall be treated as an undeliverable distribution in accordance with the provisions of Section O below. The payment of all taxes (other than withholding taxes) on all Distributions shall be the sole responsibility of the distributee.

N. Transmittal of Distributions to Parties Entitled Thereto.

All distributions by check shall be deemed made at the time such check is duly deposited in the United States mail, postage prepaid. All distributions by wire transfer shall be deemed made as of the date the Federal Reserve or other wire transfer is made. Except as otherwise agreed with the holder of an Allowed Claim in respect thereof or as provided in this Plan, any property to be distributed on account of an Allowed Claim shall be distributed by mail upon compliance by the holder with the provisions of this Plan to (i) its address set forth in its proof of claim, (ii) the latest mailing address filed for the holder of an Allowed Claim entitled to a distribution, (iii) the latest mailing address filed for a holder of a filed power of attorney designated by the holder of such Allowed Claim to receive distributions, (iv) the latest mailing address filed for the holder's transferee as identified in a filed notice served on the Debtor pursuant to Bankruptcy Rule 3001(e), or (iv) if no such mailing address has been filed, the mailing address reflected on the Schedules or in the Debtors' books and records.

O. Distribution of Unclaimed Property.

Except as otherwise provided in this Plan, any property (Cash or otherwise) to be distributed under this Plan which is unclaimed after six months following the relevant distribution date shall be forfeited, and such distribution together with all interest earned thereon shall become an Asset to be distributed and conveyed to the Creditor Trust in accordance with the provisions of this Plan. However, checks issued by the Reorganized Debtors or the Creditor Agent in respect of Allowed Class 25 Claims will be null and void if not cashed within sixty days of the date of issuance and revert in Creditor Trust. Requests for reissuance of any such check shall be made in writing to the Reorganized Debtors or the Creditor Agent, as applicable, by the Holder of the Allowed Class 25 Claim with respect to the check originally issued.

P. Fractional Cents and Equity; Multiple Distributions.

Notwithstanding any other provisions of this Plan to the contrary, no payment of fractional cents or distribution of fractional equity will be made under this Plan. Cash will be issued to holders entitled to receive a Distribution of Cash in whole cents (rounded to the nearest whole cent) and equity will be rounded to the nearest whole number. To the extent that cash remains undistributed as a result of rounding of such fractions, such cash shall be treated as unclaimed property under the Plan.

If any Holder of an Allowed Class 25 Claim shall be entitled to any interim distribution in an amount less than \$50.00, such distribution shall instead be held by the Creditor Agent and distributed to such Holder of an Allowed Class 25 Claim (less expenses) if and when with any additional distribution is made to such creditor on the Final Distribution Date.

Q. Governmental Fees and Transfer Taxes.

Pursuant to the Bankruptcy Code, including especially Section 1146 thereof (all of which provisions shall be interpreted broadly so as to provide maximum benefit to the implementation of this Plan), the actions contemplated by this Plan, including the creation, merger or combination of entities to comprise the Reorganized Debtors, the issuance, transfer, or exchange of security interests and Equity Interests, and the making or delivery of an instrument of transfer, including mortgages, liens, and interests, under this Plan shall not be subject to any governmental fee, tax or other exaction, including (i) any filing fees of any jurisdiction or agency thereof with respect to the creation or modification of the organizational documents or status of any business entity Person and (ii) any documentary stamp tax or similar tax.

R. Investments.

The Creditor Agent shall be permitted to invest all or a portion of the Cash in the Creditor Trust in securities issued or directly guaranteed by the United States government or any agency thereof, commercial paper of corporations rated at least "A-1" by Standard & Poor's Corporation or rated at least "P-1" by Moody's Investor Services, Inc., interest bearing certificates of deposit, time deposits, savings or other deposit accounts, bankers' acceptances and overnight bank deposits and repurchase agreements. All interest and proceeds from such investments shall become part of the Creditor Trust.

