

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
(Charlotte Division)

In re:) Chapter 11
)
MW GROUP, LLC,) Case No. 11-32674
)
Debtor.)

**DISCLOSURE STATEMENT OF MW GROUP, LLC
RELATING TO FIRST AMENDED PLAN OF REORGANIZATION
PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE**

Dated: Charlotte, North Carolina
November 16, 2012

Moon Wright & Houston, PLLC
Travis W. Moon (Bar No. 3067)
Andrew T. Houston (Bar No. 36208)
227 West Trade Street, Suite 1800
Charlotte, NC 28202
Counsel for MW Group, LLC

ARTICLE I
INTRODUCTION AND OVERVIEW

No representations concerning the Debtor, its business, or future operations, other than those specifically set forth herein, have been authorized by the Debtor.

A. GENERAL

On October 21, 2011, MW Group, LLC, (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”). The Debtor continues in possession of its properties and the management of its business as a “debtor in possession” pursuant to sections 1107 and 1108 of the Bankruptcy Code. The Honorable George R. Hodges, United States Bankruptcy Judge, initially presided over this case, but the case was subsequently transferred to the Honorable Laura T. Beyer, United States Bankruptcy Judge, who has presided over this chapter 11 case (the “Chapter 11 Case”) since her appointment.

Contemporaneously herewith, the Debtor has filed its “Plan of Reorganization of MW Group, LLC Pursuant to Section 1121(a) of the Bankruptcy Code” (the “Plan”). The Plan sets forth the proposed reorganization of the Debtor’s chapter 11 estate (the “Estate”) and the distribution of recoveries to creditors (collectively, the “Creditors”) of the Estate. A copy of the Plan is attached as Exhibit A to this disclosure statement (the “Disclosure Statement”).

Pursuant to § 1126 of the Bankruptcy Code, the Debtor is soliciting acceptances of the Plan from the classes of Claims entitled to vote on the Plan. This Disclosure Statement is submitted pursuant to § 1125 of the Bankruptcy Code in order to provide information of the kind necessary to enable a hypothetical reasonable investor to make an informed judgment in the exercise of his/her/its right to vote on the Plan.

B. PURPOSE OF DISCLOSURE STATEMENT

The Debtor provides this Disclosure Statement in order to permit eligible parties to make an informed decision in voting to accept or reject the Plan. The Disclosure Statement is presented to all Creditors in order to satisfy the requirements of § 1125 of the Bankruptcy Code. Section 1125 requires a disclosure statement to provide information sufficient to enable a hypothetical and reasonable investor, typical of the Creditors, to make an informed judgment whether to accept or reject the Plan. This Disclosure Statement may not be relied upon for any purpose other than that described above. This disclosure statement and the plan are an integral package, and they must be considered together for the reader to be adequately informed.

No representations concerning the Debtor or its property are authorized by the Debtor other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance of the Plan other than as contained in this Disclosure Statement should not be relied upon by you in arriving at your decision, and such additional representations and inducements should be reported to counsel for the Debtor, who shall in turn deliver such information to the Bankruptcy Court for such action as may be appropriate.

The information contained in this Disclosure Statement, including the information contained in any exhibits attached hereto, has not been subject to an audit or independent review. Accordingly, the Debtor is unable to warrant or represent that the information concerning the Debtor or its financial condition is accurate or complete. Any projected information contained in this Disclosure Statement has been presented for illustrative purposes only. Because of the uncertainty and risk factors involved, the Debtor's actual results may not be as projected.

Although an effort has been made to be as accurate as possible under the circumstances, the Debtor does not warrant or represent that the information contained in this Disclosure Statement is correct. The Disclosure Statement contains only a summary of the Plan. Each creditor who is entitled to vote on the Plan is urged to review the Plan prior to casting its vote.

The statements contained in this Disclosure Statement are made as of the date of the Disclosure Statement unless another time is specified. The delivery of this Disclosure Statement shall not under any circumstances create an implication that there has not been any change in the facts set forth since the date of the Disclosure Statement. Schedules of the assets and liabilities of the Debtor as of the Petition Date (collectively, as may be amended from time to time, the "Schedules") are on file with the Clerk of the Bankruptcy Court and may be inspected by interested parties during regular business hours.

This Disclosure Statement has been prepared in accordance with § 1125 of the Bankruptcy Code and not in accordance with federal or state securities law or other applicable nonbankruptcy law. Entities holding or trading in or otherwise purchasing, selling, or transferring claims against, interests in, or securities of the Debtor should evaluate this Disclosure Statement only in light of the purpose for which it was prepared. This Disclosure Statement has not been approved or disapproved by the Securities and Exchange Commission nor has the commission passed upon the accuracy or adequacy of the statements contained herein.

The Honorable Laura T. Beyer will hold a hearing on confirmation of the Plan (the "Confirmation Hearing") in the United States Bankruptcy Court, Charles Jonas Federal Building, Courtroom 126, 401 West Trade Street, Charlotte, North Carolina, on [_____] at 9:30 a.m. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the requirements of the Bankruptcy Code, including whether the Plan is in the best interests of the Creditors, and will review the ballot reports concerning votes cast for acceptance and rejection of the Plan.

C. OVERVIEW OF THE DEBTOR AND THE PLAN

1. Description of the Debtor

The Debtor is a limited liability company organized and existing under the laws of North Carolina. Its assets consist of 36.5 acres of vacant land (the "Land"), 48 condominium units (the "Condominiums") in the Marlborough Woods Condominium Association for rent, and 200 apartments known as Weyland and Weyland II (the "Apartments"), located in Charlotte, Mecklenburg County, North Carolina (the Land, Apartments and Condominiums are collectively referred to as the "Property").

The Debtor is owned by 6 entities and individuals, A. Bruce Parker, Inc. (27.5%), DDL LLC (33.229%), David LaFave (12.083%), the David L. Kirshenbaum Revocable Trust dated

February 29, 1996, David L. Kirshenbaum, trustee (6.042%), Thomas H. Fraerman (3.021%), and Donald R. James (18.125%). Donald R. James (“James”) is the Manager of MW Group. Laurance Realty Associates (“Laurance Realty”) performs the day-to-day management of the properties pursuant to an agreement dated November 30, 1998. Laurance Realty is effectively owned by the following affiliates of the Debtor: DDL LLC, David LaFave, and James.

2. *The Bank of America Loan*

The Debtor borrowed certain funds from LaSalle Bank National Association to refinance its existing debt in 2003 (the “BOA Loan”). LaSalle Bank was subsequently acquired by Bank of America, National Association (collectively, “BOA”). The Property and the rents, profits and proceeds derived therefrom were pledged as collateral to secure the BOA Loan.

