

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

IN RE:

DOGWOOD PROPERTIES, G.P.,

Case No. 13-21712-JDL

Debtor.

Chapter 11

THIRD AMENDED PLAN OF REORGANIZATION

COME NOW Dogwood Properties, G.P., the Debtor-in-possession, and proposes the following Third Amended Plan of Reorganization pursuant to Chapter 11 of the United States Bankruptcy Code.

ARTICLE 1.

DEFINITIONS

The terms set forth in this Article 1 shall have the respective meanings hereinafter set forth. Any capitalized term used but not otherwise defined herein shall have the meaning given to that term in the Bankruptcy Code.

1.1 Administrative Claim: shall mean any cost or expense of administration of the Debtor's Chapter 11 case entitled to priority in accordance with sections 503(b) and 507(a)(1) of the Bankruptcy Code, including any fees or charges assessed against the Debtor's estate under 28 U.S.C. Section 1930.

1.2 Allowed Amount: shall mean the amount of a Claim that is listed in the Debtor's schedules as not disputed, contingent, or unliquidated:

1.2.1 if the holder of such Claim has not filed a proof of claim by the Bar Date; or

1.2.2 if a holder has filed a timely proof of claim:

1.2.1 the amount stated in such Claim; or

1.2.2 if an objection to such Claim is filed, such amount as shall be fixed by Final Order of the Bankruptcy Court.

1.3 Bar Date: shall include June 12, 2013 for creditors other than governmental units, or August 15, 2013 for governmental units.

1.4 Code: shall mean the United States Bankruptcy Code under Title 11 of the United States Code.

1.4 Confirmation Date: shall mean the date of entry of the Order Confirming Plan; provided, however, that if said Order is stayed pending appeal, then the Confirmation Date shall be the date of entry of the Final Order vacating such stay or the date on which the stay expires or is no longer in effect.

1.6 Debtor: shall mean Dogwood Properties, G.P., as Debtor-in-possession and as the reorganized Debtor.

1.7 Disputed Claim: shall mean any claims to which a proof of claim has been filed or deemed filed under applicable law, as to which an objection has been or may be timely filed by Debtor and which objection, if timely filed, has not been withdrawn on or before any date fixed for filing such objections by the Plan or Order of the Court and which has not been overruled or denied by a final Order of the Court. Prior to the time that an objection has been or may be timely filed, for the purposes of the Plan, a Claim shall be considered a Disputed Claim in its entirety if: (i) the amount of the Claim specified in the proof of claim exceeds the amount of any corresponding claim as listed in the Debtor' Schedules; (ii) any corresponding scheduled claim has been

scheduled as disputed, contingent, or unliquidated; or (iii) no corresponding claim has been scheduled.

1.8 Effective Date: shall mean the first business day following forty-five (45) days after the Confirmation Order becomes a Final Order.

1.9 Plan: shall mean this Plan proposed by the Debtor, or as it may be amended or modified.

ARTICLE 2.

OBJECTION AND EXECUTION OF THE PLAN

2.1 Objective of the Plan. The primary objective of the Plan is to pay valid claims of the Debtor while preserving the value of its business.

2.2 Execution of the Plan. The Plan will be carried out and funded by future rental income generated by the Debtor.

ARTICLE 3.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

3.2 The claims of creditors shall be classified as follows:

Class 1 shall consist of Administrative Claims.

Class 2 shall consist of Claims of governmental entities entitled to priority by §§ 507(a)(8) of the Code as finally allowed by the court.

Class 3 shall consist of the claim of City of Memphis.

Class 4 shall consist of the claim of Shelby County, Tennessee.

Class 5 shall consist of the claim of DeSoto County, Mississippi.

Class 6 shall consist of the claim of Commercial Bank & Trust to the extent secured by 2983 South Cherry, 2889 South Cherry, 3577 Madison Ridge, 3536 Madison Ridge, 9460 Wickfield, 5808 Riverwood and 1499 Mabry Mill.

