IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Newport News Division

In re:	:	
	:	
MICHAEL D. VICK,	:	**Case No. 08-50775-FJS**
	:	
Debtor.	:	**Chapter 11**
	:	

DISCLOSURE STATEMENT WITH RESPECT TO DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION

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Dated: Norfolk, Virginia
November 12, 2008

I. INTRODUCTION

On July 7, 2008 (the "Petition Date"), Michael D. Vick, debtor and debtor-in-possession (the "Debtor"), commenced a voluntary case under Chapter 11 of Title 11, United States Code (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Eastern District of Virginia. This Disclosure Statement with respect to Debtor's First Amended Plan of Reorganization (the "Disclosure Statement") sets forth certain information regarding the Debtor's prepetition history, the need to seek Chapter 11 protection, and significant events that have occurred or are expected to occur during the Debtor's Chapter 11 case. This Disclosure Statement also describes the terms and provisions of the Plan (as defined below), including certain alternatives to the Plan, certain effects of confirmation of the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that holders of Claims entitled to vote under the Plan must follow for their votes to be counted.

The Disclosure Statement is being provided to all of the Debtor's known creditors and other parties in interest pursuant to 11 U.S.C. §1125 in order to provide information deemed by the Debtor to be material and necessary to enable such creditors and parties in interest to make a reasonably informed decision in the exercise of their rights to vote on, and participate in, the first amended plan of reorganization, dated November 12, 2008 (the "Plan")[1] and filed by the Debtor in this case. A copy of the Plan is attached hereto as Exhibit "A". Creditors and interest holders are urged to review all terms and provisions thereof with their attorneys.

THIS DISCLOSURE STATEMENT CONTAINS CERTAIN (i) PROVISIONS OF THE PLAN, (ii) STATUTORY PROVISIONS, (iii) DOCUMENTS

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[1] Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

RELATING TO THE PLAN, (iv) EVENTS EXPECTED TO OCCUR IN THE CHAPTER 11 CASE AND (v) FINANCIAL INFORMATION. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS BASED UPON FINANCIAL AND OTHER INFORMATION DEVELOPED BY THE DEBTOR FROM: (i) INFORMATION MAINTAINED BY THE DEBTOR; (ii) INFORMATION OBTAINED FROM THIRD PARTIES; AND (iii) PLEADINGS AND DOCUMENTS FILED IN THIS CHAPTER 11 CASE. THE INFORMATION HAS NOT BEEN SUBJECT TO CERTIFIED AUDIT OR INDEPENDENT REVIEW. ACCORDINGLY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSIONS. NO REPRESENTATION CONCERNING THE DEBTOR IS AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

A BALLOT ACCOMPANIES THIS DISCLOSURE STATEMENT FOR YOUR USE IN VOTING ON THE PLAN. IN ORDER TO BE CONFIRMED, THE PLAN MUST BE ACCEPTED BY A MAJORITY IN NUMBER AND TWO-THIRDS IN AMOUNT OF THOSE VOTING IN EACH CLASS IMPAIRED UNDER THE PLAN, EXCEPT TO THE EXTENT THAT THE PLAN MAY BE CONFIRMED NOTWITHSTANDING THE FAILURE TO OBTAIN SUCH ACCEPTANCE IN ACCORDANCE WITH SECTION 1129(b) OF THE BANKRUPTCY CODE. FOR A DETAILED DISCUSSION ON SOLICITATION AND VOTING, SEE ARTICLE XV HEREIN.

YOU ARE URGED TO REVIEW THE PLAN, THIS DISCLOSURE STATEMENT, AND THE BALLOT WITH COUNSEL OF YOUR CHOICE. HOLDERS

OF CLAIMS WHICH ARE IMPAIRED UNDER THE PLAN MAY VOTE TO ACCEPT OR REJECT THE PLAN BY COMPLETING AND RETURNING THE ENCLOSED BALLOT SO AS TO BE RECEIVED ON OR BEFORE _____ AT 5:00 P.M. BY THE DEBTOR'S ATTORNEY AT THE ADDRESS SET FORTH BELOW.

MICHAEL V. BLUMENTHAL, ESQ.
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THE DEBTOR RECOMMENDS AND REQUESTS YOUR ACCEPTANCE OF THE PLAN.

II. GENERAL INFORMATION

A. Introduction

1. Purpose of Plan

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize his obligations to creditors in accordance with the provisions of the Bankruptcy Code. The consummation of a plan or reorganization is the principal objective of a Chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against the debtor. Confirmation of a plan of reorganization by the Bankruptcy Court makes the plan binding upon the debtor, any person or entity acquiring property under the plan, and any creditor of the debtor, whether or not the such creditor (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan.

Subject to certain limited exceptions and other than as provided in the Plan itself or the confirmation order (the "Confirmation Order") the Confirmation Order discharges the Debtor from any debt that arose prior to the Effective Date of the Plan, and substitutes therefore the obligations specified under the confirmed Plan. The terms of the Plan are based upon, among

other things, the Debtor's assessment of his ability to achieve his goals, make distributions contemplated under the Plan and pay certain continuing obligations. Under the Plan, claims against the Debtor are divided into classes according to their relative seniority and other criteria.

2. Overview of Career and Family Obligations

The Debtor is an individual and a resident of Hampton, Virginia. During the years 2004 through 2007, the Debtor was a National Football League ("NFL") quarterback employed by the Atlanta Falcons.

On or about August 27, 2007, he plead guilty to conspiracy to travel in interstate commerce in aid of unlawful activities and to sponsor a dog in an animal fighting venture, under 18 U.S.C. § 371. The Debtor is currently serving a 23-month prison sentence at the United States Penitentiary at Leavenworth, Kansas and is expected to be released in 2009. Upon his release, the Debtor will return to Virginia and will seek to rebuild his life and career.

Prior to the criminal charges which led to the Debtor's imprisonment, he earned substantial sums in connection with his contract with the Atlanta Falcons and endorsement contracts with Nike and certain other companies. With this significant income, the Debtor supported a number of family members, including his mother, siblings, his son and his son's mother, and his fiancée and his two children with her, by allowing them to live in a number of homes that he purchased, paying their living expenses, and providing them with vehicles through a business entity that he owned and controlled named MV7 LLC ("MV7").

3. Retention of Professionals Prior to the Petition Date

For several years prior to the Petition Date, the Debtor has employed a variety of professionals, such as accountants, lawyers and financial advisors, to assist him in managing his financial affairs. For instance, Stephen Gross ("Gross"), of the accounting firm of HLB Gross

Collins, acted as the Debtor's accountant and financial advisor during the period 2005 through 2007.

After the Debtor was indicted on July 17, 2007, the Debtor retained two new financial advisors. In the fall of 2007, the Debtor hired Mary Wong, a manager and investment advisor affiliated with one of the Debtor's former teammates, DeMario Williams, as his manager and provided Ms. Wong with a power of attorney. Ms. Wong arranged for the Debtor to hire Robert Craig as his attorney and to terminate Gross as his financial advisor and accountant.

In or about April 2008, the Debtor met David Talbot, a self-described personal manager. Thereafter, Mr. Talbot began to assist the Debtor in managing his financial affairs and in managing his hoped-for return to the NFL upon his release from prison. In or about June 2008, the Debtor provided Talbot with a power of attorney. Acting under the Debtor's power of attorney, Talbot terminated Wong as the Debtor's financial advisor and revoked her power of attorney. Prior to the Petition Date, the Debtor provided Talbot with a 2008 Mercedes and $35,000 from the MDV LLP Defined Benefit Plan, which, according to Talbot, was used to reimburse him for expenses that he incurred in assisting the Debtor and provide funds to certain of the Debtor's family members to pay for living expenses. Subsequent to the Petition Date, the Debtor learned that Talbot had taken and disposed of several pieces of his jewelry and $25,000 of the $50,000 he received from the Vick Foundation- - an entity affiliated with the Debtor (the other $25,000 was used to pay an initial retainer to Crowell & Moring for certain services enumerated below).

In addition to the above advisors, in or about January 2004, prior the Debtor's incarceration, the Debtor entrusted Michael Smith, a Certified Financial Planner with ProFocus Incorporated in Phoenix, Arizona ("Smith"), to manage his affairs.

Moreover, prior to and after his incarceration, the Debtor retained several attorneys. For instance, the Debtor employed the law firm of Shuttleworth, Ruloff, Swain, Haddad & Morecock, P.C. (the "Shuttleworth Firm") and, in particular, Lawrence H. Woodward, Jr., Esq. ("Woodward"), a partner in the Shuttleworth Firm, in a variety of litigation matters and to form, and represent his interests in, certain business entities.

In addition, the Debtor retained William Martin of the law firm Sutherland Asbill & Brennan LLP to represent him in his federal and state criminal matters prior to his indictment on charges of traveling in interstate commerce in aid of unlawful activities and sponsoring a dog in an animal fighting venture, under 18 U.S.C. § 371.

In June 2008, the Debtor retained Peter R. Ginsberg, Esq. and his law firm Crowell & Moring, LLP ("C&M"), to represent him in investigating the activities of his past financial advisors, NFL matters and pending criminal matters.

4. Overview of Assets

Prior to the Debtor's indictment on July 17, 2007, the Debtor purchased several homes or condominiums in Duluth, Georgia, Williamsburg, Virginia, Hampton, Virginia, Miami, Florida and, both individually and through MV7, acquired a number of automobiles, and acquired several boats as well. The Debtor has an interest in other real estate that was purchased by the Debtor's business entities. MDV Limited Partnership, which is also referred to as MDV Family Limited Partnership, owns 232 Wentworth Court, Suffolk, Virginia 23432, the real property where a home is being constructed. Seven Charms Farm, LLC, an entity in which the Debtor holds a 60% interest, owns a farm located at 2956 Union Grove World Road, Conyers, Georgia 30012.

In addition, the Debtor also invested in a number of business ventures. Through Gross, the Debtor invested in, among other things, Commonwealth Ventures, LLC and Williams Realty,

two real estate companies, and the Tasting Room West and East, restaurants, Atlantic Wine & Packaging, a liquor store, and in certain Georgia state income tax credits. Often the lenders to the companies in which the Debtor made investments insisted on obtaining personal guarantees from the Debtor. For example, the Debtor personally guaranteed the obligations of Divine Seven, LLC, a Payless rent-a-car franchise, to the Royal Bank of Canada, and the obligations of Atlantic Wine & Package to Wachovia Bank. The foregoing was just a representative sampling of the Debtor's investments. The Debtor had a number of other investments, many of which were not particularly successful or, while companies may have been formed, never became operational. A list of the Debtor's businesses is set forth on pages 20-23 of this Disclosure Statement, item 18 of the Statement of Financial Affairs ("SOFA") and Schedule B of the Schedules (as hereinafter defined) and the related notes.

Through Smith, the Debtor bought variable annuities from Jackson National Life and various insurance policies from AXA Equitable. In addition, the Debtor set up a variety of accounts at Charles Schwab & Company, including a SEP-IRA and a Defined Benefit Plan for the employees of MV7, LLC. In addition to the Schwab accounts, the Debtor maintained a variety of other bank accounts through which substantial funds flowed, including Bank Of America, Old Point Bank, Towne Bank, and Wachovia Bank. A detailed analysis of funds flowing through these accounts is set forth on item 10 of the SOFA, dated October 29, 2008, and are filed with the Bankruptcy Court.

5. Events Leading to Bankruptcy

On July 17, 2007, the Debtor was indicted on charges of traveling in interstate commerce in aid of unlawful activities and sponsoring a dog in an animal fighting venture, under 18 U.S.C. § 371. The announcement of his indictment ultimately lead to a variety of harmful personal and financial repercussions to the Debtor. Among other things, the Falcons suspended Mr. Vick,

Nike terminated his endorsement contract, and the Debtor's image was badly damaged. As a result, the Debtor's income dropped precipitously and he was forced to rely upon cash generated from some of his investments, his savings, and the sale of certain of his assets to support himself and his family, pay substantial legal fees and pay nearly a million dollars in restitution to the government to care for and feed the dogs after his indictment.

By June 2008, a number of the Debtor's creditors, such as Wachovia, Royal Bank of Canada, First Source, and Joel Enterprises, Inc. ("JEI") had all obtained or docketed judgments against the Debtor in various counties where he owns real estate and personal property and commenced collection and execution activities. In addition, the Internal Revenue Service had filed a tax lien against the Debtor.

The Debtor's goal was to avoid a bankruptcy filing and work out consensual resolutions with each of his creditors, who, other than JEI, were generally cooperative and willing to work with the Debtor during the pre-petition period. However, given the aggressive collection activities of JEI in particular, the Debtor determined, in the interests of all of his creditors to file for bankruptcy protection within ninety (90) days of the docketing of JEI's judgment in order to preserve a preference claim against JEI under section 547 of the Bankruptcy Code, which would allow the Debtor's bankruptcy estate to avoid JEI's judgment lien. The Debtor's goal in the bankruptcy case is -- and has been -- to treat his legitimate creditors fairly and to complete the case quickly. Other creditors, including Royal Bank of Canada, 1st Source Bank, and Wachovia also obtained and docketed judgments against Mr. Vick within 90 days of this bankruptcy case. It is anticipated that each of these judgments will be set aside which will result in these creditors being treated as general unsecured creditors in Class 8.

B. Significant Events Subsequent to the Petition Date

1. Retention of Responsible Person/Financial Advisor

On the Petition Date, the Debtor filed a motion to retain Talbot, his pre-petition manager, as his "Responsible Person" in the bankruptcy case (the "Responsible Person Motion"). The Office of the United States Trustee ("UST") immediately contacted Debtor's counsel and requested that the Debtor withdraw the Responsible Person Motion and, instead, seek to retain Talbot as the Debtor's financial advisor. Although Talbot was not, by any means, a typical financial advisor in a bankruptcy case, he was the Debtor's advisor and it was contemplated that he could assist Debtor's counsel in communicating with the Debtor and continue the process of gathering financial information that he began pre-petition. On July 10, 2008, after further discussions with the UST, the Debtor filed a motion to retain Talbot as his financial advisor. The UST, Royal Bank of Canada, and the JEI each objected to the motion to retain Talbot as interim financial advisor to the Debtor. Thereafter, the parties reached a court approved settlement pursuant to which Talbot would (i) be retained on an interim basis until September 5, 2008 solely to assist Debtor's counsel in the preparation of the Debtor's schedules of assets and liabilities, a schedule of current income and expenditures and a schedule of executory contracts and unexpired leases (collectively, the "Schedules") and SOFA, (ii) return the Mercedes given to him pre-petition to MV7 LLC, and (iii) account for the disposition of the $35,000 that he received on the Petition Date. On July 31, 2008 the Court entered an order retaining Talbot as the Debtor's financial advisor on an interim retention (the "Talbot Retention Order"). Subsequently, the Debtor and his counsel learned that Talbot had filed three Chapter 13 bankruptcies, none of which were consummated, and had multiple judgments against him. Upon this discovery, Debtor's counsel met with counsel to the Official Committee of Unsecured Creditors (the

"Committee") and it was determined that Talbot's role in the case would be limited to assisting Debtor's counsel in communicating with the Debtor and gathering information for the Schedules and SOFA. Talbot's retention was granted *nunc pro tunc* as of the Petition date through September 5, 2008, which was the initial deadline to file the Schedules and SOFA.

Shortly thereafter, on August 8, 2008, the UST sent Debtor's counsel a complaint filed by the Attorney General of New Jersey on behalf of the New Jersey Bureau of Securities against Talbot and two other individuals alleging civil securities fraud in connection with soliciting investments from and spending the money received by various church members in Northern New Jersey. On that very same day, the Debtor filed a motion seeking to withdraw the Talbot Retention Motion, terminated Talbot's interim retention and rescinded his power of attorney. On July 11, 2008, the Debtor filed a motion under Rule 2004 of the Federal Rules of Bankruptcy Procedure to obtain documents from Talbot and examine him under oath regarding his representation of the Debtor.