The BOA Loan is evidenced by, among other things, the following documents: (i) that certain Loan Agreement, dated as of June 1, 2003 (as the same may have been amended, restated, supplemented or otherwise modified from time to time); (ii) that certain Note, dated as of June 1, 2003 (as the same may have been amended, restated, supplemented or otherwise modified from time to time), in the original principal amount of \$6,250,000.00; (iii) that certain Deed of Trust dated as of June 1, 2003 and recorded on June 6, 2003, in Book 15473, Page 573, in the Mecklenburg County Register of Deeds; (iv) that certain Assignment of Rents and Leases dated as of June 1, 2003 and recorded in Book 15473, Page 608 in the Mecklenburg County Register of Deeds; (v) an Assignment of Plans, Permits and Contracts dated as of June 1, 2003 from the Debtor to BOA; (vi) that certain Indemnity Agreement dated as of June 1, 2003, from the Debtor and Laurance H. Freed to BOA; and (vii) the Guaranty of Payment and Performance dated as of June 1, 2003 from the Guarantor to BOA.

3. *Reasons for the Chapter 11 Filing*

Due to, among other things, the recession and the lack of capital available in the credit markets necessary to refinance the BOA Loan, the Debtor was unable to pay the entire balance of the BOA Loan when it matured on April 1, 2010.

As a result, BOA commenced foreclosure proceedings related to the Property. The Debtor filed the Chapter 11 Case: (i) in response to the foreclosure proceeding instituted by BOA, and (iii) to streamline the collection and settlement of claims. The Debtor intends to reorganize its debts so that it may continue to operate and maximize payments to its pre-petition Creditors.

4. *The Debtor’s Proposed Reorganization Pursuant to the Plan*

The Debtor intends to continue operating as a going concern. To facilitate distributions under the Plan the Debtor’s projections show that the continued operations of the business will allow the Debtor to pay all of its Creditors with Allowed Claims in full. Thus, the Debtor believes it will have ample funds on hand to pay all necessary court fees and administrative expenses upon confirmation of the Plan.

The Plan provides that all Allowed Priority Tax Claims, if any, will be paid in full on the Effective Date, upon any other terms agreed upon by the holder of such a Claim and the Debtor, or, alternatively, in four (4) annual Cash payments in January of each year following the Effective Date, with interest as required by the applicable provisions of the Bankruptcy Code, such that the

full amount of each Allowed Priority Tax Claim is paid in full within five (5) years of the Petition Date.

Allowed Priority Non-Tax Claims, if any, will be paid in full on the Effective Date, upon other terms as agreed upon between such holder of an Allowed Non-Tax Claim and the Debtor, or, alternatively, in three (3) annual installments of principal with interest at the rate of 3.25% percent per annum and any fees due thereon, with each installment payment to be made in January of each year following the Effective Date until paid in full.

Pursuant to the Plan, the Debtor proposes to restructure any outstanding secured debts for unpaid taxes by paying them in full on the Effective Date, in installments within five (5) years of the Petition Date, or upon such other terms as are agreed upon by the holder of such a Claim and the Debtor. The Plan contemplates that the holders of secured tax claims will retain their existing liens on the Debtor's Assets until the Claims are paid in full.

With regard to its other secured debt(s), consisting of the secured claim of BOA, the Debtor proposes to restructure this obligation over a seven (7) year period. Specifically, the BOA Allowed Secured Claim will be treated as an obligation of the Reorganized Debtor with the principal amount to be determined by the Bankruptcy Court or upon the agreement of the parties. The Debtor estimates that the BOA Allowed Secured Claim will be approximately \$5,700,000.00. Upon confirmation of the Plan, the BOA debt shall be reamortized over a twenty-five (25) year term at an interest rate of 3.25% per annum. The restructured loan will mature in seven (7) years. Payments on account of this claim will be made from the revenues and operations of the Reorganized Debtor. The Plan contemplates that BOA will retain its lien(s) on the Debtor's assets until its Claims are paid in full. The Debtor believes that a 3.25% interest rate will provide BOA with the present value of its secured claim and is consistent with section 1129(b)(2)(A) of the Bankruptcy Code.

Each holder of an Allowed General Unsecured Claim will be paid in Cash, in full, on the Effective Date, as otherwise agreed upon by the Debtor and holder of a General Unsecured Claim, or in deferred cash payments with interest from the Petition Date at the rate of 3.25% per annum, in equal monthly installments of principal and interest sufficient to fully amortize the outstanding indebtedness over a period of twelve (12) months after the Effective Date. The initial distribution on account of Allowed Class 4 claims shall be paid within thirty (30) days of the Effective Date of the Plan.

The Allowed Unsecured Claims of the Debtor's insiders will be paid in full under the Plan. Each holder of an Allowed Class 6 Claim will be paid in full, in Cash, with interest as set forth below upon the sale or refinance of the Property. Interest shall accrue on the principal balance of the Allowed Insider Unsecured Claims as of the Petition Date at the prime rate of interest plus 2% per annum.

In addition, the Plan will provide for the payment in full of the Debtor's obligations to certain key employees of the Apartments. The Debtor will assume its obligations to pay "Stay Incentives" under the Weyland Apartments Stay Incentive Compensation Plan, effective December 20, 2007.

The Debtor's members will retain their membership interests in the company because the Plan provides for the payment in full of all senior classes of creditors. The Debtor's members will

not receive any distributions until all senior classes have actually been paid in full, provided however, that the Debtor's members may take such interim distributions as necessary to pay their respective income taxes attributable to their ownership of the Debtor.

D. DISTRIBUTIONS UNDER THE PLAN

Summaries of the classification and treatment of Claims under the Plan, and the distributions that holders of Claims may expect to receive under the Plan, are set forth in Article III of this Disclosure Statement below. The amounts listed are merely the Debtor's estimates based on information available as of the filing of this Disclosure Statement. The actual amounts could be substantially different, causing the ultimate distributions to Creditors to be significantly higher or lower than estimated.

Creditors and other parties in interest are urged to review the contents of the Plan itself, which is attached as Exhibit A to this Disclosure Statement, in its entirety.

To the extent that any provisions of this Disclosure Statement are inconsistent with the provisions of the Plan, the terms of the Plan shall control; provided, however, that the Confirmation Order shall control to the extent there is any inconsistency between the Plan and the Confirmation Order.

For a more detailed description, other significant terms, and provisions of the Plan, please refer to Article III below and the Plan itself.

E. CREDITORS ENTITLED TO VOTE ON THE PLAN

Holders of Claims or Interests in Classes 1-6 may be or are impaired by the Plan and, as such, the Debtor is soliciting votes from holders of Allowed Claims in these classes as set forth in Article 3 of the Plan.

The Plan will be confirmed if it is accepted by the requisite majorities of each Class of Claims entitled to vote on the Plan and all other conditions to confirmation are met by the Debtor. However, the Debtor may seek to "cram down" the Plan pursuant to § 1129(b) of the Bankruptcy Code on any Class of claimants that vote to reject the Plan. (For more information on "cram down," please refer to Article V, Section C below). The requisite majority for confirmation of the Plan by a particular Class without "cram down" is acceptance by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number based on Allowed Claims that are actually voted.

F. INSTRUCTIONS REGARDING VOTING, CONFIRMATION, AND OBJECTIONS TO CONFIRMATION

1. Voting Instructions

Before voting, you should read this Disclosure Statement and its exhibits, including the Plan and its exhibits, in their entirety. Ballots must be received by the respective parties no later than [_____]. You may vote on the Plan by completing and mailing the enclosed Ballots to:

Moon Wright & Houston, PLLC
Attention: Andrew T. Houston
227 West Trade Street, Suite 1800
Charlotte, North Carolina 28202

You should use the ballots sent to you with this Disclosure Statement to cast your votes for or against the Plan. You may NOT cast ballots or votes orally. In order for your ballot to be considered by the Bankruptcy Court, it must be received at the above address no later than the time designated in the notice accompanying this Disclosure Statement.