Class 7 shall consist of the claim of Independent Bank to the extent secured by 6062 Maher, 12500 Magnolia Bend, 8419 Wild Dune, 5052 Raintree, 8429 Wild Dune, 6061 Maher Trails, 8357 Blue Lagoon, 8347 Blue Lagoon, 3109 John Michael, 615 Denmark #101, 4370 Maher Cove, 2790 Misty Valley, 6114 Maher Trail, 6135 Maher Trail, 5084 Delaney Valley, 5066 Delaney Valley, 5066 Delaney Valley, 4320 Maher Cove, 6082 Maher Trails, 8728 Cat Tail, 3491 Coleman and 3318 Coleman.

Class 8 shall consist of the claim of Magna Bank to the extent secured by 4704 and 4720 Hampton Ridge.

Class 9 shall consist of the claims of Merchants & Farmers Bank.

Class 10 [Reserved]

Class 11 [Reserved]

Class 12 [Reserved]

Class 13 [Reserved]

Class 14 [Reserved]

Class 15 [Reserved]

Class 16 [Reserved]

Class 17 shall consist of the claim of Michael Murphy to the extent secured by 4362 Zachary.

Class 18 shall consist of the claim of Orion Federal Credit Union to the extent secured by 6881 Delta Newberry, 6875 Delta Newberry, 6893 Delta Newberry, 6887 Delta Newberry, 6789 College Park, 6781 College Park, 6785 College Park, 6797 College Park, 6782 Valerie, 6794 Valerie, 6842 Valerie, 6878 Valerie, 6770 Valerie, 6890 Valerie, 6902 Valerie, 6856 Pleasantwood, 6876 Finch, 5036 Brooksbank, 8625 Thor, 10873 East Ridge, 9030 Success, 8779 Cherry Springs, 1851 Gilden, 4351 Zachary, 6531 Annie Lee, 6544 Misslow, 4437 Ellen, 9261 Chimneyrock, 4324 Egyptian, 1883 Banstead. 6410 Baird, 7127 Germantown Trail, 4275 Appian, 6570 Bald Oak, 1643 Smokehouse, 1643 Smokehouse, 1501 Pisgah , 1539 Far Drive, 4993 Wolfchase Farms, 478 N Graham and 9410 Afton Grove.

Class 19 shall consist of the claim of Paragon National Bank to the extent secured by 436 Griffon, 5067 Delaney Valley, 613 Chateau Pointe, 4827 Avi, 607 Chatfield, and 4577 Bassett Hall and 5.864 acres of land on Billy Maher Road.

Class 20 shall consist of the claim of Renasant Bank to the extent secured by 1687 Magnolia Farms, 4047 Old Village, 11559 Mahogany and 12501 Magnolia Bend.

Class 21 shall consist of the claim of RREF RB Acquisitions, LLC to the extent secured by 210 Keel, 232 Keel, 2865 Central Terrace, 2906 N. Hartland, 2972 N. Hartland, 3071 Cherry Breeze, 4797 Shira, 5233 Blue Diamond, 5254 Crossfield, 5258 Crossfield, 5368 Blue Diamond, 5416 Southern Winds, 5501 Woodridge, 7526 Port Albert and 8914 Fulton.

Class 22 shall consist of the claims of Sycamore Bank to the extent secured by 2824 Calico Rock, 7425 Woodshire and 2860 South Cherry.

Class 23 [Reserved]

Class 24 [Reserved]

Class 23 shall consist of the Unsecured Nonpriority claims as finally allowed by the court.

Class 24 shall consist of the claim of the equity interests in the Debtor.

ARTICLE 4.

TREATMENT OF CLAIMS AND INTERESTS

4.1 Class 1 Administrative Claims.

Allowed Class 1 claims shall be paid in cash on the Effective Date of the Plan. Any administrative claims representing liability incurred in the ordinary course of business of the Debtor may be paid in cash in the ordinary course of business. Included in this class are the attorney fees incurred by the Debtor. Additionally, any United States Trustee Quarterly Fees due and owing or assessable prior to confirmation shall be paid in full on the Effective Date of the Plan and any post-confirmation United States Trustee Fees shall be paid pursuant to 28 U.S.C. Section 1930(a)(6). Class 1 is deemed to be unimpaired.