2. Retention of Debtor's Professionals

The Debtor has retained several professionals to administer the estate and this case. On the Petition Date, the Debtor filed applications to employ Crowell & Moring, LLP and Kaufman & Canoles, P.C. as co-counsel to the Debtor. By orders dated August 26, 2008, the Court approved the retention of Debtor's co-counsel *nunc pro tunc* to the Petition Date. The Debtor has also applied for the retention of two accounting firms to assist with the management of the Debtor's financial affairs and investigation of potential causes of action. On September 2, 2008, the Debtor filed an application for the retention of Dresner Valuation Services as forensic accountants to the Debtor. By order dated October 14, 2008, the Court approved Dresner's retention *nunc pro tunc* as of September 2, 2008. On September 8, 2008, the Debtor filed an application for the retention of Eisner LLP for employment as accountants and financial advisors

to the Debtor. The Court has not yet entered an order approving the retention of Eisner LLP, however, it is anticipated that it will be entered *nunc pro tunc* as of September 8, 2008. As set forth below, the Debtor has retained two real estate brokers, one to sell real property in Georgia and the other to sell real property in Virginia.

3. Formation of the Official Committee of Unsecured Creditors and Retention of Committee's Professionals

On July 16, 2008, the UST appointed the Official Committee of Unsecured Creditors (the "Committee"). The Committee is comprised of (i) 1st Source Bank; (ii) the Atlanta Falcons; (iii) Joel Enterprises, Inc.; (iv) Radtke Sports, Inc.; (v) Royal Bank of Canada and (vi) Wachovia Bank. The Committee has also retained several professionals to assist it. On July 17, 2008, the Committee filed an application to employ Willcox & Savage, P.C. as counsel, which was granted by order dated July 29, 2008 (and entered on the docket on July 30, 2008). On September 22, 2008, the Court entered orders authorizing the Committee to retain Protiviti, Inc. as financial advisor and James Mintz Group as investigative financial consultant.

4. Schedules and SOFA and Section 341 Meetings

On August 19, 2008, the Debtor filed his Schedules and SOFA. On August 29, 2008, the UST conducted the Debtor's initial Section 341(a) meeting. At the end of the initial meeting, the 341 meeting remained open and was continued to September 30, 2008. The UST requested that the Debtor amend his schedules and SOFA on or before September 15, 2008.

On September 15, 2008, the Debtor, working together with his counsel and accountants, filed his amended Schedules and amended SOFA. On September 30, 2008, the UST conducted the Debtor's adjourned Section 341(a) meeting. At the conclusion of this meeting, the 341 examination remained open and was continued to October 29, 2008. The UST requested that further amendments to the Schedules and SOFA be filed on or before October 24, 2008. On

October 24, 2008, the Debtor filed amended Schedules and SOFA. On October 29, 2008, the UST held the continued 341 meeting. On October 29, 2008, the Debtor executed the signature pages to the Schedules and SOFA, which were subsequently filed with the court. At the end of the 341 meeting, the UST continued the meeting until December 2, 2008. The Debtor expects to make minor amendments to his Schedules and SOFA and file them with the Bankruptcy Court on or before November 25, 2008.

5. Retention of Brokers and Efforts to Sell Property

As part of the Plan, the Debtor intends to sell, or to have the Liquidating Trustee sell, the vast majority of his real and personal property and to, if possible, liquidate certain of his business investments, all for the benefit of the estate. These liquidation efforts include the sale of a number of the Debtor's automobiles which are owned by his affiliated entity, MV7.

In that regard, on August 18, 2008, the Debtor filed a motion to retain Funari Realty, LLC as the real estate broker for the Debtor's home located in Duluth, Georgia and referred to herein and the Plan as the Darlington Run Property.

Furthermore, on September 17, 2008, the Debtor filed a motion to retain McCardle Realty, Inc. d/b/a Prudential McCardle Realty as the real estate broker for two other homes located in Williamsburg, Virginia and Hampton, Virginia. The home located in Williamsburg is referred to herein and in the Plan as the West Carlas Hope Road Property. The home located in Hampton is referred to herein and in the Plan as the Haywagon Trail Property. It is currently anticipated that the Haywagon Trail Property will be retained by the Reorganized Debtor subject to a note and mortgage held by Bank of America as more fully set forth on page 36 below. The Debtor intends to file an amended motion to allow McCardle Realty to also broker the property located at West Creek Court in Suffolk, Virginia, which is referred to herein and in the Plan as the West Creek Court Property.

In addition, the Debtor is in discussions with an automobile broker to sell several cars, which are owned by MV7. The broker specializes in selling expensive, customized vehicles to NFL stars and other athletes. The Debtor intends to retain the broker and to start marketing these vehicles for the benefit of the creditors of MV7, with any excess proceeds to be distributed to the Liquidating Trustee for the benefit of the Liquidating Trust.

6. Debtor's Efforts to Investigate the Debtor's Financial Affairs and Other Causes of Action

Since the Petition Date, the Debtor has filed several motions for the production of documents and for oral examinations of the Debtor's former financial advisors and attorneys in order to investigate the Debtor's financial affairs and potential causes of action. The Debtor has already examined several parties, and is in the process of scheduling further examinations.

On July 11, 2008, the Debtor sent letters to Lawrence Woodward, Mary Wong, and Stephen Gross demanding, pursuant to Section 542 of the Bankruptcy Code, that each party turn over to the Debtor all documents, records and any other papers or files relating in any way to the Debtor's property, financial condition or business affairs. Woodward and Gross have produced documents on a rolling basis, which have been reviewed by Debtor's counsel.

Wong failed to comply with the Debtor's request, and on July 25, 2008, the Debtor filed a motion for an order directing Mary Wong to turn over documents relating to the Debtor's property or financial affairs and for damages for violation of the automatic stay. The turnover motion was settled pursuant to Wong's agreement to appear and be examined pursuant to Rule 2004 and to produce documents.

On July 28, 2008, the Debtor filed a motion for the production of documents and for oral examination of Mary Wong under Rule 2004 of the Federal Rules of Bankruptcy Procedure (a "Rule 2004 Motion"). By order dated September 16, 2008, the Court granted the Rule 2004

Motion. The deposition of Mary Wong was conducted on September 18, 2008. On August 11, 2008, the Debtor filed a Rule 2004 Motion against Williams and Bullocks, L.L.C. ("W & B"), and entity affiliated with Wong, seeking the production of documents and an oral examination. The examination was adjourned and will take place on November 25, 2008. There are three categories of monies which were or may be owed to the Debtor from Ms. Wong and/or W&B. The first item consists of $125,000 of the Debtor's funds that were in a W&B account. These funds have been returned. The second item consists of $500,000 that was paid by the Debtor and deposited into a W&B account. W&B, while originally acknowledging its indebtedness to the Debtor for this amount, plus interest, now contends that it only owes $397,000 of this amount, plus interest. The third and final item consists of a $175,000 tax credit of the Debtor that was deposited into a W&B account. Ms. Wong contends that these funds were used to pay expenses of the Debtor, but has yet to produce documentation to support this. The Debtor disputes these assertions and will shortly pursue recovery of monies owed to him.

On August 14, 2008, the Debtor filed a Rule 2004 Motion seeking the production of documents and an oral examination of Campbell Wealth Management, L.L.C., an entity retained by Ms. Wong to manage the Debtor's accounts maintained at Charles Schwab & Company. An oral examination is in the process of being scheduled.

On August 29, 2008, the Debtor filed a Rule 2004 Motion seeking the production of documents and for an examination of Michael Smith and his company, ProFocus Incorporated, one of the Debtor's former financial advisors. The deposition of Michael Smith was taken on September 17, 2008.

The Debtor has also filed Rule 2004 Motions seeking to examine David Talbot, AXA Equitable and Mark A. Mitchell, Jackson National Life Insurance Company, and Robert F. Craig. As of the date hereof, these examinations have not been taken.

7. NFL Lift Stay Motion

The National Football League (the "NFL") and the NFL Management Council (the "NFLMC," together with the NFL, the "League") filed a motion for an order that either (i) the automatic stay does not apply to the appeal pending before the United States Court of Appeals for the Eighth Circuit captioned Reggie White, et al. v. National Football League, et al., No. 08-2001 (the "Vick Appeal") or (ii) if the stay does apply, it should be modified so the League can prosecute the Vick Appeal (the "NFL Lift Stay Motion"). The Debtor objected to the NFL Lift Stay Motion because, among other reasons, he was a party to the Vick Appeal and thus the automatic stay applied. The hearing on the NFL Lift Stay Motion was heard on August 22,, 2008. The Bankruptcy Court granted the motion; however, the League was barred from asserting claims on behalf of the Atlanta Falcons.

8. Exclusive Period to File and Solicit Acceptances to a Plan of Reorganization

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptances of a plan of reorganization for an initial period of 120 days from the date on which the debtor filed for voluntary relief. If a debtor files a plan within this exclusive period, then the debtor has the exclusive right for 180 days from the Petition Date to solicit acceptances to the plan. During these exclusive periods, no other party in interest may file a competing plan of reorganization, however, a court may extend these periods upon request of a party in interest and for "cause." On October 2, 2008, within 120 days of the commencement of the Debtor's chapter 11 case, the Debtor filed a plan of reorganization. Thus, the Debtor's time to solicit acceptances

has been extended to 180 days from the Petition Date. The Debtor intends to file a motion to extend the exclusive periods through and until the Effective Date.

9. Motions to Appoint a Chapter 11 Trustee and Mediator

On August 12, 2008, the UST filed a motion to appoint a Trustee pursuant to 11 U.S.C. 1104(a) (the "Trustee Motion"), primarily because of the complaint that had been filed against Talbot in New Jersey, alleging that the Debtor had relied upon untrustworthy persons for advice.

On September 3, 2008, the Debtor filed an objection to the Trustee Motion, emphasizing the Debtor's steady progress toward reorganization and noting that the Debtor had already terminated Talbot's employment as of August 8, 2008.

On September 5, 2008, the Court held an initial hearing on the Trustee Motion and scheduled a preliminary hearing on the motion on October 3, 2008.

On September 19, 2008, the UST filed a Supplement to the Trustee Motion. On September 22, 2008, the Unsecured Creditors' Committee and Joel Enterprises, Inc. each filed responses in support of the Trustee Motion. On October 1, 2008, the Debtor filed a supplemental objection to the Trustee Motion.

The preliminary hearing on the Trustee Motion was heard on October 3, 2008. At that hearing, Debtor's counsel (i) advised the court that counsel for the Debtor and the Committee have been involved in settlement negotiations and (ii) suggested that the court appoint a mediator to assist the parties in resolving the outstanding issues between the parties. Moreover, the Debtor filed a plan of reorganization dated October 2, 2008, which has now been amended by the Plan annexed to this Disclosure Statement. The court (i) adjourned the preliminary hearing on the Trustee Motion to November 13, 2008, and (ii) advised Debtor's counsel to file a motion to appoint a mediator. On October 24, 2008, the court denied without prejudice the Debtor's

motion to appoint a mediator and urged the Committee and the Debtor to continue their negotiations.

10. Negotiations with Committee

For the past two months, counsel for the Debtor and the Committee have been negotiating the terms of a consensual plan of reorganization. Based on these negotiations, the Debtor filed the attached Plan, which substantially incorporates all of the Committee's demands. Numerous telephonic and email exchanges between counsel for the Debtor and the Committee have occurred and continue to date. The Debtor believes that virtually all the economic issues raised by the Committee have been agreed to and incorporated into the Plan. Although certain mechanical and technical issues, such as the process for appointing the Liquidating Trustee are not totally resolved, the Debtor is confident that these issues should be consensually resolved with Bankruptcy Court guidance and intervention or through a court appointed mediator.

11. Preference Actions

The Debtor anticipates filing preference actions against the Holders of Claims in Classes 2 through 6 to avoid their security interests that were obtained within 90 days of the commencement of the Debtor's bankruptcy case. All such claims are preserved under the Plan.

C. Assets, Property and Investments of the Debtor

The Debtor owns substantial real and personal property directly and indirectly, through his business investments. For purposes of the Plan and the Disclosure Statement, property owned individually by the Debtor shall be referred to as "Debtor Property" and property owned by entities in which the Debtor holds an equity interests shall be referred to "Non-Debtor Property". In addition, the Debtor has various potential causes of action against third parties. Under the Plan, the Debtor will retain a modest amount of property but the vast majority of the Debtor Property and Non-Debtor Property and the Litigation Actions shall be assigned to the

Plan Administrator to be liquidated, or abandoned, as the case may be, for the benefit of the Debtor's creditors. Certain of the Litigation Actions, which are called Excluded Actions, will be retained by the Debtor; however, as more fully explained below at pages 51, the Reorganized Debtor will pay all the expenses of prosecuting the Excluded Actions and pay the Liquidating Trustee twenty percent (20%) of the Net Recoveries from such actions. Thus, the Estate may receive funds from the Excluded Actions without having to advance costs and attorney's fees.

1. Real Property

The Debtor personally owns four homes with an aggregate fair market value in excess of $6 million.[2] The homes are located at 21 Haywagon Trail, Hampton, Virginia 23669 (the "Haywagon Trail Property"), 2927 Darlington Run, Duluth, Georgia 30097 (the "Darlington Run Property"), 3720 West Carlas Hope Road, Williamsburg, Virginia 23185 (the "West Carlas Hope Property"), and 5108 West Creek Court, Suffolk, Virginia 23435 (the "West Creek Court Property").

In addition, the Debtor, through a partnership, has an ownership interest in a home under construction. The home is located at 232 Wentworth Court, Suffolk, VA 23435 (the "Governor's Pointe Property"). The Governor's Pointe Property is titled in the name of MDV Limited Partnership, but the Debtor paid for both the property and the construction of the home. The estimated value of the Governor's Pointe Property is $2 million.[3]

The Debtor also indirectly owns an interest in two farms. One farm – 69 acres located in Surry County, Virginia – is legally titled in the name of Charles Reamon, the Debtor's personal assistant and friend, but because the Debtor paid for half of the purchase price, the Debtor

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[2] The value of the houses were derived from appraisals at or around the Petition Date; however, the downturn in the real estate market and the economy have likely adversely affected these values.

[3] See footnote 2, supra.

believes he owns a one-half interest in the land. The other farm, located at 2956 Union Grove World Road, Conyers, Georgia 30012 (the "Union Grove World Road Property"), is owned by Seven Charms Farm, LLC and Arthur Washington. The Debtor owns a 60% interest in Seven Charms Farm, LLC. The estimated value of the Debtor's interest in the Union Grove World Road Property is approximately $118,620.

2. Horses

The Debtor's Non-Debtor Property includes his interest in certain horses. Currently, Seven Charms Farm owns one horse, which is located in a stable in Florida and the Debtor personally owns 5 horses, which are located on a farm in Surry, Virginia. Seven Charms Farms owned an additional horse that was sold on September 15, 2008 for $40,000. After fees and expenses, the Debtor's estate received $30,647.78.

3. Business Entities

Prior to the Petition Date, the Debtor invested in several businesses entities. The Debtor's interest in the various businesses is as follows:

- Airport MD
  Capital Contribution: $150,000
  Ownership: 10%
- Atlantic Wine & Package Camp Creek, LLC
  Ownership: 41.25%
- Commonwealth Ventures
  Ownership: 47.5%
- D & Q Ventures, Inc.
  Capital Contribution: $34,000
  Ownership: 47.5%
- Divine Seven, LLC dba Payless Car Rental
  Capital contribution: $1,400,000
  Ownership: 60%
- Etheridge Investments, LLC
  Ownership: Commonwealth Ventures, LLC: 50%, Parkridge Investments, LLC: 50%. The Debtor owns 47.5% interest in Commonwealth Ventures, LLC

- Jani-King franchise
  Capital Contribution: $40,000
  Ownership: 100%
- Mike Vick Kennels, LLC
  Ownership: 100%
- MV7 Marketing, LLC
  Ownership: 100%
- MV7, LLC
  Ownership: 100%
- Seven Charms Farm dba Conyers Horse Farm
  Ownership: 60%
  Capital Contribution: $200,000
- Siete, LLC
  Ownership: 100%
  Capital Contribution: $10,000
- The Tasting Room/Camp Creek, LLC
- The Tasting Room/East Point, LLC
- The Vick Foundation
  Ownership: 100%
- VBR, Inc. t/s Michael Vick Celebrity Football Camp
  Ownership: 100%
- Vick Enterprises, Inc.
  Ownership: 100%
- Vicktory Corp.
  Ownership: 100%
- Vicktory Foundation
  Ownership: 100%
- Williams Realty Fund I
  Capital investment: $624,000
  Ownership: 0.65%
- MDV Family Limited Partnership a/k/a MDV Limited Partnership
  Ownership: Vicktory Corp. 2%, Michael Vick Revocable Trust 96%, Michael D. Vick 2002 Irrevocable Trust u/d/t 2/10/03 2%

With respect to D and Q Ventures, Inc., the entity maintains a bank account at Towne Bank with a balance of $2,789.94. It was originally capitalized by an investment by the Debtor of $34,000.