If you are a holder of a Claim entitled to vote on the Plan and did not receive a ballot with this Disclosure Statement, you may obtain a ballot by contacting:

Moon Wright & Houston, PLLC
Attention: Andrew T. Houston
227 West Trade Street, Suite 1800
Charlotte, North Carolina 28202

Only holders of Allowed Claims in impaired Classes are entitled to vote on the Plan. In addition, the record date of all Claims against the Debtor for voting purposes shall be February 21, 2012. Persons holding Claims transferred after such date will not be permitted to vote on the Plan. An impaired Class of Claims accepts the Plan if at least two-thirds (2/3) in amount, and more than one-half (1/2) in number, of the Allowed Claims in the Class that are actually voted are cast in favor of the Plan. Subject to the terms of the Plan, Claimants who do not vote are counted as having voted for the Plan. Pursuant to the provisions of Section 1126 of the Bankruptcy Code, the Bankruptcy Court may disallow any vote accepting or rejecting the Plan if such vote is not cast in good faith. A Creditor's failure to vote on the Plan will not affect such Creditor's right to a Distribution under the Plan.

If the voting members of an impaired Class do not vote unanimously for the Plan but, nonetheless, vote for the Plan by at least the requisite two-thirds (2/3) in amount of Allowed Claims in that Class and one-half (1/2) in number of Allowed Claims actually voted in that Class, the Plan, at a minimum, must provide that each member of such Class will receive property of a value, as of the Effective Date, that is not less than the amount such Class members would receive or retain if the Estate was liquidated under chapter 7 of the Bankruptcy Code.

The Bankruptcy Court established February 21, 2012, as the deadline by which all proofs of Claim must be filed in this Chapter 11 Case. The Debtor may dispute proofs of Claim that have been filed or that the Debtor listed as disputed in its Schedules filed with the Bankruptcy Court. Persons whose Claims are disputed may vote on, or otherwise participate in, Distributions under the Plan ONLY to the extent that the Bankruptcy Court allows their Claims. The Bankruptcy Court may temporarily allow a Claim for voting purposes only. The Schedules, which list the Claims and whether such Claims are disputed, can be inspected at the Office of the Clerk of the United States Bankruptcy Court for the Western District of North Carolina, Charles Jonas Federal Building, 401 West Trade Street, Room 111, Charlotte, North Carolina.

Whether or not a Claimant votes on the Plan, such Persons will be bound by the Plan, including the terms and treatment of Claims set forth therein, if the Plan is accepted by the requisite majorities of the Classes or is "crammed-down" and confirmed by the Bankruptcy Court.

Allowance or disallowance of a Claim for voting purposes does not necessarily mean that all or a portion of that Claim will be allowed or disallowed for purposes of Distribution under the Plan.

2. Confirmation of the Plan

Once it is determined which impaired Classes, if any, have or have not accepted the Plan, the Bankruptcy Court will determine whether the Plan may be confirmed. If all impaired Classes accept the Plan, it will be confirmed provided that the Bankruptcy Court finds the other conditions set forth in § 1129(a) of the Bankruptcy Code satisfied. These are complex statutory provisions, and the preceding paragraphs are not intended to be a complete summary of the law. If you do not understand any of these provisions, please consult with an attorney.

IF ALL CLASSES DO NOT ACCEPT THE PLAN, THE DEBTOR INTENDS TO RELY UPON THE “CRAM DOWN” PROVISION OF § 1129(b) OF THE BANKRUPTCY CODE.

The Bankruptcy Court may confirm the Plan, even if all of the impaired Classes do not accept the Plan, if the Bankruptcy Court finds that certain additional conditions are met. Accordingly, if the Plan is not accepted by the requisite amount of Claims in their respective impaired Classes, the Debtor will seek confirmation of the Plan as to such non-accepting Classes pursuant to § 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code is generally referred to as the “cram down” provision. The Bankruptcy Court may confirm a Plan over the objection of a non-accepting Class if the Plan satisfies one of the alternative requirements of § 1129(b)(2)(A) of the Bankruptcy Code. The Bankruptcy Court may confirm the Plan over the objection of a non-accepting Class if the non-accepting members of the Class will receive the full value of their Claims, or, if the non-accepting members of the Class stand to receive less than full value, no Classes of junior priority will receive anything on account of their respective Claims.

3. Objections to Confirmation

Any objections to confirmation of the Plan must be filed with the Clerk of the Bankruptcy Court and served upon (a) Andrew T. Houston, Moon Wright & Houston, PLLC, 227 West Trade Street, Suite 1800, Charlotte, North Carolina 28202; and (b) Linda Simpson, United States Bankruptcy Administrator, 402 West Trade Street, Charlotte, North Carolina 28202, in such a manner as will cause such objections to be filed with the Bankruptcy Court and received by the aforementioned parties no later than [_____].

4. Confirmation Hearing

A hearing on confirmation of the Plan is scheduled before the Honorable Laura T. Beyer, United States Bankruptcy Judge, United States Bankruptcy Court for the Western District of North Carolina, Charles Jonas Federal Building, 401 West Trade Street, Charlotte, North Carolina, on [_____]. Announcement of the adjournment or continuance of such hearing, if any, may be made in writing or in open court. No further written notice is required to be sent to claimants, interest holders, or other parties in interest.

ARTICLE II
INFORMATION REGARDING THE CHAPTER 11 CASE

A. COMMENCEMENT OF THE CHAPTER 11 CASE

1. *Filing of the Petition*

The Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on October 21, 2011.

2. *No Unsecured Creditors Committee or Trustee Appointed*

An Official Committee of Unsecured Creditors was not appointed in this Chapter 11 Case, due to lack of interest. Neither a trustee nor an examiner has been appointed in the Chapter 11 Case.

3. *Continuation of Business After Filing*

The Debtor has continued to manage its business and affairs as a debtor in possession, subject to the oversight of the Bankruptcy Administrator and the Bankruptcy Court. Certain actions of the Debtor during the Chapter 11 Case, including all transactions outside of the ordinary course of business, if any, were taken only after first requesting and receiving authorization from the Bankruptcy Court. Upon the filing of the chapter 11 petition, substantially all claims against the Debtor that existed prior to the Petition Dates became subject to the automatic stay provisions under § 362 of the Bankruptcy Code while the Debtor continued operation of its business and affairs as a debtor in possession. These pre-petition claims may arise from the determination by the Bankruptcy Court of allowed claims for contingent liabilities and other disputed amounts.

B. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE

1. *Filing of Schedules*

The Debtor filed its Schedules of Assets and Liabilities, and its Statement of Financial Affairs on October 21, 2011 (together with any amendments, the “Schedules”).

