

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
	:	
AMERICAN MORTGAGE ACCEPTANCE	:	Case No. 10-12196 (MG)
COMPANY,	:	
	:	
Debtor.	:	

PLAN OF REORGANIZATION
FOR AMERICAN MORTGAGE ACCEPTANCE COMPANY

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April 26, 2010

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American Mortgage Acceptance Company, the above captioned debtor and debtor-in-possession, proposes the following plan of reorganization pursuant to Bankruptcy Code section 1121.

ARTICLE I
DEFINITIONS

A. As used in this Plan, the following terms (which appear in this Plan as capitalized terms) shall have the meanings specified below:

- i. **“ACF”** means AMAC Capital Financing I.
- ii. **“Administrative Claim”** means any Claim for an administrative expense of the kind described in Bankruptcy Code section 503(b), including, without limitation, any actual and necessary costs and expenses of preserving the Debtor's estate incurred after the commencement of the Case and prior to confirmation of this Plan, any actual and necessary costs of operating the Debtor's business after the commencement of the Case and prior to confirmation of this Plan, any indebtedness or obligations incurred by the Debtor in connection with the operation of its business or for the acquisition or lease of property or the rendition of services after the commencement of the Case and prior to confirmation of this Plan, any fees and expenses allowed

under Bankruptcy Code sections 330 and 331, and any fees due to the Office of the United States Trustee under 28 U.S.C. § 1930(a)(6).

iii. **“Advisory Agreement”** means that certain Advisory Services Agreement between the Debtor and Centerline/AMAC Manager Inc., pursuant to which Centerline/AMAC Manager Inc. manages the Debtor.

iv. **“Allowed”** means, with reference to any Claim, (a) any Claim to the extent it has not been withdrawn, paid in full or otherwise deemed satisfied in full and proof of which has been filed on or before the date designated by the Bankruptcy Court for filing proofs of claim (or, if not filed by such date, filed by such other date as the Bankruptcy Court orders), or, if no proof of claim is filed, any Claim that has been or hereafter is listed by the Debtor on its Schedules as liquidated in amount, not disputed and not contingent and, in all cases, a Claim as to which no objection has been filed, or as to which an objection has been filed and such Claim has been allowed in whole or in part by a Final Order, but only to the extent allowed by such Final Order, and (b) any Claim allowed pursuant to this Plan.

v. **“Bankruptcy Code”** means title 11 of the United States Code, as in effect on the Petition Date.

vi. **“Bankruptcy Court”** means the United States Bankruptcy Court for the Southern District of New York, or any other court having jurisdiction over this case.

vii. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure, the Local Rules of Civil Procedure of the United States District Court for the Southern District of New York, the Local Rules of Bankruptcy Procedure for the United States Bankruptcy Court for the Southern District of New York, and any standing orders of the Bankruptcy Court, each of the foregoing as in effect on the Petition Date.

viii. **“Business Day”** means any day other than a Saturday, a Sunday or a legal holiday (as that term is defined in Bankruptcy Rule 9006(a)).

ix. **“Case”** means the chapter 11 case commenced by the Debtor on the Petition Date and pending before the Bankruptcy Court.

x. **“Cash”** means currency of the United States of America and cash equivalents.

xi. **“C-III”** means C-III Capital Partners LLC.

xii. **“C-III Exchange Agreement”** means that certain agreement by and among the Reorganized Debtor and C-III, dated April __, 2010, annexed to the Disclosure Statement as Exhibit B.

xiii. **“Claim”** means (a) any right to payment or return of property from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

xiv. **“Class”** means each class of Allowed Claims or Equity Interests established pursuant to Article III of this Plan.

xv. **“Confirmation Date”** means the date upon which the Confirmation Order is entered by the Bankruptcy Court.

xvi. **“Confirmation Order”** means the order of the Bankruptcy Court confirming this Plan pursuant to Bankruptcy Code section 1129.

xvii. **“Creditor”** means an entity that has a Claim against (a) the Debtor that arose at the time of or before the Petition Date or (b) the Debtor's estate of a kind specified in Bankruptcy Code section 502(g), (h) or (i).

xviii. **“Debtor”** means American Mortgage Acceptance Company, as debtor and debtor-in-possession under the Bankruptcy Code.