With respect to Divine Seven, LLC, the Debtor did not make a cash investment to this entity. Instead, the Debtor guaranteed a loan made by 1st Source Bank to Divine Seven, LLC (as Borrower) in the principal amount of $2,083,521.88. On August 24, 2007, 1st Source Bank

placed the note in default and accelerated the debt. 1st Source Bank commenced an action against Divine Seven, LLC and the Debtor to recover the amounts due under the note and guaranty. On April 30, 2008, the parties entered into a consent judgment agreeing that Divine Seven, LLC and the Debtor would be jointly and severally liable for the sum of $461,486.04, at a post-judgment interest of 1.88%. On June 25, 2008, 1st Source filed a Partial Satisfaction of Judgment in the amount of $12,192.50 when a vehicle that served as collateral for the loan and had been reported as stolen, was recovered and sold at auction.

With respect to the Etheridge Investments, LLC, the Debtor does not own a direct interest in this entity. Etheridge Investments, LLC is owned by Commonwealth Ventures, LLC (50%) and Parkridge Investments, LLC (50%). The Debtor owns 47.5% of Commonwealth Ventures, LLC and upon information and belief, has no interest in Parkridge Investments, LLC.

The Debtor made a loan to Etheridge Investments, LLC which is evidenced by a Promissory Note in favor of Kijafa Frink. As set forth below at pages 67, this note will be contributed to the Liquidating Trust for the benefit of the Holders of Allowed General Unsecured Claims.

With respect to the Debtor's interest in MV7 Marketing, LLC, this business entity is the same business as MV7, LLC. The value of the Debtor's interest in MV7 is the sum of the entity's equity in the automobiles it owns and its bank account holdings, less liabilities. MV7 owns the following automobiles:

- **2007 Land Rover**, driven by Kijafa Frink
  Encumbered by loan in the amount of: $63,355.04
  Value: $73,000
- **2007 Cadillac Escalade**, driven by Kijafa's mother
  Encumbered by loan in the amount of: $48,223.42
  Value: $51,000

- **2007 Land Rover**, driven by Marcus Vick
  Encumbered by loan in the amount of: $62,261.12
  Value: $62,261.12
- **2008 Mercedes Benz**, transferred to David Talbot, but now returned and in the possession of the Official Committee of Unsecured Creditors
  Unencumbered by debt
  Value: $80,000
- **2007 Ford F-150**, previously driven by the Debtor
  Unencumbered by debt
  Value: $25,000
- **2007 Infinity Truck**[4], located near Leavenworth, Kansas
  Unencumbered by debt
  Value: $65,000
- **2006 Cadillac DTS**, driven by Rodney, one of the Debtor's friends
  Encumbered by loan in the amount of $45,604.52
  Value: $31,000
- **Chevrolet Impala**, held currently by the Isle of Wright County on account of $16,000 tax bill
  Unencumbered by debt
  Value: $24,000
- **2008 Ford F-450**
  Unencumbered by debt
  Value: $40,000

With respect to the value of the Debtor's interest in Seven Charms Farm, LLC, the Debtor owns a 60% interest in the entity and the remainder is owned by Arthur Washington ("Washington"). The entity owns land with a tax assessment value of $197,000 which was purchased for $200,000. This real estate was sold for $40,000 on September 2, 2008 for failure to pay taxes. The notices of the sale were sent to Washington, who never notified the Debtor or his counsel. The property was purchased by INA Group, LLC, P.O. Box 1316, Oxford, GA 30054, Contact: Danny Smallwood, Phone: 404-539-5988. On September 26, 2008, Art Washington filed a Petition to Demand Payment of Excess Bid in the amount of $32,195.18. On October 23, 2008, the Rockdale County Tax Commissioner's office sent a check in that amount to Mr. Washington. The Debtor will seek to redeem the property, pursuant to Ga. Code Ann. §

[4] The 2007 Infinity truck will be retained by the Debtor.

48-4-40, which provides that any person having an interest in property may redeem the property from the sale within 12 months of the sale. Additionally, Seven Charms Farm, LLC owns one horse the value of which is unknown and which is being boarded at United Paso Fino, a horse farm in Ocala, Florida. As set forth above, a second horse, also owned by Seven Charms Farm, LLC named Nostalgia de Gurabo, was recently sold for $40,000. A check for the net proceeds in the amount of $30,647.78 was sent to Kaufman & Canoles.

With respect to the value of the Debtor's interest in Siete, LLC, the Debtor is taking 2004 exams of former advisors and others and will supplement the Schedules when reliable information relative to value becomes available. Upon information and belief, this entity was organized to facilitate the gift to the Psalms Ministry Church in July 2007.

With respect to the value of the Debtor's interest in The Tasting Room/Camp Creek, LLC and The Tasting Room/East Point, the Debtor made several loans to these businesses, one of which is evidenced by a promissory note in favor of Kijafa Frink. As set forth below at pages 67, this note will be contributed to the Liquidating Trust for the benefit of the Holders of Allowed General Unsecured Claims.

With respect to the value of the Debtor's interest in The Vick Foundation, the value listed is the value of two bank accounts that the entity holds with Old Point National Bank, with an aggregate value of $3,026.37. After the Petition Date, this account was closed and the funds were given as a charitable gift to Psalms Ministry church by the Debtor's mother.

With respect to Vicktory Foundation, upon information and belief, this entity was organized for charitable purposes, and registered as a 501(c)(3) organization. According to public records, this entity was terminated as of 2005.

With respect to the value of the Debtor's interest in the MDV Limited Partnership, which is also known as MDV Family Limited Partnership, the Debtor does not have a direct interest in the partnership. The general partner of the partnership is Vicktory Corp. (2%). The Michael Vick Revocable Trust (96%) and the Michael D. Vick 2002 Irrevocable Trust u/d/t 2/10/03 (2%) are the limited partners. The value of the Debtor's interest in the partnership is the sum of the entity's equity in the real estate it owns – the property located at 232 Wentworth Court, Suffolk, VA 23435 – and its bank account holdings.

Finally, the Debtor owns a 2008 Ford F250, with an estimated value of $14,192. He also has an interest two World Cat 230 boats titled in CJ Reamon: a 25-foot yacht with estimated value of $100,000 and a 27-foot yacht with worth approximately $125,000. The 25-foot yacht is located at the farm in Surry, Virginia owned by CJ. The 27-foot yacht is being stored at Dolphin Marina, in Norfolk, Virginia and its trailer is being stored at the RoadShow International lot in Atlanta, Georgia. The Debtor is in the process of trying to sell the 27-foot yacht.

4. Jewelry and Other Personalty

The Debtor has an interest in some jewelry and personalty. Over the past several years, the Debtor obtained a number of pieces of jewelry from Aydin & Co., a jeweler in Atlanta, Georgia. The Debtor paid for some of the pieces, and others were given to him for promotional purposes. Aydin & Co. allowed the Debtor to make periodic payments on the jewelry. The last of such payments was made in 2007. In early 2007, the Debtor gave possession of all of the jewelry he had – including two watches, a bracelet, earrings, a charm, and sunglasses – to his brother Marcus Vick. These pieces are now in the custody of Aydin & Co. Aydin & Co. has agreed to safeguard and not dispose of the jewelry and is in the process of entering into a stipulation to that effect. The Debtor's ownership interest, if any, in these pieces of jewelry remains unclear. The Debtor contends, however, that the jewelry belongs to Aydin & Co.

because the purchase prices were never fully paid. Additionally, the Debtor owns about $5,000 worth of clothing and other personalty.

5. Litigation Actions

The Debtor has potential Litigation Actions against several third-parties, including potential actions against advisors and attorneys. Listed below is a description of the nature of the potential Litigation Actions and the status of the Debtor's investigations, if any.

a. *Mary Wong:* Mary Wong served as the Debtor's financial advisor and fiduciary under a Power of Attorney from 2007 to 2008. The Debtor is evaluating potential causes of action against Ms. Wong, including, but not limited to, breach of fiduciary duty, securities violations and conversion. Debtor's counsel has deposed Ms. Wong and believes that she owes the Debtor at least $625,000. As a result of the efforts of Debtors' counsel, as of November 6, 2008, Ms. Wong has returned $125,000 to the Debtor's estate.

b. *Williams & Bullocks, LLC:* During the course of Ms. Wong's representation of the Debtor, Ms. Wong transferred and secreted at least some of the Debtor's assets with Williams & Bullocks, LLC. During the case, Debtor 's counsel has been investigating whether the Debtor has any potential claims against Williams & Bullocks, LLC, including, but not limited to, claims for conversion, securities violations, and breach of contract.

c. *Robert Craig:* During the period from 2007 through 2008, Ms. Wong retained Robert Craig of the law firm Robert F. Craig, P.C. to represent the Debtor. The Debtor is investigating whether Mr. Craig may have converted, *inter alia*, a $175,000 Georgia tax refund that belonged to the Debtor. Debtor's counsel filed a Bankruptcy Rule 2004 motion and is waiting to reschedule the date of Mr. Craig's deposition. After discovery is completed,

the Debtor will determine whether causes of action exist for legal malpractice, breach of fiduciary duty, and conversion may be brought against Mr. Craig.

d. *Stephen Gross & HLB Gross Collins, PC:* Gross served as the Debtor's financial advisor for the period 2005 to 2007, during which time Gross, among other things, invested the Debtor's assets in unsuitable investments. Upon information and belief, Gross still controls certain of the Debtor's investments. On December 5, 2008, the Debtor's counsel will depose Gross. Based on the results of that deposition and other discovery produced and to be produced in this case, the Debtor will evaluate whether he has claims against Gross, including, but not limited to, claims for breach of fiduciary duty and securities violations.

e. *David Talbot:* The Debtor may also have potential claims against, David Talbot, who acted under a Power of Attorney from June 2008 to August 8, 2008. The Debtor continues to investigate potential claims, including potential causes of action for breach of fiduciary duty and conversion.

f. *Art Washington*: Arthur Washington was the Debtor's business partner in several investments, including Divine Seven, LLC d/b/a Payless Car Rental and Seven Charms Farm, LLC. The Debtor is investigating potential causes of action against Mr. Washington, including conversion and fraud.

g. *Michael Smith and ProFocus:* From 2004 through 2005, Michael Smith, through his company ProFocus, Inc., served as a financial advisor to the Debtor. The Debtor is evaluating potential causes of action against Mr. Smith and ProFocus, including, but not limited to, breach of fiduciary duty, securities violations and conversion.

h. *AXA Equitable/Mark Mitchell (Agent):* The Debtor purchased several life insurance investment vehicles for himself and for his mother from AXA Equitable.

The Debtor is investigating claims relating to the excessiveness and unsuitability of such insurance policies and the related commissions paid in connection with such insurance investments. Such potential claims sound in securities violations, conversions and fraud.

i. *Jackson National Life:* The Debtor may have claims against Jackson National Life, an insurance company from which the Debtor purchased several life insurance policies, which were ultimately surrendered for their cash value. Such claims would include securities violations, conversions and fraud relating to the unsuitability of, and sale of the policies to, the Debtor.

j. *JEI/Andrew Joel/Kelly Enterprises:* The Debtor is investigating whether he has any claims against JEI, Andrew Joel, Kelly Enterprises, Jim Kelly, Dan Kelly, and Danny Holland. At a minimum, the Debtor believes that he has a preference claim against JEI for the judgments that were entered within 90 days prior to the commencement of his Chapter 11 bankruptcy case.

k. *Octagon Financial Services:* Octagon Financial Services ("Octagon") was the Debtor's financial advisor from 2001 until 2003. The Debtor is investigating potential of causes of action, including, but not limited to, tortious interference with contract.

l. *Aydin & Co:* The Debtor is evaluating whether any claims exist against Aydin & Co., a jewelry company in Atlanta, Georgia from whom the Debtor purchased various pieces of jewelry. Aydin & Co. currently possesses jewelry previously in the Debtor's possession. There is an issue as to who owns the jewelry.

m. *Charles W. Reamon, Jr.:* The Debtor is evaluating potential claims against Mr. Reamon, the Debtor's former personal assistant relating to Mr. Reamon's

handling of the Debtor's funds. As the Debtor's personal assistant, Mr. Reamon was a co-signatory on several bank accounts belonging to the Debtor, entered into investments with the Debtor including the acquisition of a farm, and obtained a power of attorney from the Debtor on May 17, 2008.

D. CRIMINAL PROCEEDINGS

The Debtor is currently incarcerated in Leavenworth, Kansas. On or about November 25, 2008, he is expected to plead guilty with respect to a state law criminal charge relating to dog fighting activities. The result of that hearing may influence when the Debtor will be released from prison.

E. DEBTOR'S FUTURE EMPLOYMENT PROSPECTS

Currently, the Debtor has a contract to play professional football for the Atlantic Falcons Football Team but requires reinstatement from the National Football League Commissioner before he can satisfy his contractual obligations. The Debtor has every reason to believe that upon his release, he will be reinstated into the NFL, resume his career and be able to earn a substantial living.

III. CLASSIFICATION OF CLAIMS AND INTERESTS

A. Introduction

The following is a summary of certain provisions of the Plan. IT IS NOT A COMPLETE STATEMENT OF THE PLAN OR ITS OPERATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PROVISIONS OF THE PLAN. The Plan is annexed to this Disclosure Statement as Exhibit "A". The Plan, which is subject to the provisions of the Bankruptcy Code, provides for the treatment of all creditors of the Debtor. SINCE THE PLAN DEALS WITH SOPHISTICATED LEGAL CONCEPTS, AND INCORPORATES THE DEFINITIONS AND REQUIREMENTS OF THE BANKRUPTCY CODE, YOU MAY WISH

TO CONSULT WITH COUNSEL OF YOUR CHOICE IN MAKING YOUR DECISIONS REGARDING YOUR VOTING ON THE PLAN.

The following is a designation of the Classes of Claims in the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Claims have not been classified and the respective treatment of such Unclassified Claims is set forth in Article IV below.

The Debtor is required, under section 1122 of the Bankruptcy Code, to classify Claims against the Debtor into Classes that contain Claims that are substantially similar to the other Claims in such Class. The Debtor believes that the Plan has classified all Claims in compliance with the provisions of section 1122 and that (i) a Claim or Interest is placed in a particular Class only to they extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within they description of such other Class and (ii) a Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date. An allowed Claim is a Claim or any portion thereof (a) that has been allowed by a Final Order, (b) as to which, on or by the Effective Date (i) no proof of claim has been filed with the Bankruptcy Court and (ii) the liquidated and noncontingent amount of which is scheduled, other than a Claim that is scheduled at zero, in an unknown amount, or as disputed, (c) for which a proof of claim in a liquidated amount has been timely filed pursuant to the Bankruptcy Code or any Final Order of the Bankruptcy Court and as to which either (x) no objection to its allowance has been filed within the periods of limitation fixed by the Plan, the Bankruptcy Code or by any order of the Bankruptcy Court or (y) any objection to its allowance

has been settled, waived through payment, or withdrawn, or has been denied by a Final Order or (d) that is expressly allowed in a liquidated amount in the Plan.

It is possible that a holder of a Claim may challenge the Debtor's classification of Claims and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In that event, the Debtor intends, to the extent permitted by the Bankruptcy Code, the Plan and the Bankruptcy Court, to make such reasonable modifications of the classification under the Plan to permit confirmation and to use the Plan acceptances received in this solicitation for purposes of obtaining the approval of the reconstituted Class or Classes of which each accepting holder ultimately is deemed to be a member.