2. *Retention of Professionals by the Debtor*

The Debtor is represented by Travis W. Moon, Esq. and Andrew T. Houston, Esq. as bankruptcy counsel in connection with its Chapter 11 Case. Messrs. Moon and Houston are partners in the law firm Moon Wright & Houston, PLLC. The Debtor has also retained Damon Bidencepe of the firm Bidencepe & Associates to appraise the Property.

3. *Bar Date for Filing of Claims*

The Bankruptcy Court established February 21, 2012 (the “Claims Bar Date”) as the deadline by which all proofs of Claim must be filed in this Chapter 11 Case. The Clerk of the Bankruptcy Court transmitted notices of the Bar Date to all known actual or potential claimants and informed them of their need to file a proof of Claim with the Bankruptcy Court on or before the Claims Bar Date.

4. Allowance of “First-Day” Motions

Upon motions filed by the Debtor shortly after the Petition Date, the Bankruptcy Court entered orders authorizing the Debtor to, among other things, pay pre-petition payroll, associated taxes and employee benefits for the employees that provide services to the Property. In addition, the Bankruptcy Court required certain utility providers to provide uninterrupted utility services to the Property. The entry of these orders allowed the Debtor to continue to operate without disruption following its bankruptcy filing.

Further, the Court also entered a series of consent orders and a final order allowing the Debtor to utilize cash generated in its business that otherwise was or may have been subject to the security interest of BOA. In return for authority to utilize these funds, the Debtor submitted a proposed budget to the Court and agreed to grant BOA replacement liens in post-petition rents, proceeds and profits generated by the Property, and to make interest payments to BOA.

5. Marlborough Woods Homeowners’ Claims

Various individuals that allegedly purchased units in the Condominiums filed an adversary proceeding against the Debtor and Laurance Realty on November 16, 2011, seeking damages based on the Debtor’s purported failure to disclose the existence of lead based paint in connection with the purchase of condominium units. The Debtor filed a motion to dismiss the amended complaint on December 23, 2011. After the issues were thoroughly briefed by all parties, the Bankruptcy Court dismissed the amended complaint against both defendants. The plaintiffs filed a motion to vacate the order dismissing the action but the Bankruptcy Court denied the motion. The window to appeal the dismissal order and the order denying the motion to vacate has expired. No appeal was taken.

The claimants also filed an identical proof of claim in the Chapter 11 Case in February, 2012. The Debtor filed an objection to the proof of claim and a motion for summary judgment on the claim objection. After a hearing before the Bankruptcy Court, the Bankruptcy Court sustained the claim objection and disallowed the proof of claim. The deadline to appeal the summary judgment order expired, and no appeal was taken.

6. Multi-Family Energy Efficiency Grant

The Debtor and the City of Charlotte entered into a Multi-Family Energy Efficiency Grant Agreement dated January 6, 2011 (the “Grant Agreement”), whereby the Debtor agreed to retrofit, install or construct certain energy efficiency improvements at the Apartments. Pursuant to the terms of the Grant Agreement, the City of Charlotte would partially reimburse the Debtor for all eligible expenses set forth in the Grant Agreement. The City of Charlotte moved to compel the Debtor to reject the Grant Agreement because it did not believe that the Debtor could comply with its obligations to make certain expenditures and meet certain benchmarks for completing work.

The Debtor and the City of Charlotte negotiated a modification to the Grant Agreement, which reduced the Debtor’s expenditures and the City of Charlotte’s commitment to reimburse the Debtor for work. The modification allowed the City of Charlotte to free up additional funds that could be used to benefit other projects in Charlotte. The Grant Agreement was performed by both parties and expired during the course of the case.

ARTICLE III
THE DEBTOR'S PLAN OF REORGANIZATION

The following is a summary of the provisions of the Plan and, accordingly, is not as complete as the full text of the Plan that accompanies this Disclosure Statement. The Plan itself, attached as Exhibit A hereto, should be read in its entirety.

A. SUMMARY OF PAYMENT PROVISIONS OF THE PLAN

1. *Impairment of Claims*

Under the Bankruptcy Code, a class of claims or interests is deemed “impaired” under a chapter 11 plan unless, in general, the rights of the holders of the claims or interests of such class are not altered or, with respect to interests, the holders receive cash equal to the greater of (a) any liquidation preference or (b) the redemption price, if either is applicable. Any class that is deemed impaired must accept the plan by the requisite majority before the plan can be confirmed, unless the Bankruptcy Court finds, pursuant to § 1129(b) of the Bankruptcy Code, that the plan is fair and equitable and does not discriminate unfairly with respect to each class that is impaired and has not accepted the plan.

2. *Treatment of Claims*

The treatment of and consideration to be received by holders of Allowed Claims pursuant to the Plan will be in full settlement, release, and discharge of their respective Allowed Claims relating to the Debtor and other Persons, as applicable, as specified in the Plan.

B. CLASSIFIED CLAIMS UNDER THE PLAN

The Plan divides the Claims against the Debtor into various Classes and designations. Below is a description of the general Classes and designations of claims against the Debtor and the corresponding treatment thereof under the Plan. Allowed Administrative Claims and Allowed Priority Tax Claims are not designated as classes of Claims for purposes of the Plan and pursuant to §§ 1123, 1124, 1126 and 1129 of the Bankruptcy Code.

All amounts listed for each class of claim are merely estimates, and are subject to change through the Debtor's Claims review and objection process. All capitalized terms not defined hereunder shall have the meanings ascribed to them in the Plan.

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DESCRIPTION OF CLAIMS AND INTERESTS AND CLASSES AND ANTICIPATED AMOUNT OF ALLOWED CLAIMS	DESCRIPTION OF PROPOSED DISTRIBUTION UNDER THE PLAN	ESTIMATED RECOVERY
<p><i>Allowed Administrative Claims</i></p> <p>An Allowed Administrative Claim is any cost and expense of administration of the Chapter 11 Case, which is allowed under §503(b) of the Bankruptcy Code and entitled to priority in payment under § 507(a) of the Bankruptcy Code.</p> <p>The Debtor estimates that, after completion of the claim reconciliation process, the total amount of Allowed Administrative Claims will be approximately \$35,000.00 consisting of all unpaid fees of professionals employed by the Debtor, which were incurred prior to the Confirmation Date, but not paid pursuant to interim fee applications and payments. This class also includes the cure payment to Laurance Realty in the amount of approximately \$1,300,500.00 in respect of the management agreement assumed under the Plan.</p>	<p><i>Not Classified Under the Plan; Unimpaired Under the Plan</i></p> <p>Except to the extent the holder of an Allowed Administrative Claim agrees otherwise, each holder of an Allowed Administrative Claim shall be paid, in respect of such Allowed Claim, the full amount thereof in Cash (or such other form as is agreed upon by any holder of an Allowed Administrative Claim) as soon as practicable after the later of (a) the Effective Date and (b) the date on which such Claim becomes an Allowed Claim, except that Allowed Administrative Claims arising in the ordinary course of business shall, if due at a later date pursuant to its terms, be paid when otherwise due. The Laurance Realty administrative expense claim shall be paid at the prime rate of interest plus 2% per annum: (i) in monthly deferred cash payments commencing in the first full month after the Effective Date, (ii) upon the sale or refinancing of the Property, or (iii) as otherwise agreed upon by the Debtor and Laurance Realty.</p>	<p>100%</p>
<p><i>Allowed Priority Tax Claims</i></p> <p>An Allowed Priority Tax Claim is any Claim that is entitled to priority in payment pursuant to § 507(a)(8) of the Bankruptcy Code.</p> <p>Anticipated to be \$0.00.</p>	<p><i>Not Classified Under the Plan; Unimpaired Under the Plan</i></p> <p>Each holder of an Allowed Priority Tax Claim, shall be paid the Allowed Amount of its Allowed Priority Tax Claim, at the option of the Reorganized Debtor: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Priority Tax Claim and the Reorganized Debtor; or (c) in four (4) annual Cash payments in January of each year following the Effective Date, in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at such rate as required by Section 511 of the Bankruptcy Code or otherwise as required by Section 1129(a)(9)(C) of the Bankruptcy Code, such that the full amount of each Allowed Priority Tax Claim is paid in full within five (5) years from the Petition Date.</p>	<p>100%</p>