S. Revocation and Withdrawal of the Plan.

The Debtors reserve the right to withdraw the Plan at any time before entry of the Confirmation Order. If (i) the Debtors revoke and withdraw this Plan, (ii) the Confirmation Order is not entered, (iii) the Effective Date does not occur, (iv) this Plan is not substantially consummated, or (v) the Confirmation Order is reversed or revoked, then the Plan shall be deemed null and void.

T. Modification of Plan

The Debtors or Reorganized Debtors, as the case may be, may seek to amend or modify the Plan in accordance with 1127(b) of the Bankruptcy Code, or remedy and defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan. On or before the Effective Date, Debtors may issue, execute, deliver, or file with the Bankruptcy Court or record any agreements and other documents, and take any action as may be necessary or appropriate to effectuate, consummate, and further evidence the terms and conditions of the Plan.

U. Exculpation from Liability

The Debtors, the Reorganized Debtors, Wachovia, Arbor, the Lender Released Parties, the Creditor Agent, their respective members, managers, and executive officers, and their respective professionals (acting in such capacity) shall neither have nor incur any liability whatsoever to any Person for any act taken or omitted to be taken in good faith in connection with or related to the formulation, preparation, dissemination, or confirmation of the Plan, the Disclosure Statement, any Plan Document, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the Plan or the Bankruptcy Cases; provided, however, that this exculpation from liability provision shall not be applicable to any liability found by a court of competent jurisdiction to have resulted from fraud or the willful misconduct or gross negligence of any such party. With respect to the professionals, the foregoing exculpation from liability provision shall also include claims of professional negligence arising from the services provided by such professionals during the Bankruptcy Cases. The rights granted hereby are cumulative with (and not restrictive of) any and all rights, remedies, and benefits that the Debtor, the Reorganized Debtor, Wachovia, the Lender Released Parties, the Creditor Agent,

Agent, and their respective agents have or obtain pursuant to any provision of the Bankruptcy Code or other applicable law, or any agreement, including the Exit Credit Facility Financing. This exculpation from liability provision is an integral part of the Plan and is essential to its implementation. Notwithstanding anything to the contrary contained herein, the provisions hereof shall not release or be deemed a release of any of the Causes of Action otherwise preserved by the Plan. The terms of this exculpation shall only apply to liability arising from actions taken on or prior to the Effective Date.

ANY BALLOT VOTED IN FAVOR OF THE PLAN SHALL ACT AS A CONSENT BY THE CREDITOR CASTING SUCH BALLOT TO THIS EXCULPATION FROM LIABILITY PROVISION. MOREOVER, ANY CREDITOR WHO DOES NOT VOTE IN FAVOR OF THE PLAN MUST FILE A CIVIL ACTION IN THE BANKRUPTCY COURT ASSERTING ANY SUCH LIABILITY WITHIN THIRTY (30) DAYS FOLLOWING THE EFFECTIVE DATE OR SUCH CLAIMS SHALL BE FOREVER BARRED.

Notwithstanding the foregoing, (i) the Reorganized Debtor shall remain obligated to make payments to Holders of Allowed Claims as required pursuant to the Plan and (ii) the Debtor's members, managers or executive officers shall not be relieved or released from any personal contractual liability except as otherwise provided in the Plan

DATED this 22nd day of May 2009 in Orlando, Florida.

BRAY & GILLESPIE MANAGEMENT, LLC,
et al.

By: _____

Joseph G. Gillespie, III
Managing Member/
Corporate Designee

/s/ R. Scott Shuker

R. Scott Shuker
Florida Bar No. 984469
Mariane L. Dorris
Florida Bar No. 0173665
LATHAM, SHUKER, EDEN & BEAUDINE, LLP
390 N. Orange Avenue, Suite 600
Orlando, Florida 32801
Telephone: (407) 481-5800
Facsimile: (407) 481-5801
Attorneys for BRAY & GILLESPIE
MANAGEMENT, LLC, *et al*