4.2 Class 2 Unsecured Priority Claims.

Allowed Class 2 Claims shall be paid in full within sixty (60) months following the Petition Date of February 16, 2013.

4.3 Class 3 Claim of City of Memphis.

The Class 3 Claim of City of Memphis as finally allowed shall be paid in full in 60 equal monthly installments, with the unpaid principal balance accruing 12% interest. Class 3 is deemed to be impaired. Class 3 shall retain its lien.

4.4 Class 4 Claim of Shelby County.

The Class 4 Claim of Shelby County as finally allowed shall be paid in full in 60 equal monthly installments, with the unpaid principal balance accruing 12% interest. Class 4 is deemed to be impaired. Class 4 shall retain its lien.

4.5 Class 5 Claim of DeSoto County, Mississippi.

The Class 5 Claim of DeSoto County as finally allowed shall be paid in full in 60 equal monthly installments, with the unpaid principal balance accruing 12% interest. Class 5 is deemed to be impaired. Class 5 shall retain its lien.

4.6 Class 6

The Class 6 Claim of Commercial Bank & Trust shall be paid \$1,006,000.00 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 20 years with interest at the rate of 5%, with monthly payments of principal and interest until 60 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property to the extent of its allowed secured claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.7 Class 7

In the event that Class 7 does not make an election under Section 1111(b)(2) of the Code, the Class 7 Claim of Independent Bank shall be paid \$2,147,027 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 25 years with interest at the rate of 4%, with monthly payments of \$11,332.80 until 120 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

In the event that Class 7 elects to be treated as fully secured pursuant to Section 1111(b)(2) of the Code, its Claim shall be treated as follows:

The Class 7 Claim of Independent Bank shall be paid shall be paid as a fully secured creditor pursuant to its election under Section 1111(b)(2) of the Bankruptcy Code to the extent of its allowed claim in the amount of \$3,525,919.55. This claim will be paid based on a net present value of \$ 2,147,027 with a 4% interest rate over 360 months at the rate of \$10,250.24 per month beginning on the Effective Date of the Plan. Creditor shall retain its lien on the described real property to the extent of the allowed amount of its claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. In the event of prepayment of this claim, Creditor shall receive a prepayment premium equal to the remainder obtained by subtracting from the sum of \$ 3,525,919.55 the total of all payments theretofore made by the Reorganized Debtor, until such time as said remainder is no longer a positive number at which time

and thereafter this Claim may be prepaid in full or in part with no charge or premium.

All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.8 Class 8

The Class 8 Claim of Magna Bank \$386,098.50 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 20 years with interest at the rate of 5.25%, with monthly payments of principal and interest until 60 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property to the extent of its allowed secured claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.9 Class 9

The Class 9 Claims of Merchants and Farmers Bank have been settled pursuant to a Consent Order entered with the Court on August 9, 2013, the terms of which are incorporated herein by reference. This Class is deemed to be unimpaired.

4.10 Class 10

4.11 Class 11

4.12 Class 12

4.13 Class 13

4.14 Class 14

4.15 Class 15

4.16 Class 16

4.17 Class 17

The Class 17 Claim of Michael Murphy shall be paid \$103,552.00 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 20 years with interest at the rate of 6%, with monthly payments of principal and interest until 60 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property to the extent of its allowed secured claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.18 Class 18

In the event that Class 18 does not make an election under Section 1111(b)(2) of the Code, the Class 18 Claim of Orion Federal Credit Union shall be paid \$3,200,000.00 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 25 years with interest at the rate of 4%, with monthly payments of \$16,890.78 until 60 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property to the extent of its allowed secured claim, and the lien shall be valid and fully

enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

In the event that Class 18 elects to be treated as fully secured pursuant to Section 1111(b)(2) of the Code, its Claim shall be treated as follows:

The Class 18 Claim of Orion Federal Credit Union shall be paid shall be paid as a fully secured creditor pursuant to its election under Section 1111(b)(2) of the Bankruptcy Code to the extent of its allowed claim in the amount of \$4,249,016.87. This claim will be paid based on a net present value of \$3,200,000.00 with a 2% interest rate over 360 months at the rate of \$11,827.82 per month beginning on the Effective Date of the Plan. Creditor shall retain its lien on the described real property to the extent of the allowed amount of its claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. In the event of prepayment of this claim, Creditor shall receive a prepayment premium equal to the remainder obtained by subtracting from the sum of \$4,249,016.87 the total of all payments theretofore made by the Reorganized Debtor, until such time as said remainder is no longer a positive number at which time and thereafter this Claim may be prepaid in full or in part with no charge or premium. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.19 Class 19

The Class 19 Claim of Paragon Bank has been settled pursuant to a Consent Order entered with the Court on May 28, 2013, the terms of which are incorporated herein by reference. This Class is deemed to be unimpaired.

4.20 Class 20

The Class 20 Claim of Renasant Bank shall be paid \$574,502.00 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 20 years with interest at the rate of 4%, with monthly payments of \$3,481.37 until 60 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property to the extent of its allowed secured claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.21 Class 21

In the event that Class 21 does not make an election under Section 1111(b)(2) of the Code, the Class 21 Claim of RREF RB Acquisitions, LLC shall be paid \$1,894,000.00 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 25 years with interest at the rate of 4%, with monthly payments of \$9,997.23 for 60 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set

forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

In the event that Class 21 elects to be treated as fully secured pursuant to Section 1111(b)(2) of the Code, its Claim shall be treated as follows:

The Class 21 Claim of RREF RB Acquisitions, LLC shall be paid shall be paid as a fully secured creditor pursuant to its election under Section 1111(b)(2) of the Bankruptcy Code to the extent of its allowed claim in the amount of \$2,377,860.57. This claim will be paid based on a net present value of \$1,894,000 with a 2% interest rate amortized over 360 months with monthly payments of \$7,000.59 beginning on the Effective Date of the Plan. Creditor shall retain its lien on the described real property to the extent of the allowed amount of its claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. In the event of prepayment of this claim, Creditor shall receive a prepayment premium equal to the remainder obtained by subtracting from the sum of \$2,377,860. the total of all payments theretofore made by the Reorganized Debtor, until such time as said remainder is no longer a positive number at which time and thereafter this Claim may be prepaid in full or in part with no charge or premium. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.22 Class 22

The Class 22 Claim of Sycamore Bank shall be paid \$456,508.00 as a secured claim. This claim will be paid beginning on the Effective Date of the Plan by amortizing this amount over 30 years with interest at the rate of 4%, with monthly payments of principal and interest until 120 months following the Effective Date of the Plan, when the unpaid balance shall be due. Creditor shall retain its lien on the described real property to the extent of its allowed secured claim, and the lien shall be valid and fully enforceable to the same validity, extent and priority as existed on the Filing Date. All non-monetary terms and conditions as set forth in the original Note and Deed of Trust executed by and between the parties shall remain in full force and effect until the secured claim is paid in full. This Class is deemed to be impaired.

4.23 Class 23 General Unsecured Claims

Allowed Class 23 claims shall be 100% in 360 equal monthly installments beginning on or before 90 days after the Effective Date of the Plan without interest. Class 23 is deemed to be impaired.

4.24 The existing Class 24 equity interest in the Debtor shall be retained.

4.25 All fees of the United States Trustee payable under 28 U.S.C. § 1930, as determined by the court will be paid on the Effective Date of this plan.

4.26 Debtor, as the proponent of the Plan, hereby requests pursuant to § 1129(b) of the Code that the Court find that the provisions of the Plan provide for fair and equitable treatment of those creditors whose claims are impaired by the Plan and who may elect not to accept the Plan, and that the Court confirm the Plan notwithstanding the requirements of § 1129(a)(8) of the Code as to such creditors.

ARTICLE 5.

EXECUTION AND EFFECT OF THE PLAN

5.1 The Debtor will make payments under the Plan with funds generated from the operation of its business.

5.2 Claimants shall provide Debtor's counsel with any change of address; otherwise, the Debtor-in-possession shall be entitled to rely upon a Claimant's last address as reflected in the records of the Debtor and the Bankruptcy Court Clerk. Unclaimed funds shall be treated in accordance with section 347(a) of the Bankruptcy Code.