DESCRIPTION OF CLAIMS AND INTERESTS AND CLASSES AND ANTICIPATED AMOUNT OF ALLOWED CLAIMS	DESCRIPTION OF PROPOSED DISTRIBUTION UNDER THE PLAN	ESTIMATED RECOVERY
<p><i>Class 1: Priority Non-Tax Claims</i></p> <p>Any Claim arising prior to the Petition Date entitled to priority in payment under Sections 507(a)(1)-(a)(7) of the Bankruptcy Code.</p> <p>Anticipated to be \$0.00.</p>	<p><i>Impaired Under the Plan; Entitled to Vote on the Plan</i></p> <p>Each holder of an Allowed Priority Non-Tax Claim shall be paid the Allowed Amount of its Allowed Priority Non-Tax Claim, at the option of the Reorganized Debtor: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Priority Claim and the Reorganized Debtor; or (c) in three (3) annual installments of principal with interest at the rate of 3.25% percent per annum, with each payment to be made in January of each year following the Effective Date until paid in full.</p>	<p>100%</p>
<p><i>Class 2: Secured Tax Claims</i></p> <p>Class 2 consists of all Secured Tax Claims as determined pursuant to sections 506(a), 507(a)(8) or 1129(a)(9)(C) or (D) of the Bankruptcy Code.</p> <p>Anticipated to be \$0.00. The 2011 <i>ad valorem</i> taxes related to the Property were paid to Mecklenburg County in December, 2011.</p>	<p><i>Impaired Under the Plan; Entitled to Vote on the Plan</i></p> <p>Each holder of an Allowed Secured Tax Claim, shall be paid the Allowed Amount of its Allowed Secured Tax Claim, at the option of the Reorganized Debtor: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Secured Claim and the Reorganized Debtor; or (c) in monthly payments commencing within thirty (30) days of the Effective Date, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at such rate as required by Section 511 of the Bankruptcy Code or otherwise as required by § 1129(a)(9)(C) or (D) of the Bankruptcy Code, such that each Allowed Secured Tax Claim will be paid in full within five (5) years of the Petition Date. Each holder of an Allowed Secured Tax claim shall retain its existing liens, privileges and encumbrances on Assets, which shall retain the same validity, priority and extent that existed on the Petition Date.</p>	<p>100%</p>

DESCRIPTION OF CLAIMS AND INTERESTS AND CLASSES AND ANTICIPATED AMOUNT OF ALLOWED CLAIMS	DESCRIPTION OF PROPOSED DISTRIBUTION UNDER THE PLAN	ESTIMATED RECOVERY
<p><i>Class 3: Secured Claim of BOA</i></p> <p>Class 3 consists of the Allowed Secured Claim of BOA.</p> <p>Anticipated to be approximately \$5,700,000.00 as of the Effective Date of the Plan.</p>	<p><i>Impaired Under the Plan; Entitled to Vote on the Plan</i></p> <p><u>Valuation of BOA Collateral:</u> This obligation shall be treated as a secured obligation of the Reorganized Debtor with the restructured principal balance consisting of the value of the collateral securing the claim, in an amount: (i) to be determined by the Bankruptcy Court pursuant to section 506 of the Bankruptcy Code either at the Confirmation Hearing or earlier upon motion of the Debtor, or (ii) as otherwise agreed upon by the Debtor and BOA. <u>If the Bankruptcy Court Determines that BOA is Oversecured:</u> This obligation shall be treated as a secured obligation of the Reorganized Debtor with the restructured principal balance consisting of: (i) the aggregate principal balance outstanding on the BOA Loan on the Petition Date, plus (ii) BOA’s actual reasonable attorneys’ fees, which amount shall be subject to approval under §506(b) by the Bankruptcy Court, and (iii) any accrued unpaid interest at the non-default rate of interest under the BOA Loan Documents. <u>If the Bankruptcy Court Determines that BOA is Undersecured:</u> This obligation shall be treated as a secured obligation of the Reorganized Debtor with the restructured principal balance consisting of the value of the collateral securing the claim as determined by the Bankruptcy Court. To the extent applicable, the resulting Unsecured Deficiency Claim of BOA shall be treated in Class 4 below. <u>Payments and Term:</u> Payments on account of BOA’s secured claim shall begin in the first full month following the Effective Date and shall be made in equal monthly installments at the fixed rate of interest of 3.25% per annum, with the principal balance of the restructured loan amortized over a period of twenty-five (25) years. The restructured loan will mature seven (7) years from the Effective Date of the Plan, with no prepayment penalty. Payments under the restructured loan shall be due on the first day of each month as contemplated herein, provided however, that monthly payments shall be considered timely if they are actually received by BOA on or before the fifteenth day of the month. <u>Retention of Lien:</u> BOA shall retain its lien on the BOA Collateral with the priority thereof, as it existed on the Petition Date pursuant to §1129(b)(2)(A)(i)(I) of the Bankruptcy</p>	<p>100%</p>

DESCRIPTION OF CLAIMS AND INTERESTS AND CLASSES AND ANTICIPATED AMOUNT OF ALLOWED CLAIMS	DESCRIPTION OF PROPOSED DISTRIBUTION UNDER THE PLAN	ESTIMATED RECOVERY
	Code until its Allowed Class 3 Claim is paid as set forth herein. Effect on BOA Loan Documents: The BOA Loan Documents will be amended and restated to incorporate the terms of this Plan, and all terms in the BOA Loan Documents that are inconsistent with the terms of the Plan shall be deemed null and void.	
<p><i>Class 4: General Unsecured Claims</i></p> <p>Class 4 shall consist of all Allowed General Unsecured Claims.</p> <p>Anticipated to be approximately \$20,000.00, based on the Debtor's Schedules and filed proofs of claim.</p>	<p><i>Impaired Under the Plan; Entitled to Vote on the Plan</i></p> <p>At the election of the Debtor, each holder of an Allowed Class 4 Claim will be paid: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed General Unsecured Claim and the Reorganized Debtor; or (c) in Cash, in full, with interest from the Petition Date at the rate of 3.25% per annum, in equal monthly installments of principal and interest sufficient to fully amortize the outstanding indebtedness over a period of twelve (12) months after the Effective Date. The initial distribution on account of Allowed Class 4 claims shall be paid within thirty (30) days of the Effective Date of the Plan.</p>	100%
<p><i>Class 5: Unsecured Claim of the EPA.</i></p> <p>Anticipated to be \$40,000.00.</p>	<p><i>Impaired Under the Plan; Entitled to Vote on the Plan</i></p> <p>The holder of Allowed Class 5 Claims shall be paid the sum of \$4,000.00 in Cash within thirty (30) days of the Effective Date of the Plan. In addition, within ninety (90) days of the Effective Date of the Plan, the Debtor shall replace certain doors located at the Property, which shall cost at least \$36,000.00. Upon confirmation of the Plan, the Debtor shall be authorized to execute any and all documents requested by the EPA memorializing the terms of this Plan treatment.</p>	100%