The amount of any Claim that ultimately is allowed by the Bankruptcy Court may vary from any estimated allowed amount of such Claim and accordingly the total Claims ultimately allowed by the Bankruptcy Court with respect to each Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the value of the property that a particular holder of an Allowed Claim ultimately will receive under the Plan may be adversely or favorably affected by the aggregate amount of Claims ultimately allowed in the applicable Class. There can be no assurance that the actual aggregate amounts of Allowed Claims will not materially exceed the aggregate estimated amounts set forth in this Disclosure Statement. Thus, no representation can be or is being made with respect to the accuracy of the estimated amount or percentage recovery by the holder of an Allowed Claim in any particular Class and all statements contained in the Disclosure Statement with respect to the estimated Allowed amounts of the claims in any Class.

The classification of Claims and the nature of distributions to members of each Class are summarized below. For purposes of calculating distributions to holders of Allowed Claims in

Class 8, "Pro Rata" means, at any time, the proportion that the face amount of a Claim in Class 8 bears to the aggregate face amount of all Claims (including disputed Claims, but excluding disallowed Claims) in such Class 8, unless the Plan provides otherwise. The Debtor believes that the consideration, if any, provided under the Plan to holders of Claims reflects an appropriate resolution of their Claims, taking into account the differing nature and priority of such Claims and Debtor will seek confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. Similarly, to the extent that any other Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors will request confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code with respect to such other Impaired Class. Specifically, section 1129(b) of the Bankruptcy Code permits confirmation of a chapter 11 plan in certain circumstances even if the plan has not been accepted by all impaired classes of claims and interests. Although the Debtor believes that the Plan could be confirmed under section 1129(b) of the Bankruptcy Code, there can be no assurance that the requirements of such section would be satisfied. The Debtor reserves the right to alter, amend, modify, revoke, or withdraw the Plan, the Plan Supplement and any exhibit, appendix or schedule attached thereto, including to amend or modify such document to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary; provided, however, that any such amendment or modification made after the voting deadline that materially and adversely alters the treatment of any Class entitled to a distribution under the Plan will require the consent of the Committee and either (a) approval of the Bankruptcy Court or (b) the consent of such Class.

B. Classification of Claims

The following is the designation of the Classes of Claims under the Plan:

1. Class 1 Claims shall consist of the Allowed Bank of America Secured Claims. Class 1 shall be broken down into 4 separate sub-classes: Class 1(a) shall consist of the Allowed Bank Of America Darlington Run Secured Claim; Class 1(b) shall consist of the Allowed Bank of America West Creek Court Secured Claim; Class 1(c) shall consist of the Allowed Bank Of America 3720 Carlas Hope Secured Claim; and Class 1(d) shall consist of the Allowed Bank Of America Haywagon Trail Secured Claim.

2. Class 2 Claims shall consist of the Allowed Secured Tax Claim.

3. Class 3 Claims shall consist of the Allowed Joel Enterprises Secured Claim.

4. Class 4 Claims shall consist of the Allowed Royal Bank of Canada Secured Claim.

5. Class 5 Claims shall consist of the Allowed 1st Source Bank Secured Claim.

6. Class 6 Claims shall consist of the Allowed Wachovia Secured Claim.

7. Class 7 Claims shall consist of all Allowed Secured Claims, other than the Allowed Joel Enterprises Secured Claim, Allowed Royal Bank of Canada Secured Claim, Allowed 1st Source Bank Secured Claim and Allowed Wachovia Secured Claim.

8. Class 8 Claims consist of the Allowed General Unsecured Claims against the Debtor.

IV. TREATMENT OF CLAIMS

A. Unclassified Claims

Under section 1123 of the Bankruptcy Code, certain claims entitled to priority treatment are not to be classified along with all other Classes of Claims or Interests. Accordingly, set forth below is a discussion of the treatment of the Administrative Expense Claims and Priority Claims under the Plan. The treatment of these Claims will be made in accordance with the procedures established by the Bankruptcy Code and the Bankruptcy Rules and is subject to approval of the Bankruptcy Court as being reasonable.

1. Administrative Expense Claims

An Administrative Expense Claim is a Claim for payment of an administrative expense of a kind specified in sections 503(b) and 507 (a)(2) of the Bankruptcy Code.

Allowed Administrative Expense Claims shall include only those Administrative Claims that constitute Allowed Administrative Claims against the Debtor. Except to the extent that the Holder of an Allowed Administrative Expense Claim agrees to a different treatment, the Liquidating Trustee shall provide to each Holder of an Allowed Administrative Expense Claim (a) Cash in an amount equal to such Allowed Administrative Expense Claim on the latest of (i) the Effective Date, (ii) the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, and (iii) the date such Allowed Administrative Expense Claim is due in accordance with the terms and conditions of the particular transactions or governing documents or (b) such other treatment as the Liquidating Trustee and such Holder shall have agreed upon in writing; provided, however, that Allowed Administrative Expense Claims (other

than Administrative Expense Claims under section 330 of the Bankruptcy Code) representing obligations incurred in the ordinary course of business during the period from the Petition Date through the Effective Date by the Debtor shall be paid in full by the Liquidating Trustee in the ordinary course of business in accordance with the terms and conditions of the particular transactions and any agreements relating thereto.

Administrative Claims are not classified and are treated as required by the Bankruptcy Code. The holders of such Claims will not be entitled to vote on the Plan.

2. Priority Claims

a. *Priority Real Estate Tax Claims:* Priority Real Estate Tax Claims concerning the Darlington Run Property, West Creek Court Property and Carlas Hope Property will be paid at the closing of the sales of such properties from the proceeds from such sales. Priority Real Estate Taxes with respect to the Haywagon Property shall be paid by the Debtor from funds which are not part of the Liquidating Trust over a term of 5 years from the Petition Date in equal quarterly payments beginning on the Effective Date at an interest rate agreed upon between the Debtor and the taxing authority or otherwise set by the Bankruptcy Court.

b. *Priority Income Tax Claims:* Priority Income Tax Claims will be paid by the Liquidating Trustee from funds in the Liquidating Trust over a period of 5 years from the Effective Date in equal quarterly payments, with the first payment made on the Effective Date and at an interest rate agreed upon between the Debtor and the taxing authority or otherwise set by the Bankruptcy Court.

c. *Non-Real Estate/Non Income Tax Priority Claims:* All Non-Real Estate/Non-Income Tax Priority Claims will be paid in full by the Liquidating Trustee on the Effective Date.

d. The Debtor estimates that the amount of priority claims is approximately $915,965.36

e. Priority claims are not classified and are treated as required by the Bankruptcy Code. The Holders of such Claims will not be entitled to vote on the Plan.

B. Impaired Classes of Claims

1. Class 1: Bank of America Secured Claims

a. Class 1(a) Secured Claim. Upon the closing of the sale of the Darlington Run Property as provided in § 5.1 of the Plan, the Liquidating Trustee shall pay the Net Proceeds of the closing of such sale to the Holder of the Allowed Class 1(a) Claim up to the amount of the Allowed Class 1(a) Claim. To the extent that the Net Proceeds of the sale of the Darlington Run Property are insufficient to pay the Allowed Class 1(a) Secured Claim in full, the unpaid portion of such claim shall be treated as a Class 8 General Unsecured Claim. The approximate outstanding amount of the Class 1(a) Secured Claim is $2,866,000.

b. Class 1(b) Secured Claim. Upon the closing of the sale of the West Creek Court Property as provided in §5.1 of the Plan, the Liquidating Trustee shall pay the Net Proceeds of the closing of such sale to the Holder of the Allowed Class 1(b) Claim, up to the amount of the Allowed Class 1(b) Claim. To the extent that the Net Proceeds of the sale of the West Creek Court Property are insufficient to pay the Allowed Class 1(b) Secured Claim in full, the unpaid portion of such claim shall be treated as a Class 8 General Unsecured Claim. The approximate outstanding amount of the Class 1(b) Secured Claim is $666,000.

c. Class 1(c) Secured Claim. Upon the closing of the sale of the Carlas Hope Property as provided in §5.1 of the Plan, the Liquidating Trustee shall pay the Net Proceeds of the closing of such sale to the Holder of the Allowed Class 1(c) Claim, up to the amount of the Allowed Class 1(c) Claim. To the extent that the Net Proceeds of the sale of the

Carlas Hope Property are insufficient to pay the Allowed Class 1(c) Secured Claim in full, the unpaid portion of such claim shall be treated as a Class 8 General Unsecured Claim. The approximate outstanding amount of the Class 1(c) Secured Claim is $358,000.

d. Class 1(d) Secured Claim. The terms of the Debtor's mortgage with respect to the Haywagon Trail Property shall be modified as follows: (i) all interest under the note and mortgage for the Haywagon Trail Property shall continue to accrue interest at the non-default contract rate through December 31, 2009, at which time the unpaid interest (at the non-default contract rate) shall be capitalized and added to the unpaid principal balance of the note and mortgage; and (ii) commencing on January 1, 2010, the Debtor shall pay $2,890 in principal and interest on the mortgage on the first day of each month pursuant to the amortization schedule and interest rate set forth in the Holder's existing mortgage on the Haywagon Trail Property until February 1, 2036, at which time any sums due and remaining under the note and mortgage will be paid in full. Interest shall continue under the mortgage note to accrue at 6.375% through February 12, 2010, at which time the interest rate shall become Libor plus 2.25% pursuant to the mortgage note executed by the Debtor in connection with the mortgage, provided however, that as set forth in the mortgage note, the interest rate under the note shall not exceed 11.375%. During this repayment period, the Bank of America shall retain its first priority mortgage on the Haywagon Trail Property. Upon payment of the mortgage in full, the mortgage shall be deemed released and the Holder of the Allowed Class 1(d) Claim shall execute and deliver, in recordable form, a release and/or satisfaction of the mortgage to the Reorganized Debtor. The approximate outstanding amount of the Class 1(d) Secured Claim is $404,000.

e. The treatment accorded in the Plan will be in full and complete satisfaction and release of all claims held by the Holder of the Allowed Class 1 Claim.

f. Class 1 is impaired and the Holder of the Allowed Class 1 Claim is entitled to vote on the Plan.

g. The Debtor estimates that the amount of Class 1 Claims is approximately $4,294,000.

2. Class 2: Secured Tax Claims

a. The Allowed Class 2 Claims, which are secured by a lien on the Darlington Run Property, West Creek Court Property and Carlas Hope Property, will be paid at the closing of the sales of such properties from the Net Proceeds from such sales.

b. The Allowed Class 2 Claims, which are not secured by a lien on the Darlington Run Property, West Creek Court Property and Carlas Hope Property, will be paid over a term of 5 years from the Petition Date in equal quarterly payments beginning on the Effective Date at an interest rate agreed upon between the Debtor and the taxing authority or otherwise set by the Bankruptcy Court. Such payments will be made by the Liquidating Trustee from the Liquidating Trust, except to the extent that such secured claim relates to the Haywagon Trail Property, in which case all payments relating to such secured tax claim will be paid by the Reorganized Debtor from assets which are retained by or abandoned to the Reorganized Debtor under the Plan or from post-confirmation earnings of the Reorganized Debtor. The Holders of the Allowed Class 2 Claims will retain their security interests during the course of this repayment period, and such security interest shall be deemed released upon payment of their secured claim in full, and the Holders of the Allowed Class 2 Claims shall execute and deliver, in recordable form, releases and/or satisfactions of their liens to the Reorganized Debtor.

c. The treatment accorded under the Plan will be in full and complete satisfaction of all claims held by the Holders of the Allowed Class 2 Claim.

d. Class 2 is impaired and the Holders of the Allowed Class 2 Claim is entitled to vote on the Plan.

e. The Debtor estimates that the amount of Class 2 Claims are approximately $497,627.43.

3. Class 3: Joel Enterprise, Inc. Secured Claim

a. On or before the Confirmation Date, the Debtor will commence an adversary proceeding seeking to avoid the judgment liens held by the Holder of the Allowed Class 3 Claim. In the event that the Debtor is successful in such adversary proceeding, the Allowed Class 3 Claim will be treated as a Class 8 General Unsecured Claim.

b. In the event that the Debtor is not successful in such adversary proceeding, then the Holder of the Allowed Class 3 Claim will be paid the Net Proceeds from the sale of the properties in which it holds valid and unenforceable security interests after the payment of any and all claims which are senior in priority to the Allowed Class 3 Claim, and up to the amount of the Allowed Class 3 Claim.

c. To the extent that the Net Proceeds of the sale of the properties in which the Holder of the Allowed Class 3 Claim hold a valid and unavoidable security interest are insufficient to pay the Allowed Class 3 Claim in full, the unpaid portion of such claim will be treated as a Class 8 General Unsecured Claim.

d. The treatment accorded under the Plan will be in full and complete satisfaction of all claims held by the Holder of the Allowed Class 3 Claim.

e. Class 3 is impaired and the Holder of the Class 3 Claim is entitled to vote on the Plan.

f. The Debtor estimates that the amount of the Allowed Class 3 Claim is approximately $4,505,057.10; however, the Debtor believes that this Claim will be reclassified as a Class 8 Claim.

4. Class 4: Royal Bank of Canada Secured Claim

a. On or before the Confirmation Date, the Debtor will commence an adversary proceeding seeking to avoid the judgment liens held by the Holder of the Allowed Class 4 Claim. In the event that the Debtor is successful in such adversary proceeding, the Allowed Class 4 Claim will be treated as a Class 8 General Unsecured Claim.

b. In the event that the Debtor is not successful in such adversary proceeding, then the Holder of the Allowed Class 4 Claim will be paid the Net Proceeds from the sale of the properties in which it holds valid and unenforceable security interests after the payment of any and all claims which are senior in priority to the Allowed Class 4 Claim, and up to the amount of the Allowed Class 4 Claim.

c. To the extent that the Net Proceeds of the sale of the properties in which the Holder of the Allowed Class 4 Claim hold a valid and unavoidable security interest are insufficient to pay the Allowed Class 4 Claim in full, the unpaid portion of such claim will be treated as a Class 8 General Unsecured Claim.

d. The treatment accorded under the Plan will be in full and complete satisfaction of all claims held by the Holder of the Allowed Class 4 Claim.

e. Class 4 is impaired and the Holder of the Class 4 Claim is entitled to vote on the Plan.

f. The Debtor estimates that the amount of the Allowed Class 4 Claim is approximately $2,421,170.90; however, the Debtor believes that this Claim will be reclassified as a Class 8 Claim.

5. Class 5: 1st Source Bank Secured Claim

a. On or before the Confirmation Date, the Debtor will commence an adversary proceeding seeking to avoid the judgment liens held by the Holder of the Allowed Class 5 Claim. In the event that the Debtor is successful in such adversary proceeding, the Allowed Class 5 Claim will be treated as a Class 8 General Unsecured Claim.

b. In the event that the Debtor is not successful in such adversary proceeding, then the Holder of the Allowed Class 5 Claim shall be paid the Net Proceeds from the sale of the properties in which it holds valid and unenforceable security interests after the payment of any and all claims which are senior in priority to the Allowed Class 5 Claim, and up to the amount of the Allowed Class 5 Claim.

c. To the extent that the Net Proceeds of the sale of the properties in which the Holder of the Allowed Class 5 Claim hold a valid and unavoidable security interest are insufficient to pay the Allowed Class 5 Claim in full, the unpaid portion of such claim will be treated as a Class 8 General Unsecured Claim.

d. The treatment accorded under the Plan will be in full and complete satisfaction of all claims held by the Holder of the Allowed Class 5 Claim.

e. Class 5 is impaired and the Holder of the Class 5 Claim is entitled to vote on the Plan.

f. The Debtor estimates that the amount of the Allowed Class 5 Claim is approximately $463,808.26; however, the Debtor believes that this Claim will be reclassified as a Class 8 Claim.

6. Class 6: Wachovia Secured Claim

a. On or before the Confirmation Date, the Debtor shall commence an adversary proceeding seeking to avoid the judgment liens held by the Holder of the Allowed

Class 6 Claim. In the event that the Debtor is successful in such adversary proceeding, the Allowed Class 6 Claim will be treated as a Class 8 General Unsecured Claim.

b. In the event that the Debtor is not successful in such adversary proceeding, then the Holder of the Allowed Class 6 Claim will be paid the Net Proceeds from the sale of the properties in which it holds valid and unenforceable security interests after the payment of any and all claims which are senior in priority to the Allowed Class 6 Claim, and up to the amount of the Allowed Class 6 Claim.

c. To the extent that the Net Proceeds of the sale of the properties in which the Holder of the Allowed Class 6 Claim hold a valid and unavoidable security interest are insufficient to pay the Allowed Class 6 Claim in full, the unpaid portion of such claim will be treated as a Class 8 General Unsecured Claim.

d. The treatment accorded under the Plan will be in full and complete satisfaction of all claims held by the Holder of the Allowed Class 6 Claim.

e. Class 6 is impaired and the Holder of Class 6 Claim is entitled to vote on the Plan.

f. The Debtor estimates that the amount of the Allowed Class 6 Claim is approximately $1,121,183.41, however, the Debtor believes that this Claim will be reclassified as a Class 8 Claim.