xix. **“Disclosure Statement”** means the Disclosure Statement For Plan of Reorganization approved by the Bankruptcy Court in connection with this Plan pursuant to Bankruptcy Code section 1125, and any exhibits or duly authorized amendments thereto.

xx. **“Disputed”** means, with reference to any Claim, a Claim that is not an Allowed Claim. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Disputed Claim only to the extent of the objection unless there is another basis to designate such Claim as a Disputed Claim.

xxi. **“Effective Date”** means (a) the first Business Day after ten days have elapsed following the Confirmation Date provided no stay of the Confirmation Order is in effect or, (b) if the Confirmation Order has been stayed by a court of competent jurisdiction, the first Business Day following the date on which such stay is no longer in effect; provided, however, that if on or prior to such date all conditions to the Effective Date set forth in Article IX of this Plan have not been satisfied or waived in accordance with the terms of section IX of this Plan, then the Effective Date shall be the first Business Day following the day on which all such conditions to the Effective Date have been satisfied or waived.

xxii. **“Entity”** means a person (as defined in Bankruptcy Code section 101(41)), estate, trust, governmental unit (as defined in Bankruptcy Code section 101(27)), and the United States trustee.

xxiii. **“Equity Interest”** means the equity interests in the Debtor, including, but not limited to, shares of common stock and shares of preferred stock of the Debtor and any rights, options, warrants, calls, subscriptions or other similar rights or agreements, commitments or outstanding securities obligating the Debtor to issue, transfer or sell any shares of capital stock of the Debtor.

xxiv. **“Estate Assets”** means all property (real and personal) in which the Debtor has any right, claim or interest, whether fixed, liquidated or contingent.

xxv. **“Final Order”** means an order, ruling, judgment or decree of the Bankruptcy Court which has not been reversed, stayed, modified or amended and as to which the time to appeal or to seek certiorari has expired and as to which no appeal or petition for certiorari or rehearing is pending or as to which any right to appeal or to seek certiorari or rehearing has been waived in writing in a manner satisfactory to the Debtor.

xxvi. **“Junior Sub Note”** means that certain Floating Rate Junior Subordinated Note due 2035, in the original principal amount of \$25,780,000.00 issued to ACF.

xxvii. **“New Common Stock”** means the shares of common stock of the Reorganized Debtor to be issued by the Reorganized Debtor pursuant to this Plan.

xxviii. **“New Preferred Shares”** means the new preferred stock to be issued by the Reorganized Debtor as soon as practical after the Effective Date. The New Preferred Shares will have a liquidation preference of \$1,000.00 per share and will carry an annual dividend rate of 12.5% of the liquidation preference.

xxix. **“Old Common Stock”** means the Debtor's existing common stock.

xxx. **“Petition Date”** means April 26, 2010.

xxxi. **“Plan”** means this Plan of Reorganization and any exhibits or duly authorized amendments hereto.

xxxii. **“Priority Non-Tax Claim”** means any Claim entitled to priority under Bankruptcy Code sections 507(a)(3), (4), (5), (6), (7) or (9) to the extent it is an Allowed Claim.

xxxiii. **“Record Date”** means the Confirmation Date.

xxxiv. **“Releasee”** means, solely in their capacity as representatives of the Debtor, each of the Debtor's current and former officers, directors and employees.

xxxv. **“Reorganized Debtor”** means the Debtor on and after the Effective Date.

xxxvi. **“Schedules”** means the schedules of assets and liabilities and the statement of financial affairs, as may be amended, filed by the Debtor with the Bankruptcy Court pursuant to Bankruptcy Code section 521 and Bankruptcy Rule 1007.

xxxvii. **“Secured Claim”** means that portion of a Claim that is secured by a valid perfected lien on property of the Debtor, to the extent of the value of the interest of the holder of such Claim in such property of the Debtor, as determined by agreement between the Debtor and the holder of such Claim or by the Bankruptcy Court by a Final Order under Bankruptcy Code section 506.

xxxviii. **“Taberna”** means Taberna Preferred Funding I, Ltd.

xxxix. **“Tax”** means any tax, charge, fee, levy, impost or other assessment by any federal, state, local or foreign taxing authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, ad valorem, estimated, severance, stamp, occupation and withholding tax. “Tax” shall include any interest or additions attributable to, imposed on or with respect to such assessments.