DESCRIPTION OF CLAIMS AND INTERESTS AND CLASSES AND ANTICIPATED AMOUNT OF ALLOWED CLAIMS	DESCRIPTION OF PROPOSED DISTRIBUTION UNDER THE PLAN	ESTIMATED RECOVERY
<p><i>Class 6: Insider Unsecured Claims</i></p> <p>Anticipated to be approximately \$1,301,087.00 based on the Debtor's Schedules and filed proofs of claim.¹</p>	<p><i>Impaired Under the Plan; Entitled to Vote on the Plan</i></p> <p>Each holder of an Allowed Class 6 Claim will be paid in full, in Cash, with interest upon the sale or refinancing of the Property. Interest shall accrue on the principal balance of the Allowed Insider Unsecured Claims as of the Petition Date at the prime rate of interest plus 2% per annum. It is anticipated that the distributions to Class 6 will be made when the Property is either sold or the BOA secured claim is refinanced on or before seven years from the Effective Date of the Plan.</p>	<p>100%</p>
<p><i>Class 7: Employee Unsecured Claims</i></p> <p>Anticipated to be approximately \$590,000.00.</p>	<p><i>Not Impaired Under the Plan; Not Entitled to Vote on the Plan</i></p> <p>The Debtor will assume its obligations under the Weyland Apartments Stay Incentive Compensation Plan, effective December 20, 2007.</p>	<p>100%</p>

¹ The Plan lists the following claims as Insider Unsecured Claims: (i) the scheduled claim of Donald James in the amount of \$360,622.98, (ii) the scheduled claim of Larry Freed in the amount of \$223,208.01 (the "Freed Claim"), and (iii) the scheduled claim of DDL LLC in the amount of \$851,385.20 (the "DDL Claim"). BOA filed two proofs claim (claims 20, 21) in this case asserting that the DDL Claim and Freed Claim have been assigned to BOA in connection with supplemental proceedings in Illinois State Court. Claim 20 lists the Freed Claim in the amount of \$223,208.01, and Claim 21 lists the DDL Claim in the amount of \$717,256.33.

DESCRIPTION OF CLAIMS AND INTERESTS AND CLASSES AND ANTICIPATED AMOUNT OF ALLOWED CLAIMS	DESCRIPTION OF PROPOSED DISTRIBUTION UNDER THE PLAN	ESTIMATED RECOVERY														
<p><i>Class 8: Membership Interests in the Debtor</i></p> <table border="0"> <thead> <tr> <th><u>Member</u></th> <th><u>Ownership Interest</u></th> </tr> </thead> <tbody> <tr> <td>A. Bruce Parker, Inc.</td> <td>27.50%</td> </tr> <tr> <td>DDL LLC</td> <td>33.229%</td> </tr> <tr> <td>David LaFave</td> <td>12.083%</td> </tr> <tr> <td>Kirshenbaum Revocable Trust</td> <td>6.042%</td> </tr> <tr> <td>Thomas H. Fraerman</td> <td>3.021%</td> </tr> <tr> <td>Donald R. James</td> <td>18.125%</td> </tr> </tbody> </table>	<u>Member</u>	<u>Ownership Interest</u>	A. Bruce Parker, Inc.	27.50%	DDL LLC	33.229%	David LaFave	12.083%	Kirshenbaum Revocable Trust	6.042%	Thomas H. Fraerman	3.021%	Donald R. James	18.125%	<p><i>Not Impaired Under the Plan; Not Entitled to Vote on the Plan</i></p> <p>The Debtor's members shall retain their interests under the Plan, <u>provided however</u>, that they will not receive any distributions until all senior classes of creditors are paid in full except to the extent necessary to pay income taxes related to their ownership interest in the Debtor.</p>	<p>100%</p>
<u>Member</u>	<u>Ownership Interest</u>															
A. Bruce Parker, Inc.	27.50%															
DDL LLC	33.229%															
David LaFave	12.083%															
Kirshenbaum Revocable Trust	6.042%															
Thomas H. Fraerman	3.021%															
Donald R. James	18.125%															

**ARTICLE IV
OTHER PROVISIONS OF THE PLAN**

A. ADMINISTRATIVE BAR DATE

In accordance with § 2.2 of the Plan, and except as otherwise ordered by the Bankruptcy Court (including any order providing for an earlier date), requests for payment of Administrative Claims, including all applications for final allowance of compensation and reimbursement of expenses of Professionals incurred before the Confirmation Date, must be filed and served on the Reorganized Debtor, and the Bankruptcy Administrator no later than thirty (30) days after the Effective Date. Any Person required to file and serve a request for payment of an Administrative Claim and who fails to timely file and serve such request, shall be forever barred, estopped, and enjoined from asserting such Claim or participating in distributions under the Plan on account thereof. The Administrative Claims Bar Date shall not apply to fees and expenses of Professionals incurred after the Confirmation Date.

B. EXECUTORY CONTRACTS

In accordance with § 5.1 of the Plan, as of the Effective Date, all executory contracts and unexpired leases of the Debtor that (1) have not previously been assumed or rejected by the Debtor by Order of the Bankruptcy Court, or (2) are not the subject of a motion to assume/reject pending on the Confirmation Date, shall be deemed ASSUMED by the Debtor.

The Debtor currently plans to assume the following executory contracts and unexpired leases:

<u>Counterparty/Lessee</u>	<u>Description of Unexpired Lease/Executory Contract</u>
AT&T	Telephone service contract
Laurance Realty Associates	Management Contract dated 11/30/98
Marlborough Woods Association, Inc.	Homeowners Association Agreement
Sprint	Cell phone service contract
Yard Doctor	Landscape contract
Various individuals renting in the Condominiums and Apartments	Tenant Leases

The Debtor expects to assume these leases in the Plan, and all other executory contracts and unexpired leases have either expired by their own terms or been rejected during this chapter 11 case.

If not otherwise resolved by the parties, the Bankruptcy Court shall determine any dispute pertaining to the assumption and assignment of any Assumed Agreement, and any required

disputed cure payment shall be paid promptly following the entry of a Final Order resolving such dispute. The Debtor does not believe there are any cure payments required under any of the unexpired leases that are expected to be assumed.