7. <u>Class 7: Miscellaneous Secured Claims</u>

a. Each Holder of an Allowed Class 7 Claim will be paid the Net Proceeds from the sale of the properties in which it holds a valid and unavoidable security interest after the payment of any and all claims which are senior in priority to the holder of the Allowed Class 7 Claim, and up to the amount of the Allowed Class 7 Claim; provided however, that the Debtor will have the right in its sole discretion, to abandon to the Holder of the Allowed

Class 7 Claim, the property in which the Holder of such claim holds a valid and unavoidable security interest.

b. To the extent that the Net Proceeds of the sale of the properties in which the Holder of an Allowed Class 7 Claim holds a valid and unavoidable security interest is insufficient to pay the Allowed Class 7 Claim in full, the unpaid portion of such claims shall be treated as a Class 8 General Unsecured Claim.

c. The treatment accorded under the Plan will be in full and complete satisfaction of all claims held by the Holders of the Allowed Class 7 Claims.

d. Class 7 is impaired and the Holders of Class 7 Claims are entitled to vote on the Plan.

e. The Debtor estimates that the amount of the Allowed Class 7 Claims is approximately $5,100.00.

8. Class 8: General Unsecured Claims

a. Holders of Allowed Class 8 Claims will receive distributions quarterly from the Liquidating Trustee on a pro-rata basis from Net Remaining Cash on the first Business Day of the first month after the Effective Date, and thereafter on the first Business Day of each third month, as well as throughout the Payout Period, and concluding on the Termination Date, which payments will be made from the Liquidating Trust in the manner and amount provided in §§ 5.2 and 5.3 of the Plan.

b. The treatment accorded under the Plan will be in full and complete satisfaction of all claims held by the Holders of the Allowed Class 8 Claims.

c. Class 8 is impaired and the Holders of Class 8 Claims are entitled to vote on the Plan.

d. The Debtor estimates that the amount of the Allowed Class 8 Claims are between $6,326,285.02 (if the Claims in Classes 2 through 6 are not reclassified and remain Secured Claims) and $14,973,488.14 (if the Claims in Classes 2 through 6 are reclassified as General Unsecured Claims).

V. MEANS OF IMPLEMENTATION

A. Sale of Real Property

If not already sold, the Liquidating Trustee will continue the marketing of the Darlington Run Property, the West Creek Court Property and the Carlas Hope Property through the Bankruptcy Court-appointed real estate brokers for such properties for a period of four months after the Confirmation Date. Prior to the expiration of such four month period, the Liquidating Trustee will have the right to sell such properties, without order of the court, for a purchase price deemed adequate by the Liquidating Trustee, provided however, that such purchase price shall: (i) exceed the amount of all valid and unavoidable mortgages and liens on such property; and (ii) not be less than 85% of the appraised value of such property as set forth in an appraisal commissioned by the Liquidating Trust within 90 days before the Liquidating Trustee's entry into a contract of sale for the property.

In the event that any of the Darlington Run Property, West Creek Court Property or Carlas Hope Property is not sold prior to the 120th day after the Confirmation Date, the Liquidating Trustee will cause the properties to be sold separately at a public auction to be held no earlier than the 180th day following the Confirmation Date. The auction will be conducted in accordance with the provisions of section 5.1.3 of the Plan.

The auction conducted in accordance with the terms of the Plan shall be conducted in the following manner:

1. For at least three successive weeks prior to the auction, the Liquidating Trustee shall cause a notice of auction to be published in a newspaper of daily circulation in the city or town where the property to be sold is located.

2. The successful bidder at the auction shall be required at the closing to pay all outstanding taxes constituting a lien on the parcel(s) (including without limitation county and local real estate taxes, school taxes and any special district taxes or charges), unpaid water and sewer charges and any other charges owed to any governmental entity or unit which are a lien or charge on the parcel(s), (such taxes and water and sewer and other charges shall hereafter be refereed to as the "Charges"). Bids submitted at the auction will not include amounts due for the Charges. The charges due on the parcels to be paid by the successful bidder are in addition to the amount of its successful bid.

3. Immediately following the auction, the highest bidder will execute a sales contract in a form, acceptable to the Liquidating Trustee, which will provide, among other things, that: (i) the closing of the sale will occur no later than 30 days after the date of the auction; (ii) the closing will not be conditioned upon financing by the purchaser; and (iii) time is of the essence with respect to the closing.

4. Any transfers occurring under Article 5.1 of the Plan shall be free and clear of all liens, claims, encumbrances, equities and interests, of any nature or kind, and shall: (i) be exempt under any law imposing a stamp or similar tax pursuant to § 1146 of the Bankruptcy Code; and (ii) constitute a sale under §§ 105, 363(b), 363(f), 1123(b) (4) and 1129 of the Bankruptcy Code. All liens and encumbrances upon the properties will remain in effect until

the closing of the sale, and at closing shall be transferred to and attached to the proceeds of the sale in the same priority that existed immediately before the closing.

5. The sales contract shall provide for a ten percent (10%) down payment to be held by the Liquidating Trustee unless a Holder of a valid and unavoidable mortgage or lien on such property is the successful bidder at the auction, in which case the successful bidder shall only be required to make a down payment if it makes a winning bid which exceeds the amount of its credit bid under § 363(k) of the Bankruptcy Code, and in such case the down payment will be 10% of the difference between its winning bid and the credit bid. The down payment will be made in Cash or official bank, certified or cashiers check drawn on and payable by a federally insured commercial bank (collectively, "Acceptable Funds"), and will be delivered to the Liquidating Trustee upon execution of the sales contract. If the highest bidder defaults under the sales contract, the Liquidating Trustee will be entitled to keep the down payment as liquidated damages and will deposit such funds into the Liquidating Trustee's account, which will thereafter be distributed in priority pursuant to the terms of this Plan.

6. If the highest bidder is unable to close within 30 days of the auction, the Liquidating Trustee will contact the party with the next highest bid and enter into a sales contract for the amount of such bid, provided however, that the sales contract with the second highest bidder(s) shall comply with § 5.1.3(c) of the Plan.

7. Any creditor holding a valid and unavoidable mortgage or lien on the property being auctioned (or its nominee, designee or assignee) shall have its rights under § 363(k) of the Bankruptcy Code to credit bid up to the full amount of its Allowed Secured Claim at the auction.

8. The Liquidating Trustee will have the authority to execute all documents and instruments which are necessary for the closing of the sale of the properties including, without limitation, deeds to the properties, and transfer tax returns and questionnaires, and such other and further documents and instruments as are necessary to effectuate the auction sale contemplated under the Plan. In connection with the closing of a sale hereunder, the Debtor irrevocably makes and appoints the Liquidating Trustee as Debtor's true and lawful attorney-in-fact with the authority to sign the name of the Debtor on any document or instrument and to take such other and further action as contemplated under the Plan.

9. The successful bidder(s) at the auction shall be conclusively deemed to be good faith purchasers for value and, and shall be entitled to the protections of § 363(m) of the Bankruptcy Code.

B. <u>Liquidating Trust</u>

1. *Establishment of Liquidating Trust:* On the Effective Date, the Liquidating Trust will be established. The Liquidating Trust will be governed by and operate in conformity with the Liquidating Trust Agreement to be filed as part of the Plan Supplement with the Bankruptcy Court by the Plan Proponent not later than fifteen (15) days prior to the Confirmation Hearing. On the Effective Date, the Liquidating Trustee will be appointed as and will assume the responsibilities of the Liquidating Trustee as provided for in the Plan. The Liquidating Trustee will act as the fiduciary and trustee for the Liquidating Trust from and after the Effective Date. On the Effective Date, the Creditors' Representative(s) will be appointed and shall assume the responsibilities of Creditors' Representative(s) as provided for in the Plan. The Creditors' Representative(s) will not be a fiduciary or trustee of the Liquidating Trust, but will be a fiduciary representative of Creditors of the Estate and will have standing to pursue their rights

and remedies in the Bankruptcy Court or other forum on their behalf to protect their interests or to enforce performance of the Plan. The Liquidating Trustee will collect, administer, investigate, dispose of, and distribute Plan Assets described below from and after the Effective Date on behalf of the Liquidating Trust, and will provide quarterly written reports on such activities to the Creditors' Representative(s) and the Reorganized Debtor.

2. Appointment of Liquidating Trustee: The Liquidating Trustee will be Mark A. Roberts from Alvarez & Marsal, or such other alternate person agreed by the Debtor and the Committee in writing prior to the Effective Date; provided however, that in the event that the Committee shall object to Mark A. Roberts for cause and the Debtor and the Committee are unable to agree in writing no later than 10 days prior to the Confirmation Date on an alternate liquidating trustee, then the liquidating trustee will be a person or entity that will be chosen by the Bankruptcy Court from a list of three persons or entities, two of which will be nominated by the Committee and one of which will be nominated by the Debtor.

3. *Transfer of Plan Assets to Liquidating Trust:* On the Effective Date, the Liquidating Trust will receive all of the Estate's present and future right, title and interest in the following assets, cash, and property, tangible or intangible, and all proceeds, interest, and other earnings generated therefrom (all of which constitute "Plan Assets"), but no other property of any kind, tangible or intangible, all to be transferred free and clear of all liens, encumbrances, interests, exemptions, claims, and rights of setoff or recoupment:

a. except for Abandoned and Excluded Actions, all Litigation Actions (none of which shall be deemed released or otherwise impaired by assumption of any

contract, Allowance of any Claim or Confirmation of the Plan), all books, records and documentation related thereto, and all proceeds of any of the foregoing;

b. all real property owned by the Debtor, except for the Haywagon Trail Property, and the Net Proceeds from the sale of all real property owned by the Debtor, except for the Haywagon Trail Property;

c. all Cash held by the Debtor constituting property of the Estate excluding Cash in the Debtor's IRA and the Defined Benefit Plan, which are exempt assets under Va Code §§ 34-34 and § 522 of the Bankruptcy Code;

d. the Non-Debtor Additional Assets other than the Debtor's interest in the Governor's Pointe Property;

e. the Reorganized Debtor's contribution of future earnings to the extent provided in § 5.3 of the Plan;

f. all non-exempt non-real property assets constituting property of the estate under § 541 of the Bankruptcy Code, except for those personal effects which shall be listed on a schedule to be agreed to by the Debtor and the Committee and attached to the Plan Supplement.

g. A promissory note, payable to the Liquidating Trustee in the Principal Amount of $2,000,000, which will be secured by a mortgage on the Governor's Pointe Property executed by MDV, LLP. The mortgage securing the note will require the mortgagor to timely pay all real estate taxes on the property and to maintain adequate insurance. The promissory note will accrue interest as follows: (i) for the first five years after the Effective Date, interest will accrue at the Applicable Federal Rate existing on the Effective Date; (ii) thereafter, on each anniversary of the Effective Date, commencing with the fifth anniversary of the

Effective Date and concluding on the ninth anniversary of the Effective Date, the rate which interest will accrue will be adjusted to the Applicable Federal Rate in existence on each such anniversary, provided however, that the interest rate shall not increase by more than 1% from the previous year's interest rate. No payments of principal or interest will be due under the note until the 10th anniversary of the note, at which time all principal and interest will become due and payable. The note will be a recourse obligation and will personally guaranteed by the Debtor, but will convert into a non-recourse obligation, if, at any time on or before the maturity date, MDV, LP, at its sole and absolute discretion, delivers a deed in lieu of foreclosure of the Governor's Pointe Property to the Liquidating Trustee, which will be in full and complete satisfaction of MDV LP's obligations under the note and the Debtor's obligations under the guarantee, provided such conveyance to the Liquidating Trustee provides the Liquidating Trustee with title to the Governor's Pointe Property free and clear of all liens and encumbrances. Notwithstanding anything to the contrary contained in the Plan, the Debtor's obligations under the note will be deemed paid in full and the Liquidating Trustee will release its mortgage on the Governor's Pointe Property in the event that, and upon, Holders of Allowed Class 8 Claims having received 80% of their Allowed Claims;

h. Notwithstanding anything to the contrary contained in the Plan, the Debtor will retain his interests, direct or indirect, in the Retained Real Estate, subject to any existing mortgages on such property.

4. *Debtor's Post-Confirmation Contribution:* Unless otherwise elected by the Committee as set forth herein, in each year for the 2010-2015 calendar years, the Debtor will contribute post-confirmation earnings to the Liquidating Trust for the benefit of the Holders of Allowed Class 8 Claims based upon the following formula: (i) the Debtor will retain the first

$750,000 of Adjusted Gross Income; (ii) 20% of the Debtor's Adjusted Gross Income from $750,001 through $2,500,000 will be contributed to the Liquidating Trust; (iii) 25% of the Debtor's Adjusted Gross Income from $2,500,0001 through $10,000,000 will be contributed to the Liquidating Trust; and (iv) 33% of the Reorganized Debtor's Adjusted Gross Income for all amounts over $10,000,000 shall be contributed to the Liquidating Trust; provided however, that in the event that the Reorganized Debtor receives a signing bonus with respect to any contract that he enters into, then the income from such signing bonus shall, for purposes of distribution to the Liquidating Trust, be spread over the term of the contract that is also within the Payout Period, such that only a pro-rata portion of the bonus will be allocated to the applicable formula during the Payout Period (the "Bonus Adjustment"). The foregoing percentages set forth in section 5.3.1 of the Plan are for each applicable year, and will not be aggregated from year to year during the Payment Period. Notwithstanding anything to the contrary contained herein, the Committee will have the right to elect to receive payments for the 2009-2014 calendar years pursuant to the formula set forth above, instead of receiving payments for the 2010-2015 calendar years, provided the Committee will make such election in writing prior to the Confirmation Date, in which event all obligations under sections 5.3.1, 5.3.2 and 5.3.3 of the Plan and the Termination Date and the Tail Period will all occur and/or terminate one year earlier. Notwithstanding anything in the Plan to the contrary, the Debtor's obligation to make any contributions of post-confirmation earnings will terminate and will be deemed fully satisfied upon the Termination Date.

At the end of the Payout Period, if the Holders of Allowed Unsecured Claims have not been paid in full, the Termination Date will still have occurred if (a) the Debtor is not playing football, or (b) if Holders of Allowed Unsecured Claims have received a distribution of at least

80% of their Allowed Claim, or (c) the Debtor is still playing professional football but is earning less than $2.5 million per year. If (a), (b) or (c) have not occurred, and in the calendar year 2014, the Debtor executes a contract which will pay him in excess of $2.5 million per year, then the Debtor will pay the Liquidating Trust for distribution to Holders of Allowed Unsecured Claims up to the Holders receiving 100% of their Allowed Class 8 Claims, either (x) 10% of the guaranteed portion of said contract payable in calendar years January 1, 2016 through December 31, 2017 (the "Tail Period"), subject to the Bonus Adjustment which will be applied to these two years; or (y) a percentage of Adjusted Gross Income during the Tail Period under the same formula applicable during the Payout Period. The Reorganized Debtor will have the sole and exclusive option of choosing either (x) or (y) in the preceding sentence. If any of the sums payable during the Tail Period are subject to return or forfeiture, such applicable sums shall be deposited into an Escrow Account and either (a) released to the Liquidating Trustee when and if such funds are no longer subject to return of forfeiture, or (b) returned to the applicable party, if necessary.

The payments to be made by the Debtor under § 5.3.1 of the Plan will be made annually by the Debtor to the Liquidating Trustee no later than April 15 of the following year (i.e., the payment for the 2010 calendar year shall be made on or before April 15, 2011).