5.3 The Debtor will retain all property of the Estate, except property that is to be otherwise disposed of as provided in the Plan and executory contracts that are rejected pursuant to the Plan.

5.4 On the Effective Date, all property of the Estate shall revert in the Debtor free and clear of all claims, liens, encumbrances, and other interests of Creditors or Interest Holders, except as otherwise set forth in the Plan, the Confirmation Order or other Order.

5.5 Confirmation of the Plan shall constitute entry of a Discharge pursuant to § 1141 of the Code, which shall provide that all persons or entities who have held, currently hold, or may hold a debt or claim discharged pursuant to the Plan will be permanently enjoined from taking any of the following actions on account of any such discharged debt or claim: (1) commencing or continuing in any manner any action or other proceeding against the Debtor or its property; (2) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against Debtor or its property; (3) creating, perfecting, or enforcing any lien or encumbrance against Debtor or

its property; (4) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due to Debtor or its property; (5) 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 or the Confirmation Order.

5.7 No attorney fees or other fees of “professionals,” as that term is defined in §327 of the Code, default interest, late penalties or any similar charge claimed by a creditor shall be compensable by Debtor, nor shall the same constitute part of an allowed claim, until the creditor seeking to recover said fees penalties or charges has had them approved by the Bankruptcy Court, except as otherwise stated in the Plan. All applications for approval of said fees, penalties or charges must be filed within thirty (30) days after the effective date of the Plan.

5.8 Notwithstanding any other provisions of the Plan, no payments or distributions shall be made on account of any Disputed Claim until such Claim becomes an allowed claim, and then only to the extent of the Allowed Amount of such claim.

ARTICLE 6.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumption. Upon entry of the Confirmation Order, the Debtor is deemed to have assumed that certain Management Agreement with dated .

6.2 Rejection. Upon entry of the Confirmation Order, the Debtor shall be deemed to have rejected all unexpired leases and executory contracts in which it is a lessee entered into prior to the Petition Date unless specifically assumed in this Plan or pursuant to Bankruptcy Court Order.

6.3 Rejection Claims. All Claims arising from rejection of unexpired leases or other executory contracts that have not previously been rejected by prior Order of the Court shall be filed not later than thirty (30) days after the entry of the Confirmation Order. All such Claims, to the extent allowed, shall be treated as Class 8 claims.

ARTICLE 7.

MODIFICATION OF PLAN

7.1 Modifications to this Plan may be proposed in writing by the Debtor at any time before or after Confirmation, provided that this Plan, as modified, meets the requirements of Section 1129 of the Bankruptcy Code.

ARTICLE 8.

RETENTION OF JURISDICTION

8.1 The Bankruptcy Court shall retain exclusive jurisdiction over the Debtor's Chapter 11 after the Confirmation Date for the purpose of determining all disputes and other issues presented by or arising under this Plan, including, without limitation, exclusive jurisdiction to:

- 8.1.1 determine any and all objections to the allowances of Claims or Equity Interests;
- 8.1.2 determine any and all disputes arising under or relating to the Plan;
- 8.1.3 determine any and all applications for allowance of compensation and reimbursement of expenses arising out of or relating to the case or any claims;
- 8.1.4 determine any applications, adversary proceedings, and contested matters arising in the Chapter 11 case;

8.1.5 enter an Order granting a Discharge.

ARTICLE 9.

NOTICES

9.1 All communications and notices relative to this Plan shall be in writing, and may be delivered by hand, facsimile, or by nationally recognized overnight courier service and shall be deemed to have been given on business day after being so transmitted. If mailed by first class mail, postage paid, all such communications and notices shall be deemed given five days after so mailed. If to the Debtor, to:

Russell W. Savory
Gotten, Wilson, Savory & Beard, PLLC
88 Union Avenue, 14th Floor
Memphis, TN 38103

Respectfully submitted,

GOTTEN, WILSON, SAVORY & BEARD, PLLC

/s/ Russell W. Savory

Russell W. Savory (12786)
Attorney for Dogwood Properties, G.P.
88 Union Avenue, 14th Floor
Memphis, TN 38103
901-523-1110
901-523-1139 (Fax)