In accordance with § 5.4 of the Plan and except to the extent a prior order of the Bankruptcy Court provided for an earlier date, in which case such earlier date shall control, all proofs of claim with respect to Claims arising from the rejection of executory contracts or unexpired leases shall be filed with the Bankruptcy Court within thirty (30) days after the earlier of (1) the date of service of notice of entry of an order of the Bankruptcy Court approving such rejection, or (2) the date of service of notice of the Confirmation Date, if such executory contract or unexpired lease has been rejected pursuant to the Plan. Any Claims not filed within such time shall be released and discharged and forever barred from assertion against the Debtor, the Estate and the Reorganized Debtor.

C. AVOIDANCE ACTIONS AND OTHER CAUSES OF ACTION

The Debtor is unaware of any avoidance actions that it could pursue for the benefit of the Estate. The Debtor reviewed its payments to creditors within the 90-day period prior to its bankruptcy filing, which payments totaled approximately \$270,000.00. However, all such sums appear to the Debtor and its counsel to represent payments made in the ordinary course of business under § 547(c)(2) of the Bankruptcy Code. The Debtor also reviewed all payments to insiders within the one-year period preceding its bankruptcy filing, which payments totaled approximately \$35,000.00. Such payments were, however, made in the ordinary course of business under § 547(c)(2) of the Bankruptcy Code. Similarly, the Debtor is aware of no fraudulent conveyances or unauthorized post-petition transactions giving rise to potential claims. A summary of the subject transactions was attached to the Debtor's Statement of Financial Affairs when filed, and the Debtor's representative(s) were questioned on these issues by the Bankruptcy Administrator at the First Meeting of Creditors.

Further, the Plan provides for a 100% distribution to all creditors from Available Cash and the revenues generated by the Reorganized Debtor. Thus, pursuing any claims appears to be a waste of the Debtor's resources. Regardless of the foregoing, and except as otherwise provided in the Plan, the Reorganized Debtor shall retain all rights and is authorized to commence and pursue, as the Reorganized Debtor deems appropriate, any and all claims and Causes of Action, including, but not limited to, Avoidance Actions, whether arising before or after the Petition Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in the Chapter 11 Case, and including but not limited to, the claims and Causes of Action specified in the Plan.

D. DISTRIBUTIONS

All Distributions under the Plan will be made as outlined above and as set forth specifically in Articles 3 and 6 of the Plan.

E. OBJECTIONS TO CLAIMS

Following the Effective Date, the Reorganized Debtor shall be authorized to object, or to succeed or otherwise join any objection filed by the Debtor prior to the Effective Date, to Claims so as to have the Bankruptcy Court determine the amounts to be allowed, if any, of such Claims and thus paid pursuant to the Plan (excluding Claims previously allowed by Final Order of the

Bankruptcy Court). Objections to Claims shall be filed with the Bankruptcy Court and served upon the holders of such Claims no later than one hundred and twenty (120) days after the Effective Date; provided, however, that this deadline may be extended by the Bankruptcy Court upon the entry of an order extending such deadline. An objection to the allowance of a Claim by the Reorganized Debtor must be filed with the Bankruptcy Court and served upon the holder of the Claim and all parties who have requested notice.

Notwithstanding the foregoing, unless an order of the Bankruptcy Court specifically provides for a later date, any proof of claim for pre-petition debts of the Debtor filed after the Confirmation Date shall be automatically disallowed as a late-filed claim, without any action by the Reorganized Debtor, unless and until the party filing such Claim obtains (i) the written consent of the Reorganized Debtor to file such Claim late, or (ii) approval from the Bankruptcy Court upon notice to the Reorganized Debtor that permits the late filing of the Claim, in which event, the Reorganized Debtor shall have 120 days from the date of such written consent or order to object to such Claim, which deadline may be extended by the Bankruptcy Court upon motion of the Reorganized Debtor.

Prior to the Effective Date, the Debtor shall litigate to judgment, propose settlements of, or withdraw objections to such Disputed Claims asserted against it as the Debtor may choose. From and after the Effective Date, the Reorganized Debtor shall litigate to judgment, propose settlements of, or withdraw objections to all Disputed Claims. Prior to the expiration of thirty (30) days from the date of service of the objection, the Claimant whose Claim was the subject of the objection must file a response to the objection with the Bankruptcy Court and serve the response upon the objecting party and the Reorganized Debtor. If the Claimant whose Claim was the subject of the objection fails to file and serve its response to the objection within the 30-day response deadline, the Bankruptcy Court may grant the relief requested in the objection against the non-responding Claimant without further notice or hearing. All proposed settlements of Disputed Claims shall be subject to the approval of the Bankruptcy Court after notice and opportunity for a hearing (as that term is used in § 102(1) of the Bankruptcy Code).

F. MISCELLANEOUS

1. Retention of Jurisdiction

Pursuant to Article 12 of the Plan, the Bankruptcy Court will continue to retain jurisdiction after Confirmation of the Plan to resolve all outstanding matters in the Chapter 11 Case and with respect to the fulfillment of the obligations of the Reorganized Debtor under the Plan.

2. Discharge

The consideration distributed under the Plan shall be in exchange for, and in complete satisfaction, discharge, release, and termination of all Claims of any kind against the Estate or the Debtor. The Confirmation Order shall be a judicial determination of discharge and termination of all liabilities of and all Claims against the Estate and Debtor, except as otherwise specifically provided in the Plan. On the Confirmation Date, as to every discharged Claim and other debt of the Debtor, the holder of such Claim or other debt of the Debtor shall be permanently enjoined from asserting against the Reorganized Debtor, or against its assets or properties or any transferee thereof, any other or further Claim or other debt of the Debtor based upon any document, instrument, or act, omission, transaction, or other activity of any kind or nature that occurred prior

to the Confirmation Date except as expressly set forth in the Plan.

3. Release of Certain Claims and Actions

As of and on the Effective Date, all Persons or Entities who have held, hold, or may hold Claims against the Estate and/or the Debtor shall be deemed to have waived, released, and discharged all rights or claims, whether based upon tort, contract or otherwise, which they possessed or may possess prior to the Effective Date against the Estate and/or the Debtor, except as otherwise provided for in the Plan (including the documents filed as Schedules or Exhibits to the Plan) or the Confirmation Order; provided, however, that the foregoing release shall not apply to performance or nonperformance under the Plan or related instruments, securities, agreements or documents, or to any action or omission that constitutes actual fraud or criminal behavior.

4. Exculpation

To the fullest extent permitted by § 1125(e) of the Bankruptcy Code, the Debtor, the Reorganized Debtor, and its respective members, officers, directors, employees, representatives, counsel, or agents shall be deemed released by each of them against the other and by the holders of Claims of and from any and all claims, obligations, rights, causes of action, and liabilities for any act or omission in connection with, or arising out of, the Chapter 11 Case, including, without limiting the generality of the foregoing, the Disclosure Statement, the pursuit and approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for Avoidance Actions, willful misconduct or gross negligence, and all such persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to its duties and responsibilities under the Plan and under the Bankruptcy Code.

5. Conditions Precedent to Confirmation

The Plan shall not be confirmed unless and until the Bankruptcy Court has entered the Confirmation Order in a form and substance satisfactory to the Debtor.