The Debtor will pay to the Liquidating Trustee from the Net Recovery, if any, after payments of attorney's fees, costs and taxes, of each Abandoned Action, an amount equal to the pre-abandonment legal fees and expenses actually paid by the Debtor with respect to each Abandoned Action from the Effective Date through the date of abandonment, provided however, that the amount of such payment shall not exceed 50% of the Net Recovery of such Abandoned

Action. This payment will be made by the Debtor no later than the 60th day after the Reorganized Debtor received its recovery from the Abandoned Action.

The Debtor will pay to the Liquidating Trustee from the Net Recoveries, after payments of attorney's fees, costs and taxes, of the Excluded Actions, an amount equal to: (i) the legal fees and expenses actually paid by the Debtor prior to the Confirmation Date and directly attributable to the particular Excluded Action, which amount will either be agreed upon by the Debtor and Committee and set forth in the Plan Supplement, or determined by the Bankruptcy Court in the event that the Debtor and the Committee are unable to agree on such fee and (ii) 20% of the Net Recoveries of all of the Excluded Actions. Payments will be made by the Reorganized no later than the 60th day after the date that the Reorganized Debtor has received its recovery in connection with each particular Excluded Action that has been litigated or otherwise resolved.

The payments to be made by the Debtor under §§ 5.3.6 and 5.3.7 of the Plan will be accompanied with an accounting showing the amounts recovered and costs and disbursements paid by the Debtor with respect to each of the Abandoned Actions.

Notwithstanding anything to the contrary contained in this Plan, the Debtor will not be required to make any payment to the Liquidating Trustee hereunder to the extent such payment would result in Holders of Class 8 Claims receiving more than 80% of their Allowed Claims without interest.

5. *Distribution of Plan Assets by Liquidating Trust; Order of Payments:* With the exception of the proceeds of the sale of property which is subject to a valid and unavoidable security interest or lien, the Liquidating Trustee will distribute the proceeds of the Plan Assets in satisfaction of Allowed Claims (and establish appropriate reserves as described below) in the following order of priority:

a. first, in compensation for discharging his duties as described in the Plan, reasonable market-based fees and reasonable out-of-pocket expenses (including reasonable legal and accounting expenses and post-Effective Date taxes) of the Liquidating Trustee, and the reasonable out-of-pocket expenses of the Creditors' Representative(s);
b. second, Allowed Administrative Claims;
c. third, Allowed Priority Claims; and
d. fourth, Allowed General Unsecured Claims.

To the extent that Plan Assets remain in the Liquidating Trust after payment of all amounts and Distributions due under the Plan and satisfaction of all obligations under the Plan, (i) any residual assets remaining in the Liquidating Trust (other than the Disputed Claims Reserve) will be paid or transferred to the Reorganized Debtor and (ii) upon the resolution of all Disputed Claims, the Liquidating Trust will be dissolved and any residual assets remaining in the Disputed Claims Reserve will be paid or transferred to the Reorganized Debtor.

6. *Claims Resolution Reserve:* Before making any Distributions or payments from Plan Assets, on the Effective Date the Liquidating Trustee will establish a reserve, which will be used to fund the investigation, litigation, and disposition of: (a) the Litigation Actions; and (b) objection to and allowance of Claims (including, without limitation, Secured Tax Claims, Priority Tax Claims, Priority Non-Tax Claims, Administrative Tax Claims, General Unsecured Claims and Administrative Expense Claims) against the Debtor and the Estate (but not in respect of the dischargeability of any debts or Claims). The Liquidating Trustee will be responsible for resolving any Claims against the Estate that are not resolved by the Effective Date and for establishing as may be reasonably necessary reserves in respect of Disputed Claims.

7. *Liquidating Trust Provisions:* Section 5.2.5 of the Plan sets forth certain terms, rights, duties, and obligations of the Liquidating Trust and its trustee, the Liquidating

Trustee. In the event of any conflict between the terms of section 5.2.5 of the Plan and the Liquidating Trust Agreement, the terms of the Plan shall govern. On and after the Effective Date:

a. *Claims:* The Liquidating Trustee will have the right to object to Claims and have the Bankruptcy Court estimate or determine the amount of any Allowed Claim.

b. *Retention of Professionals:* The Liquidating Trustee shall have the right to retain and employ legal counsel and accountants to assist the Liquidating Trustee in the settlement or prosecution of the Litigation Actions, objections to and allowance of claims and the administration of the Liquidating Trust. No such professional will be required to apply for Bankruptcy Court approval of its retention. The Bankruptcy Court will have jurisdiction only over disputes, if any, regarding the payment of such fees and expenses.

c. *Authority:* The Liquidating Trustee will have the authority to prosecute the Litigation Claims.

d. *Purpose of the Liquidating Trust:* The Liquidating Trust will be established for the sole purpose of liquidating its assets, in accordance with U.S. Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business;

e. *Plan Assets:* The Liquidating Trust will consist of the cash, assets, and property transferred to the Liquidating Trust pursuant to section 5.2.2 of the Plan (and all proceeds thereof and income thereon), which in the aggregate shall constitute the "Plan Assets;"

f. *Transferability of Liquidating Trust Interests:* The beneficial interests in the Liquidating Trust are not transferable;

g. *Cash:* The Liquidating Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code, provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of U.S. Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings, or other controlling authorities;

h. *Distributions:* The Liquidating Trustee will dispute quarterly and in accordance with the Liquidating Trust Agreement, beginning on the first Business Day of the first month after the Effective Date or as soon thereafter as is practicable, all Net Remaining Cash in the Liquidating Trust, except such amounts (i) as would be distributable to a Holder of a Disputed Claim if such Disputed Claim had been Allowed on the Effective Date (but only until such Claim is resolved), (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Plan Assets during liquidation, (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Liquidating Trust or in respect of the Plan Assets), and (iv) to satisfy other liabilities incurred by the Liquidating Trust in accordance with the Plan or the Liquidating Trust Agreement; and

i. *Dissolution:* The Liquidating Trustee and the Liquidating Trust will be discharged or dissolved, as the case may be, at such time as (i) all Disputed Claims have been resolved, (ii) all Plan Assets have been liquidated and (iii) all Distributions required to be made by the Liquidating Trustee under the Plan have been made, but in no event will the Liquidating Trust be dissolved later than the Termination Date or the Tail Period (as defined at § 5.3.3 of the Plan) unless the Bankruptcy Court, upon motion within the six-month period prior to the fifth anniversary (or the end of any extension period approved by the Bankruptcy Court), determines that a fixed period extension (not to exceed three (3) years, together with any prior

extensions, without a favorable letter ruling from the IRS that any further extension would not adversely affect the status of the trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the Plan Assets.

j. *Report to Bankruptcy Court:* The Liquidating Trustee will make a determination, in consultation with its counsel and the Creditor Representative(s), as to when there no longer exist assets to recover and distribute to unsecured creditors. The Liquidating Trustee will notify the Bankruptcy Court and the Reorganized Debtor, and make a report to the Bankruptcy Court as to the amount of Allowed Unsecured Claims and the percentage of distributions made to the Holders thereof.

k. *Disputes:* In the event there is any dispute among the Liquidating Trustee, the Reorganized Debtor and the Creditors' Representative(s), they will notify the Bankruptcy Court and the Bankruptcy Judge's decision relative to any dispute, after notice and a hearing, shall be final.

l. *Abandoned Actions:* The Liquidating Trustee may, only upon the written consent of the Reorganized Debtor, abandon property to the Reorganized Debtor; provided however, the Liquidating Trustee will have the right to abandon any of the Litigation Actions to the Reorganized Debtor in its sole and absolute discretion (the "Abandoned Actions"). The Reorganized Debtor may in its sole and absolute discretion prosecute and/or settle any and all claims concerning the Abandoned Actions.

8. *Federal Income Tax Treatment of the Liquidating Trust:* Section 5.2.7 of the Plan sets forth the federal income tax treatment that the Liquidating Trust, the parties to this Plan, the Liquidating Trustee, and the beneficiaries of the Liquidating Trust will have in

connection with the formation of the Liquidating Trust and the transactions by or with respect to the Liquidating Trust.

a. *Plan Assets Treated as Owned by Holders of Allowed Claims:* For all federal income tax purposes, all parties (including, without limitation, the Debtor, the Liquidating Trustee, and the Holders of Allowed Claims) will treat the transfer of the Plan Assets to the Liquidating Trust as (i) a transfer of the Plan Assets directly to the Holders of Allowed Claims, followed by (ii) the transfer by such Holders to the Liquidating Trust of the Plan Assets in exchange for beneficial interests in the Liquidating Trust. Accordingly, the Holders of such Allowed Claims shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Plan Assets;

b. *Tax Reporting:*

(1) The Liquidating Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to U.S. Treasury Regulation section 1.671-4(a) and in accordance with Plan section 5.2.7(b). The Liquidating Trustee will also annually send to each holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction, or credit, and will instruct all such holders to report such items on their federal income tax returns. The Liquidating Trust's taxable income, gain, loss, deduction, or credit will be allocated (subject to section 5.2.7(b)(iii) of the Plan relating to Disputed Claims) to the Holders of Allowed Claims in accordance with their relative beneficial interests in the Liquidating Trust.

(2) As soon as possible after the Effective Date, but in no event later than ninety (90) days thereafter, the Liquidating Trustee shall make a good faith valuation of the Plan Assets, and such valuation shall be used consistently by all parties (including, without

limitation, the Debtor, the Liquidating Trustee, and the Holders of Allowed Claims) for all federal income tax purposes. The Liquidating Trustee shall also file (or cause to be filed) any other statements, returns, or disclosures relating to the Liquidating Trust that are required by any governmental unit.

(3) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall (a) treat any assets allocable to, or retained on account of, Disputed Claims as held by one or more discrete trusts for federal income tax purposes (the "Liquidating Trust Disputed Claims Reserve"), consisting of separate and independent shares to be established in respect of each Disputed Claim, in accordance with the trust provisions of the Internal Revenue Code (sections 641 et. seq.), (b) treat as taxable income or loss of the Liquidating Trust Disputed Claims Reserve, with respect to any given taxable year, the portion of the taxable income or loss of the Liquidating Trust that would have been allocated to the Holders of Disputed Claims had such Claims been Allowed on the Effective Date (but only for the portion of the taxable year with respect to which such Claims are unresolved), (c) treat as a Distribution from the trust for Disputed Claims any increased amounts distributed by the Liquidating Trust as a result of any Disputed Claims resolved earlier in the taxable year, to the extent such Distributions relate to taxable income or loss of the trust for Disputed Claims determined in accordance with the provisions hereof, and (d) to the extent permitted by applicable law, report consistent with the foregoing for state and local income tax purposes. All Holders of Claims shall report, for tax purposes, consistent with the foregoing.

(4) The Liquidating Trustee shall be responsible for payments, out of the Plan Assets, of any taxes imposed on the Liquidating Trust or its assets, including the Liquidating Trust Disputed Claims Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Liquidating Trust Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims, such taxes shall be (a) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims, or (b) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Liquidating Trustee as a result of the resolutions of such Disputed Claims.

(5) The Liquidating Trustee may request an expedited determination of taxes of the Liquidating Trust, including the Liquidating Trust Disputed Claims Reserve, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods through the dissolution of the Liquidating Trust.

VI. PROVISIONS REGARDING VOTING AND DISTRIBUTIONS UNDER THE PLAN, AND TREATMENT OF DISPUTED, CONTINGENT, AND UNLIQUIDATED ADMINISTRATIVE EXPENSE CLAIMS, CLAIMS, AND INTERESTS

A. Voting of Claims

1. *In General:* Each Holder of an Allowed Claim in an impaired Class shall be entitled to vote separately to accept or reject the Plan as provided in the order entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan.

2. *Controversy Concerning Impairment:* In the event of a controversy as to whether any Claim or Class of Claims is impaired under the Plan, the Bankruptcy Court will, after notice and a hearing, determine such controversy.

B. Distributions to Holders of Claims

1. *In General:* Unless otherwise set forth in the Plan, all Distributions under the Plan will be made by the Liquidating Trustee.

2. *Distributions on Account of Allowed Claims Only:* Notwithstanding anything herein to the contrary, no Distribution will be made on a Disputed Claim until such Disputed Claim becomes an Allowed Claim.

3. *No Recourse:* No Creditor will have recourse to the Reorganized Debtor, the Liquidating Trust (or any property thereof), the liquidating Trustee or Creditors' Representative(s) other than with regard to the enforcement of rights or Distributions under the Plan.

4. *Method of Cash Distributions:* Any Cash payment to be made pursuant to the Plan will be in U.S. dollars and may be made by draft, check, wire transfer, or as otherwise required or provided in any relevant agreement or applicable law and payment shall be deemed made when the draft, check, or wire transfer, as the case may be, is transmitted.

5. *Minimum Distributions:* Payment of Cash in an amount of less than twenty-five dollars ($25.00) need not be made to any Holder of a Claim.

6. *Distributions on Non-Business Days:* Any payment or Distribution due on a day other than a Business Day may be made, without interest, on the next Business Day.

7. *No Distribution in Excess of Allowed Amount of Claim:* Notwithstanding anything to the contrary in the plan, no Holder of an Allowed Claim shall

receive in respect of such Claim any Distribution (of a value set forth in the Plan or in this Disclosure Statement) in excess of the Allowed amount of such Claim.

C. Objections to Claims.

1. *Claim Objection Process:* In a chapter 11 case, claims against a debtor are established either as a result of being listed in the debtor's schedules of liabilities as not being disputed or contingent or through assertion by a creditor in a timely filed proof of claim. Once established, the claims are either allowed or disallowed. If allowed, the claim will be recognized and treated pursuant to a plan of reorganization. If disallowed, the creditor will have no right to obtain any recovery on or to otherwise enforce the claim against the debtor. As indicated above, the Debtor expects to file amendments to the Schedules and SOFA on or before November 25, 2008; however, the changes will be minor. The deadline for a creditor (except for a governmental unit) to file a proof of claim is November 28, 2008. The deadline for a governmental; unit to file a proof of claim is January 5, 2009. To date, slightly in excess of $19 million in claims have been asserted against the Debtor.

2. *Objections to Claims:* Unless otherwise ordered by the Bankruptcy Court, objections to Claims shall be filed and served on the applicable Holder of such Claim not later than sixty (60) days after the later to occur of: (a) the Effective Date and (b) the filing of the relevant Claim. After the Effective Date, only the Liquidating Trustee or Debtor will have the authority to file, settle, compromise, withdraw, or litigate to judgment their respective objections to Claims. The Liquidating Trustee may settle or compromise any Disputed Claim without Bankruptcy Court approval provided: (i) such claim is fixed at an amount not greater than $50,000; or (ii) such settlement is approved in writing by both the Reorganized Debtor and the Creditor Representative(s).

3. *Amendments to Claims:* After the Confirmation Date, a Claim may not be filed or amended without the authorization of the Bankruptcy Court and, even with such Bankruptcy Court authorization, may be amended by the Holder of such Claim solely to decrease, but not to increase, the amount or priority. Unless otherwise provided in the Plan, any new or amended Claim filed after the Confirmation Date shall be deemed Disallowed in full and expunged without any action by the Debtor or the Liquidating Trustee unless the Claim Holder has obtained prior Bankruptcy Court authorization for the filing.

D. Unclaimed Property. The Liquidating Trustee shall hold all Unclaimed Property (and all interest, dividends, and other distributions thereon), for the benefit of the Holders of Claims entitled thereto under the terms of the Plan for one (1) year, and shall not invest any Unclaimed Property so that no income will be earned thereon. Thereafter, all Unclaimed Property held pursuant to section 6.4 of the Plan will be deemed to have been forfeited to the Liquidating Trust and any Holder of an Allowed Claim who would have been entitled to Unclaimed Property shall cease to be entitled thereto, and all Unclaimed Property will be retained by the Liquidating Trust. Any Cash or other Distributions pursuant to the Plan that is unclaimed for a period of two (2) years after Distribution thereof will be forfeited and revested in the Liquidating Trust.

E. Disputed Claims. If any dispute arises as to the identity of a Holder of an Allowed Claim who is to receive any Distribution, the Liquidating Trustee may, in lieu of making such Distribution to such Person, make such Distribution into an escrow account until the disposition thereof will be determined by the Bankruptcy Court order or by written agreement among the interested parties to such dispute, provided, that the Liquidating Trustee will not invest any Distribution while it is in escrow so that no income will be earned thereon.

F. Withholding Taxes. Any federal or state withholding taxes or other amounts required to be withheld under any applicable law shall be deducted and withheld from any Distributions hereunder. All Persons holding Claims will be required to provide any information necessary to effect the withholding of such taxes.

G. Exemption from Certain Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code: (i) the issuance, transfer, or exchange of any securities, instruments, or documents; (ii) the creation of any other lien, mortgage, deed of trust, or other security interest; or (iii) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with the Plan or the sale assets of the Debtor, any deeds, bills of sale, or assignments executed in connection with the Plan or the Confirmation Order, shall not be subject to any stamp tax, transfer tax, intangible tax, recording fee, or similar tax, charge, or expense to the fullest extent provided for under section 1146(c) of the Bankruptcy Code.

H. Setoffs. Except as provided in the Plan, the Confirmation Order, or in agreements approved by Final Order of the Bankruptcy Court, the Liquidating Trustee may, pursuant to applicable law (including section 553 of the Bankruptcy Code), offset against any Claim, including an Administrative Expense Claim, before any Distribution is made on account of such Claim, any and all of the claims, rights, and causes of action of any nature that the Debtor or his Estate may hold against the Holder of such Claim; provided, however, that neither the failure to effect such a setoff, the allowance of any Claim hereunder, nor any other action or omission of the Liquidating Trust or Liquidating Trustee, nor any provision of the Plan will constitute a waiver or release by the Liquidating Trust or the Estate of any such claims, rights, and causes of action that the Debtor, the Estate, or the Liquidating Trust may possess against such Holder. To

the extent the Liquidating Trustee fails to set off against a Creditor and seeks to collect a claim from such Creditor after a Distribution to such Creditor pursuant to the Plan, the Liquidating Trustee, if successful in asserting such claim, will be entitled to full recovery on the claim against such Creditor. Notwithstanding any provision contained in section 6.8 of the Plan or any other provision in the Plan to the contrary, or any documents incorporating or implementing the Plan in any manner, the United States' setoff rights under section 553 of the Bankruptcy Code are preserved and are in no way affected by the Plan.

I. Not Severable. The provisions of the Plan, including, without limitation, its release, injunction, exculpation, and compromise provisions, are mutually dependent and non-severable.

VII. EFFECT OF CONFIRMATION OF PLAN

A. Discharge

1. *Scope:* Entry of the Confirmation Order shall operate as a discharge, effective as of the Effective Date, pursuant to, and to the fullest extent provided in, and permitted by, § 1141(d) of the Bankruptcy Code, of any and all debts of, Claims against, and liens on the Debtor, his assets, or properties, which debts, Claims and liens, and Interests arose at any time before the entry of the Confirmation Order. The discharge granted hereunder shall extend to any objections to the Debtor's discharge under § 727 of the Bankruptcy Code, to the extent such objections may be asserted pursuant to § 1141 of the Bankruptcy Code. The discharge of the Debtor shall be effective on the Effective Date as to each Claim, regardless of whether a proof of claim therefor was filed, whether the Claim is an Allowed Claim or whether the Holder thereof votes to accept the Plan. On the Effective Date, as to every discharged Claim, any Holder of such Claim shall be precluded from asserting against the Debtor or the Reorganized Debtor, the Liquidating Trustee or the assets or properties of any of them, any other or further Claim or

Interest based upon any document, instrument, act, omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date; provided however, that the Reorganized Debtor's obligations to the Liquidating Trustee under § 5.3.1 of the Plan shall not be dischargeable in a subsequent Chapter 7, Chapter 11 or Chapter 13 bankruptcy filing by the Reorganized Debtor.

2. *Discharge Injunction:* In accordance with § 524 of the Bankruptcy Code, the discharge provided by Section 7.1.2 of the Plan and § 1141 of the Bankruptcy Code and the Confirmation Order shall provide that, among other things, all Persons and Entities, which have held, hold or may hold Claims against the Debtor that are discharged pursuant to Section 7.1.1 of the Plan, are, with respect to those Claims, permanently stayed, restrained and enjoined on and after the Effective Date from taking any of the following actions on account of such discharged Claims, other than actions brought to enforce any rights or obligations under the Plan: (i) commencing, conducting or continuing in any manner any action or proceeding of any kind, including any judicial, arbitral, regulatory, administrative or other form of proceeding against the Debtor or Reorganized Debtor or any of its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, the Debtor or Reorganized Debtor or any property of any such transferee or successor, (ii) enforcing, levying, attaching (including pre-judgment attachment) collecting or otherwise recovering, by any manner or means, any judgment, award, decree, or order against the Debtor or Reorganized Debtor, or any of his property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, the Debtor or the Reorganized Debtor, or any property of any such transferee or successor, (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien against the Reorganized Debtor, any of its property, or any direct

or indirect transferee of any property of, or successor in interest to, the Debtor or Reorganized Debtor, (iv) asserting any setoff, right of subrogation, contribution or recoupment of any kind, directly or indirectly, against the Reorganized Debtor, or any direct or indirect transferee of any property of or successor in interest to, the Debtor or the Reorganized Debtor, or (v) acting or proceeding in any manner that does not conform to or comply with the provisions of the Plan and the Confirmation Order.

B. Release of Claims

1. *Satisfaction of Claims and Interests:* The treatment to be provided for respective Claims pursuant to the Plan will be in full satisfaction, settlement, release, and discharge of such respective Claims or Interests.

2. *Exculpation:* Except as provided in the Plan or in the Confirmation Order, the Debtor, the Reorganized Debtor, the Committee (and its members in such capacity) and any Professionals retained by the foregoing Persons (in their respective capacities as such), or successors in interest to any of the foregoing Persons, will have no liability to any Person for any act or omission following the Petition Date in connection with, relating to, or arising out of, the Debtor or the Bankruptcy Case or arising out of the administration of the Plan or the property to be distributed under the Plan, including but not limited to (i) formulating, negotiating, preparing, disseminating, implementing, confirming, or consummating the Plan and Disclosure Statement or any contract, instrument, release, or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the Plan, or (ii) any Distributions made pursuant to the Plan, except for willful misconduct or gross negligence and, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Nothing in Section 7.2.2 of the Plan will be

construed to release or exculpate any entity from fraud, gross negligence, willful misconduct, malpractice, criminal conduct, unauthorized use of confidential information that causes damages, or ultra vires acts.

3. *Preservation of Litigation Actions and Objections to Claims:* All Litigation Actions, including, without limitation, causes of action arising under chapter 5 of the Bankruptcy Code, other Avoidance Actions, and rights to object to Claims, will be preserved and will be conveyed to and administered by the Liquidating Trust (or Reorganized Debtor with respect to the Abandoned Actions and Excluded Actions), and will not be waived, released or discharged by Confirmation of the Plan, entry of the Confirmation Order, Allowance of any Claim or the occurrence of the Effective Date. Annexed to the Plan Supplement will be a list of the Litigation Actions, which will become Excluded Actions and prosecuted by the Reorganized Debtor, and those that remain in the Liquidation Trust, all of which are expressly preserved for prosecution on and after the Effective Date. To the extent necessary, the Liquidating Trustee will be deemed the representative of the Estate in accordance with section 1123(b) of the Bankruptcy Code.

4. *Release of Brenda Boddie and Kijafa Frink:* On the Effective Date, Brenda Boddie and Kijafa Frink will execute assignments to the Liquidating Trustee, in the form contained in the Plan Supplement, of all of their right, title and interest in those investments and notes to be identified in the Plan Supplement. In consideration for such assignments, the Confirmation Order will provide that as of the Effective Date, Brenda Boddie and Kijafa Frink will be released from any and all claims which could have been asserted by the Debtor or any Trustee, Creditor or Entity, including but not limited all past claims, rights, suits, judgments, causes of action, demands, damages, compensation, liabilities, obligations,

expenses, fees, costs of any kind whatsoever, known or unknown, arising from the beginning of the world, through and including the Effective Date.

5. *Release of Dischargeability Claims:* In consideration of the Debtor's contribution of post-petition earnings under the Plan, execution and guaranty of $2 million note secured by the Governor's Pointe property, as well as other Non-Debtor Assets, the Confirmation Order shall provide that all claims against the Debtor seeking to have a Claim excepted from discharge under § 523 of the Bankruptcy Code will be released and any open adversary proceedings seeking relief under § 523 of the Bankruptcy Code will be deemed dismissed with prejudice as of the Confirmation Date.

VIII. EXECUTORY CONTRACTS

A. Executory Contracts and Unexpired Leases

1. Except as otherwise provided in the Plan or by the Confirmation Order, as of the Effective Date, all pre-petition executory contracts and unexpired leases of the Debtor or the Estate shall be rejected by the Debtor pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, except: (i) any executory contracts and unexpired leases that are the subject of separate motions to assume filed pursuant to section 365 of the Bankruptcy Code by the Debtor before the entry of the Confirmation Order, (ii) contracts and leases listed in a schedule to be included in the Plan Supplement, or (iii) all executory contracts or unexpired leases assumed under the Plan or by order of the Bankruptcy Court entered before the Confirmation Date. Any order entered after the Confirmation Date by the Bankruptcy Court, after notice and a hearing, authorizing the rejection of an executory contract or unexpired lease shall cause such rejection to be a prepetition breach under sections 365(g) and 502(g) of the

Bankruptcy Code, as if such relief was granted and such order was entered prior to the Confirmation Date.

2. Listing a contract or lease in the Plan Supplement shall not constitute an admission by the Debtor that such contract or lease, including related agreements, is an executory contract or unexpired lease or that the Debtor has any liability thereunder.

3. Subject to sections 8.1.1 and 8.3 of the Plan, the Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumption or rejection, as applicable, of executory contracts and unexpired leases the assumption or rejection of which is provided for in Plan section 8.1.1 pursuant to section 365 of the Bankruptcy Code and such assumption or rejection shall be deemed effective as of the Effective Date.

B. **Bar Date for Rejection Damages**. If the rejection of any executory contract or unexpired lease under the Plan (including executory contracts and unexpired leases included in the Plan Supplement) gives rise to a Claim by the non-Debtor party or parties to such contract or lease, such Claim, to the extent that it is timely filed and is an Allowed Claim, shall be classified as a General Unsecured Claim in Class 8; provided, however, that the General Unsecured Claim arising from such rejection shall be forever barred and shall not be enforceable against the Debtor, the Liquidating Trust, their successors or properties, unless a proof of such Claim is filed with the Bankruptcy Court and served on the Liquidating Trustee within thirty (30) days after the date of notice of the entry of the order of the Bankruptcy Court rejecting the executory contract or unexpired lease, which may include, if applicable, the Confirmation Order.

C. **Cure**. At the election of the Liquidating Trustee, any monetary defaults under each executory contract and unexpired lease to be assumed under the Plan will be satisfied

pursuant to section 365(b)(1) of the Bankruptcy Code (a) by payment of the default amount in Cash by the Liquidating Trustee on or as soon as reasonably practicable after the later to occur of (i) thirty (30) days after the determination of the cure amount and (ii) the Effective Date or such other date as may be set by the Bankruptcy Court, or (b) on such other terms as agreed to by the Liquidating Trustee and the non-Debtor party to such executory contract or unexpired lease. In the event of a dispute regarding: (i) the amount of any cure payments, (ii) the ability of the Liquidating Trustee to provide adequate assurance of future performance under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code will be made only following the entry of a Final Order resolving the dispute and approving assumption. The Debtor will have the right at any time to move to reject any executory contract or unexpired lease based on the existence of such a dispute.

IX. EFFECTIVENESS OF THE PLAN

A. Conditions Precedent. The effectiveness of the Plan (and the occurrence of the Effective Date) is subject to the following conditions:

1. The Confirmation Order shall have become a Final Order; provided, that if the Confirmation Order has been entered and has not been stayed, this condition may be waived by the Plan Proponent in his sole and absolute discretion, in which case the Plan Proponent shall consummate the Plan notwithstanding the pendency of any appeal;

2. There will be no open adversary proceedings seeking to have a claim against the Debtor excepted from discharge under § 523 of the Bankruptcy Code; and

3. There will be no open proceeding seeking to object to the Debtor's discharge under section 1141 or any other applicable provision of the Bankruptcy Code.

B. Effective Date Transactions. On the Effective Date, the following transactions shall occur simultaneously. The Effective Date shall not be deemed to have occurred and the Plan shall not be effective until each of the following transactions or events has occurred.

1. The Liquidating Trust shall be established by execution and delivery of the Liquidating Trust Agreement, and the Plan Assets shall be transferred to the Liquidating Trust.

2. The Liquidating Trustee shall be appointed and shall assume his or her responsibilities as provided for in the Plan.

C. Failure of Conditions/Non-Occurrence of Effective Date. In the event that any of the conditions specified in section 9.1 of the Plan or any event or transaction described in section 9.2 of the Plan either has not occurred or has not been satisfied or waived (in the manner provided in Plan section 9.4) within sixty (60) days after entry of the Confirmation Order, then the Plan Proponent may, upon notification to the Bankruptcy Court, terminate the Plan. In addition, if the Effective Date does not occur by January 31, 2009, unless extended by agreement of the Plan Proponent, the Plan shall automatically be terminated. Upon termination of the Plan (a) the Confirmation Order shall be vacated, (b) no Distributions under the Plan will be made, (c) the Debtor and all Holders of Claims will be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred, and (d) all the Debtor's obligations with respect to the Claims will remain unchanged and nothing contained herein will be deemed to constitute a waiver or release of any claims by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

D. **Waiver of Conditions**. The conditions to effectiveness of the Plan set forth in sections 9.1 and 9.2 of the Plan may be waived only upon the express written consent of the Debtor.

E. **Revocation of the Plan**. The Plan Proponent may revoke or withdraw the Plan at any time prior to the Confirmation Date. If the Plan Proponent revokes or withdraws the Plan prior to the Confirmation Date, then it will be deemed null and void.

F. **Treatment of Administrative and Priority Claims under the Plan**

To the extent that there are Allowed Administrative and Priority Claims against the Debtor on the Effective Date, such claims will be paid in full on the Effective Date of the Plan, with the exception of Administrative Claims of Professionals. Administrative Claims of Professionals will be paid upon the later of: (i) the Effective Date; or (ii) entry of an order of the Court approving the fees and expenses of such Professional pursuant to Section 330 of the Bankruptcy Code.

G. **Classes Impaired Under the Plan**

Under § 1126 of the Bankruptcy Code, classes of Claims or Interests, other than classes of administrative or priority claimants, which are impaired are generally entitled to vote on a plan of reorganization. Under § 1124 of the Bankruptcy Code, a Class of Claims or Interests is impaired unless the plan, with respect to such class:

1. leaves unaltered the legal, equitable and contractual rights to which such Claim or Interest entitles the holder of such Claim or interest; or

2. reinstates a previously accelerated Claim or Interest by (a) curing any prepetition defaults (other than a default under § 365(b)(2) of the Bankruptcy Code), (b) reinstating the maturity of such Claim or Interest as it existed prior to default, (c) compensating

the holder of such Claim or Interest for damages incurred as a result of reliance on a contractual acceleration provision or similar applicable law, and (d) not otherwise altering the legal, equitable or contractual rights to which such Claim or Interest entitle the holders of such Claim or Interest.

Class 1 Claims, Class 2 Claims, Class 3 Claims, Class 4 Claims, Class 5 Claims, Class 6 Claims, Class 7 Claims and Class 8 Claims are impaired under the Plan and are entitled to vote.