6. Conditions Precedent to the Effective Date

The Plan shall not become effective unless and until the Effective Date occurs. The Effective Date shall occur: (i) after the Confirmation Order has been entered, has not been modified or altered in any way, and no stay of the Confirmation Order shall be in effect, and (ii) any other conditions set forth in Article 10 of the Plan are satisfied.

7. Rounding

Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole cent, with one-half cent being rounded up to the nearest whole cent. To the extent Cash remains undistributed as a result of the rounding of such fraction to the nearest whole cent, such Cash shall be treated as unclaimed property under the Plan.

ARTICLE V
CONFIRMATION OF THE PLAN

A. FEASIBILITY

Section 1129(a) of the Bankruptcy Code requires a judicial determination that confirmation of the Plan will not likely be followed by liquidation or the need for further financial reorganization of the Debtor unless liquidation is contemplated under the Plan. In connection therewith, the Debtor is confident that there will be sufficient funds on hand to satisfy the minimum distributions required under § 1129(a)(9) of the Bankruptcy Code and the obligations of the Reorganized Debtor under the Plan from the continued operation of the Reorganized Debtor. To assist with evaluating the feasibility of the Plan, attached hereto as **Exhibit B** are the Debtor's projections of the future performance of the Reorganized Debtor from January 2013-December 2019.

B. ACCEPTANCE

As a condition to Confirmation of the Plan, § 1129(a) of the Bankruptcy Code, with certain exceptions, requires that each impaired Class accept the Plan. In general, a class is "impaired" if the legal, equitable, or contractual rights attaching to the Claims of that class are modified, other than by curing defaults and reinstating maturities or by payment in full in cash.

The Bankruptcy Code defines acceptance of a plan (a) by a class of creditors entitled to vote thereon as acceptance by holders of two-thirds in dollar amount and a majority in number of Allowed Claims in that class and (b) by a class of equity holders entitled to vote thereon by acceptance two-thirds in amount of such interests. Each calculation, however, includes only those holders of Allowed Claims who actually vote to accept or reject the Plan.

Under § 1126(f) of the Bankruptcy Code, classes of Allowed Claims that are not "impaired" under the Plan are conclusively deemed to have accepted the Plan. Under § 1126(g) of the Bankruptcy Code, classes that receive no distributions under the Plan are conclusively deemed to have rejected the Plan. For these reasons, acceptances of the Plan are being solicited from all Classes impaired pursuant to the Plan, if any.

C. NON-ACCEPTANCE AND CRAM DOWN

If any Class of impaired Claims fails to accept the Plan, the Debtor will seek to effect a "cram down" on such dissenting Class and all Classes that are junior to such dissenting Class under § 1129(b) of the Bankruptcy Code. The Debtor also reserves the right to amend the Plan and request the Bankruptcy Court to confirm the Plan as further amended. If an amendment(s) to the Plan is material, the Debtor may have to re-solicit acceptances from any Class affected by the change(s), unless that Class can be deemed to have accepted or rejected the Plan.

The Plan's treatment of Classes is consistent with the foregoing. Consequently, the Debtor believes that if any of the holders in Classes that are impaired reject the Plan, the Plan may be confirmed over such opposition. Pursuant to § 1129(b) of the Bankruptcy Code, the Debtor will seek Confirmation of the Plan, notwithstanding the possible rejection of the Plan by holders of Claims in any class.

D. BEST INTERESTS TEST (LIQUIDATION ANALYSIS)

Notwithstanding acceptance of the Plan in accordance with section 1126 of the Bankruptcy Code, the Court must find that each member of an impaired class of creditors, if any, has each accepted the Plan, or will receive or retain property of a value, as of the Effective Date of the Plan, that is not less than the amount such creditor or interest holder would have received or retained if the Estate was liquidated under Chapter 7 of the Bankruptcy Code. The Debtors believe that the Plan complies with this “best interests” test. Attached hereto as Exhibit C is a Liquidation Analysis illustrating that Creditors will receive property under the Plan with a value that is at least as much as they would in a hypothetical Chapter 7 liquidation.

A conversion of the Chapter 11 Case to a case administered under Chapter 7 of the Bankruptcy Code, followed by liquidation under Chapter 7, would engender higher expenses and risks than the reorganization contemplated by the Plan. When coupled with the inevitable delay caused by the appointment of a Chapter 7 trustee and the retention of the trustee's professionals (including, for example, attorneys, accountants, appraisers, real estate brokers, and the like), distributions to holders of Allowed Claims that would otherwise be made on the Effective Date of the Plan necessarily will be delayed for an indefinite period.

Further, converting this case to a case administered under Chapter 7 of the Bankruptcy Code would require the appointment of a trustee(s) to conduct the liquidation of the Estate. Such a trustee would likely have limited historical experience or knowledge of the Chapter 11 Case or of the Debtor's records, assets, or former business. The fees charged by a Chapter 7 trustee(s) and any professionals hired by the Chapter 7 trustee(s) will impose additional administrative costs on the Estate that will not be incurred under the Plan and which will be paid ahead of Allowed Administrative, Priority Tax, and Other Priority Claims.

Thus, confirmation of the Plan is preferable to liquidating the case under Chapter 7 of the Bankruptcy Code. Creditors will receive more under the Plan than they would receive in a Chapter 7 liquidation by preserving the “enterprise value” of the Debtor as an ongoing business, without incurring the additional risks inherent in a “fire sale” liquidation. Accordingly, the Debtor believes that confirmation of the Plan is in the best interests of the Creditors and fully complies with the statutory requirements of the Bankruptcy Code.

ARTICLE VI
MATERIAL UNCERTAINTIES AND RISK FACTORS

Holders of claims against the Debtor and the Estate should read and carefully consider the risk factors set forth below, as well as other information set forth in the Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference herein). These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and implementation thereof.

A. CERTAIN DISPUTED CLAIMS

The feasibility of the Plan is predicated upon the levels of the Claims not being materially in excess of the amounts estimated herein and in the Plan. If such claims are substantially in excess of the estimated amounts, the Debtor’s ability to satisfy its payment obligations under the Plan could be impacted. Moreover, the stated amounts of claims in each Class listed above are merely

estimates based on the amounts listed on the Debtor's Schedules and the current claims register published by the Clerk of the Bankruptcy Court. All amounts are subject to change upon the completion of the claims review and objection process by the Reorganized Debtor.

B. CONDITIONS TO CONFIRMATION AND EFFECTIVE DATE

As more fully discussed herein, if certain conditions precedent to Confirmation and the Effective Date have not been satisfied, the Plan may be withdrawn and the Confirmation Order vacated.

C. CERTAIN TAX MATTERS

Implementation of the Plan may have material federal income tax consequences to the Debtor and to the holders of Claims. Nothing in the Plan or Disclosure Statement should be considered a representation or advice concerning such tax consequences.

ARTICLE VII
CONCLUSION

For the reasons set forth in this Disclosure Statement, the Debtor believes that confirmation and consummation of the Plan is preferable to all other alternatives. The Debtor thus urges all Creditors entitled to vote to accept the plan and to evidence such acceptance by returning their ballots so that they will be received by [_____].

Dated: Charlotte, North Carolina
November 16 2012

Respectfully submitted,

MW Group, LLC

By: /s/ Donald R. James
Donald R. James
Manager