X. ADMINISTRATIVE PROVISIONS

A. Retention of Jurisdiction. Notwithstanding Confirmation of the Plan or occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction as is legally permissible, including, without limitation, for the following purposes:

1. To determine the allowability, classification, or priority of Claims upon objection by the Liquidating Trustee or any other party in interest entitled hereunder to file an objection (including the resolution of disputes regarding any Disputed Claims and claims for disputed Distributions), and the validity, extent, priority, and nonavoidability of consensual and nonconsensual liens and other encumbrances;

2. To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan or its execution or implementation by any Person, to construe and to take any other action to enforce and execute the Plan, the Confirmation Order, or any other order of the Bankruptcy Court, to issue such orders as may be necessary for the implementation, execution, performance and consummation of the Plan and all matters referred to herein, and to determine all matters that may be pending before the Bankruptcy Court in the Bankruptcy Case on or before the Effective Date with respect to any Person;

3. To protect the property of the Estate and the Liquidating Trust from claims against, or interference with, such property, including actions to quiet or otherwise clear title to such property or to resolve any dispute concerning liens, security interests, or encumbrances on any property of the Estate, and the Liquidating Trust;

4. To resolve any dispute arising under or related to the implementation, execution, consummation, or interpretation of the Plan and related agreements and other documents, and the making of Distributions hereunder;

5. To determine any and all motions related to the rejection, assumption, or assignment of executory contracts or unexpired leases, to determine any motion to reject an executory contract or unexpired lease pursuant to the Plan or to resolve any disputes relating to the appropriate cure amount or other issues related to the assumption of executory contracts or unexpired leases in the Bankruptcy Case;

6. To determine all applications, motions, adversary proceedings, contested matters, actions, and any other litigated matters instituted in and prior to the closing of the Bankruptcy Case, including any remands;

7. To enter a Final Order closing the Bankruptcy Case;

8. To modify the Plan under section 1127 of the Bankruptcy Code, remedy any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order so as to carry out its intent and purposes;

9. To issue such orders in aid of consummation of the Plan and the Confirmation Order notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Person, to the full extent authorized by the Bankruptcy Code;

10. To enable the Liquidating Trustee to prosecute any and all proceedings to set aside liens or encumbrances and to recover any transfers, assets, properties, or damages to which the Estate may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state, or local laws except as may be waived pursuant to the Plan;

11. To determine any tax liability pursuant to section 505 of the Bankruptcy Code;

12. To resolve any dispute or matter arising under or in connection with any order of the Bankruptcy Court entered in the Bankruptcy Case;

13. To hear and resolve any causes of action involving the Debtor, the Reorganized Debtor, or the Estate that arose prior to the Effective Date or in connection with the implementation of the Plan, including actions to avoid or recover preferential transfers or fraudulent conveyances and Litigation Actions;

14. To resolve any disputes concerning any release of a non-Debtor hereunder or the injunction against acts, employment of process, or actions against such non-Debtor arising hereunder;

15. To approve any Distributions, or objections thereto, under the Plan;

16. To approve any Claims settlement entered into or setoff exercised by the Liquidating Trustee; and

17. To hear and determine any motion for allowance of fees and costs payable by the Debtor or the Debtor's Estate.

B. Failure of the Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Bankruptcy Cases, then section 10.1 of the Plan will have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.**Amendment.** The Plan and the Plan Supplement may not be altered, amended, or modified except with the prior written consent of the Plan Proponent.

D. Governing Law. Except to the extent the Bankruptcy Code, Bankruptcy Rules, or other federal laws apply, the rights and obligations arising under this Plan will be governed by the laws of the State of Virginia, without giving effect to principles of conflicts of law.

E. Effectuating Documents and Further Transactions.

1. *Documents:* The Debtor, the Committee, the Liquidating Trustee, the Creditors' Representative(s) and the Reorganized Debtor will be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan.

2. *Notices:* All notices or requests in connection with the Plan will be in writing and will be deemed to have been given when received by overnight delivery service,

facsimile transmission or email to the Debtor, the Creditors' Representative(s) and the Liquidating Trustee at the address which shall set forth in the Plan Supplement.

F. No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Plan Proponent with respect to any matter set forth herein, including, without limitation, liability on any Claim or the propriety of the classification of a Claim.

G. Termination of Committee. On the date by which both (a) the Effective Date has occurred, and (b) the Confirmation Order has become a Final Order, the Committee shall cease to exist, and its members, employees and agents (including, without limitation, attorneys, financial advisors, accountants and other professionals) will be deemed released and discharged from any further authority, duties, responsibilities and obligations relating to, arising from, or in connection with their service on the Committee Following the date that the Committee ceases to exist as provided in this § 10.7, the Committee will continue to exist (and the Committee will continue to employ its counsel) after such date solely with respect to (i) applications filed pursuant to sections 330 end 331 of the Bankruptcy Code seeking payment of fees and expenses incurred by any Professional. Following the date that the Committee ceases to exist as provided in this section 10.7, the Creditors' Representative(s) will be deemed the successor of the Committee in respect of any proposed amendment, modification or withdrawal of the Plan or any dispute relating to the implementation, execution, consummation or interpretation of the Plan and making Distributions hereunder.

H. Admissibility. In the event the Confirmation Order is not entered, the provisions of this Plan will be of no force or effect. Any statement made herein by the Debtor will be

deemed to be a statement made in connection with a settlement or compromise and will not be admissible in any subsequent proceeding.

I. Section 1146 Exemption. Pursuant to Bankruptcy Code § 1146(c): (a) the issuance, transfer, or exchange of notes or equity securities under the Plan; (b) the creation of any mortgage, deed of trust, lien, pledge, or other security interest; (c) the making or assignment of any contract, lease or sublease; or (d) the making or delivery of any deed or other instrument of transfer under, in the furtherance of, or in connection with, the Plan, will not be subject to any stamp tax, or other similar tax or any tax held to be a stamp tax or other similar tax by applicable law.

XI. RELEVANT FINANCIAL INFORMATION

Included herewith for the review of all holders of Claims and Interests and all other recipients of this Disclosure Statement are the following financial statements which are incorporated herein and made a part hereof:

a. Estimated Liquidation Analysis of the Debtor, which will be provided no later than 10 days prior to the hearing on this Disclosure Statement; and

b. The Debtor's Schedules and SOFA, which are annexed hereto as Exhibit B and C, respectively, to this Disclosure Statement.

XII. ALTERNATIVES TO THE PROPOSED PLAN

If the Plan is not confirmed by the Bankruptcy Court, the alternatives would be (i) a conversion of the Debtor's Chapter 11 case to Chapter 7, requiring the forced liquidation of the Debtor's assets by a trustee in bankruptcy or (ii) dismissal of the Debtor's Chapter 11 case.

If the Debtor's case was converted to a Chapter 7 liquidation, a trustee would be appointed to sell the property of the Estate. This would result in the accumulation of additional administrative expenses in the bankruptcy case, which would have priority over the other claims

against the Debtor. This would reduce the distribution to creditors if the sales price of the property in a Chapter 7 case is less than the amount of claims against the Debtor's estate. In addition, the Debtor would not contribute any of his potential future income to the Liquidating Trust. Moreover, the Non-Debtor Contribution would not be available for distribution on a voluntary basis and the cost of litigation to attempt recovery of same would be substantial.

If the Debtor's Chapter 11 case is dismissed, the Debtor's property will likely be sold at one or more foreclosure or auction sales, which would likely result in a much lower purchase price for the Property than the aggregate amount of consideration to be contributed by Michael Vick and would not generate sufficient proceeds to pay all creditors more than they would receive under the Debtor's Plan. Moreover, only a few creditors who obtained judgments and perfected those judgments against the properties would be paid because the preference actions to avoid the liens pursuant to § 547 of the Bankruptcy Code would be lost.

The Debtor believes that its plan is preferable to creditors than conversion or dismissal, which would result in protracted litigation and very little distribution, if any, to unsecured creditors.

XIII. CONFIRMATION REQUIREMENTS

In order to obtain confirmation of the Plan, the requirements of § 1129 of the Bankruptcy Code all must be satisfied. These requisites include, but are not limited to, findings that the Plan complies with the applicable provisions of Chapter 11 of the Bankruptcy Code and that the Plan has been proposed in good faith and not by any means forbidden by law.

A. Best Interest Test. Before the plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each Class, that each holder of a Claim or Interest of such Class either (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such Claim or Interest, property of a value, as of the Effective

Date, that is not less than the amount that such person would receive or retain if the Debtor was, on the Effective Date, liquidated under Chapter 7 of the Bankruptcy Code. The Debtor believes that this test will be satisfied.

B. Acceptance by Impaired Classes. The Bankruptcy Code generally requires as a condition to confirmation that each Class of Claims or Interests that is impaired under the Plan accept the Plan with the exception described in the following section. A Class of Claims has accepted the Plan if the Plan has been accepted by creditors (other than insiders of the Debtor) that hold at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims of such Class who actually vote to accept or to reject the Plan. Holders of Claims who fail to vote are not counted as either accepting or rejecting the Plan. Under the Plan, Class 1 Claims, Class 2 Claims, Class 3 Claims, and Class 4 Claims, Class 5 Claims, Class 6 Claims, Class 7 Claims and Class 8 Claims are Impaired and entitled to vote on the Plan.

C. Confirmation Without Acceptance by All Impaired Classes. The Bankruptcy Code contains provisions which could enable the Bankruptcy Court to confirm the Plan, even though the Plan has not been accepted by all Impaired classes, provided that the Plan has been accepted by at least one Impaired Class of Claims, excluding the votes of Insiders. The Debtor believes that the Plan will be able to meet the statutory standards set forth in the Bankruptcy Code.

Section 1129(b)(1) of the Bankruptcy Code states:

> Notwithstanding section 510(a) of this title, if all of the applicable requirements of subsection (a) of this section other than paragraph (8) are met with respect to a plan, the court, on request of the proponent of the plan, shall confirm the plan notwithstanding the requirements of such paragraph if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under and has not accepted the plan.

This section makes clear that a plan must be confirmed notwithstanding the failure of an impaired class to accept the Plan, so long as: (i) at least one impaired class of claims votes to accept the Plan; (ii) the Plan does not discriminate unfairly; and (iii) the Plan is "fair and equitable" with respect to each class that is impaired under, and has not accepted, the Plan. This "fair and equitable" requirement applies only with respect to dissenting Classes of Claims and Interests.

Under the provisions of the Plan, all of the applicable requirements of subsection (a) of §1129 will be met, with possibly the single exception stated and allowed by subsection (b) in the event that one or more classes of claims of interests votes to reject the Plan. The Plan does not discriminate unfairly because similarly situated creditors are treated identically

Accordingly, the Debtor will seek to have the Plan confirmed pursuant to § 1129(b) of the Bankruptcy Code in the event that one or more classes of claims or interests votes to reject the Plan.

XIV. CREDITORS' COMMITTEE

As of the date of this Disclosure Statement, the Creditors' Committee has not indicated whether it supports the Plan. The Plan does not contemplate the existence of a creditors' committee after the Confirmation Date.

XV. THE SOLICITATION; VOTING PROCEDURES

A. Solicitation of Votes. In general, a holder of a claim or interest may vote to accept or to reject a plan if (1) the claim or interest is an "allowed" claim, which means generally that no party in interest has objected to such claim or interest and (2) the claim or interest is impaired by the plan of reorganization. If, however, the holder of an impaired claim or interest will not receive or retain any distribution under the plan on account of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan, and, accordingly, holders of such

claims and interests do not actually vote on the plan. If a claim or interest is not impaired by the plan, the Bankruptcy Code deems the holder of such claim or interest to have accepted the plan and, accordingly, holders of such claims and interests are not entitled to vote on the plan.

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless (1) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (2) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

Claims in Classes 1 through 8 are impaired under the Plan and Holders of such Claims that are neither Disputed Claims or Disallowed Claims are entitled to vote on the Plan. Any Claim as to which an objection has been timely filed before confirmation of the Plan will not be entitled to vote; provided, however, that if a Rule 3018(a) Motion is filed on account of such Claim, the Holder of such Claim will be entitled provisionally to vote on the Plan and, to the extent such Rule 3018(a) Motion is decided in favor of such Claimholder, the ballot cast on account of such Claim will be counted in determining whether the requirements of section 1126(c) of the Bankruptcy Code have been met. Any holder of a Claim that is the subject of an objection must file a Rule 3018(a) Motion for purposes of having its Claim temporarily Allowed for voting purposes on or before December _____, 2008 at 5:00 p.m. (Eastern Time).

Holders of Claims in Classes 1 through 8 will be furnished with a copy of the Disclosure Statement together with related materials, as well as a Ballot to cast their vote (and pre-addressed, postage-prepaid return envelope) appropriate for the specific creditor.

B. Voting Deadline. All votes to accept or reject the Plan must be cast by using the Ballot enclosed with the Disclosure Statement. NO other votes will be counted. Ballots must be RECEIVED by Crowell & Moring LLP, 153 East 53rd Street, New York, NY 10022 (Attn: Michael V. Blumenthal, Esq.) by December _____, 2008 at 4:00 pm. (Eastern time) (the "Voting Deadline").

The Debtor reserves the absolute right to extend, by oral or written notice to Crowell & Moring the period of time (on a daily basis, if necessary) during which Ballots will be accepted for any reason including, but not limited to, determining whether or not the requisite acceptances have been received by advising the Committee and the UST (by email or orally) of such extension no later than 9:00 a.m. (Eastern time) on the first Business Day after the previously announced Voting Deadline. Without limiting the manner in which the Debtor may choose to make such announcement, the Debtor will not have any obligation to publish, advertise or otherwise communicate any such announcement.

C. Voting Procedures. The failure of a Holder of a Claim in Classes 1 through 8 to deliver a duly executed Ballot will be deemed to constitute an abstention by such Holder with respect to voting on the Plan and such abstentions will not be counted as votes for or against the Plan.

Each voting Claimholder should provide all of the information requested by the Ballots. Each voting Claimholder should complete and return in the return envelope provided with each such allot. IN NO CASE SHOULD A BALLOT BE DELIVERED TO ANY ENTITY OTHER THAN CROWELL & MORING.

Ballots that are signed, dated and timely received, but on which a vote to accept or reject has not been indicated, will not be counted. Except as provided below, unless the appropriate

Ballot is timely submitted to Crowell & Moring before the Voting Deadline, the Debtor may, in his sole discretion, reject such a Ballot as invalid, and therefore decline to utilize it in connection with seeking confirmation of the Plan.

D. Fiduciaries and Other Representatives. If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or another acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, unless otherwise determined by the Debtor must submit proper evidence satisfactory to the Debtor of authority to so act.

E. Waivers of Defects, Irregularities, Etc. Unless otherwise directed by the Bankruptcy Court, all questions as to validity, form, eligibility (including time of receipt), acceptance and revocation or withdrawal of Ballots will be determined by Crowell & Moring and the Debtor in his sole discretion, which determination will be final and binding. As indicated below in "Withdrawal of Ballots; Revocation," effective withdrawals of Ballots must be delivered to Crowell & Moring prior to the Voting Deadline. The Debtor reserves the absolute right to contest the validity of any such withdrawal. The Debtor also reserves the right to reject to any and all Ballots not in proper form, the acceptance of which would, in the opinion of Debtor and his counsel, be unlawful. The Debtor further reserves the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation (including the Ballot and the respective instructions thereto) by the Debtor, unless otherwise instructed by the Bankruptcy Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with the deliveries of Ballots must be cured within such time as the Debtor(or the Bankruptcy Court) determines. Neither the Debtor nor any other person will be under any duty to provide notification of defects or irregularities with respect to

deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not therefore been cured or waived) will be invalidated.

F. Withdrawal of Ballots; Revocation. Any party who has delivered a valid Ballot for the acceptance or rejection of the Plan may withdraw such acceptance or rejection by delivering written notice of withdrawal to Crowell & Moring (Attn: Michael Blumenthal) at any time prior to the Voting Deadline. A notice of withdrawal, to be valid, must (i) contain the description of the Claim(s) to which it relates and the aggregate principal amount represented by such Claim(s), (ii) be signed by the withdrawing party in the same manner as the Ballot being withdrawn, (iii) contain a certification that the withdrawing party owns the Claim(s) and possess the right to withdraw the vote sought to be withdrawn and (iv) be received by Crowell & Moring. As stated above, the Debtor expressly reserves the absolute right to contest the validity of any such withdrawals of Ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of Ballots which is not received in a timely manner by Crowell & Moring, will not be effective to withdraw a previously cast Ballot.

Any party who has previously submitted to Crowell & Moring prior to the Voting Deadline a properly completed Ballot may revoke such Ballot and change his or its vote by submitting to Crowell & Moring prior to the Voting Deadline, a subsequently properly completed Ballot for acceptance or rejection of the Plan. In the case where more than one

timely, properly completed Ballot is received, only the Ballot which bears the latest date will be counted for purposes of determining whether the requisite acceptances have been received.

XVI. CONCLUSION

The formation of the Plan was the result of careful review and analysis by the Debtor. The Debtor respectfully requests that you vote to accept the Plan.

Dated: Norfolk Virginia
November 12, 2008

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