xl. **“Tax Claim”** means a Claim for any Tax entitled to priority under Bankruptcy Code section 507(a)(8) to the extent it is an Allowed Claim.

xli. **“Unclaimed Property”** means any Cash (together with any interest earned thereon) that is unclaimed within six months after such Cash is distributed, and shall include: (a) checks (and the funds represented thereby) that have been returned as undeliverable; (b) funds for checks that have not been paid or negotiated; and (c) checks (and the funds represented thereby) that were not mailed or delivered because of the absence of a proper address to which to mail or deliver the same.

xlii. **“Unsecured Claim”** means an Allowed Claim that is not a Secured Claim, an Administrative Claim, a Tax Claim, or a Priority Non-Tax Claim.

B. Terms not defined herein which are defined in the Disclosure Statement shall have the meaning assigned to such term in the Disclosure Statement. A term used in this Plan that is not defined in this Plan or the Disclosure Statement but that is defined in the Bankruptcy Code or Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules.

ARTICLE II ADMINISTRATIVE CLAIMS AND ALLOWED TAX CLAIMS

A. **Administrative Claims.** Administrative Claims are not classified under this Plan and have no right to accept or reject this Plan. Each Entity holding an Allowed Administrative Claim shall be paid (1) in full in Cash on the later of (a) the Effective Date and (b) the date of the entry of a Final Order allowing and determining such Administrative Claim, or (2) on such other less favorable terms as may be agreed to by and among the Debtor and such Entity; provided, however, that Administrative Claims representing liabilities incurred by the Debtor in the

ordinary course of its business during the Case shall be paid by the Debtor in accordance with the terms and provisions of the particular transactions and agreements relating thereto.

B. **Allowed Tax Claims.** Allowed Tax Claims are not classified under this Plan and have no right to accept or reject this Plan. Any Entity holding an Allowed Tax Claim shall receive, (1) at the option of the Debtor, (a) payment in full in Cash on the later of (i) the Effective Date of this Plan and (ii) the date of entry of a Final Order allowing and determining such Tax Claim or (b) deferred Cash payments in quarterly installments over a period ending not later than five years after the Petition Date of a total value, as of the Effective Date, equal to the amount of such Allowed Tax Claim, or (2) payment on such other less favorable terms as may be agreed to by and among the Debtor and such Entity.

ARTICLE III CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

All Allowed Claims against the Debtor, other than Administrative Claims and Allowed Tax Claims, and all Equity Interests in the Debtor, of whatever nature, are classified for all purposes, including voting (unless otherwise specified), confirmation, and distribution pursuant to the Plan, as follows:

A. **Class 1 - Allowed Priority Non-Tax Claims.** Class 1 consists of any and all unpaid Allowed Priority Non-Tax Claims. This Class is not impaired under and is conclusively presumed to have accepted the Plan, and the Debtor is not required to solicit acceptances from any holders of any Claims in this Class.

B. **Class 2 - Allowed Unsecured Claims of Taberna.** Class 2 consists of any and all Allowed Unsecured Claims of Taberna, including Claims on account of the Junior Sub Note and the Preferred Securities. This Class is impaired under and is entitled to vote on the Plan.

C. **Class 3 - Allowed Unsecured Claims of C-III.** Class 3 consists of any and all Allowed Unsecured Claims of C-III. This class is impaired under and is entitled to vote on the Plan.

D. **Class 4 - Allowed Unsecured Claims.** Class 4 consists of all Allowed Unsecured Claims other than the Allowed Unsecured Claims of C-III and Taberna. This Class is not impaired under and is conclusively presumed to have accepted the Plan, and the Debtor is not required to solicit acceptances from any holders of Claims in this Class.

E. **Class 5 - Allowed Equity Interests.** Class 5 consists of all Allowed Equity Interests. This class is impaired under and is deemed not to have accepted the Plan pursuant to Bankruptcy Code section 1126(g).

ARTICLE IV TREATMENT OF CLASSES OF CLAIMS AND EQUITY INTERESTS

In full satisfaction and discharge of all of the Claims against or Equity Interests in the Debtor:

A. **Class 1 - Allowed Priority Non-Tax Claims.** In full and complete satisfaction of its Claim, on the later of the Effective Date and the date such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, any Entity holding an Allowed Priority Non-Tax Claim will receive Cash equal to the Allowed amount of such Priority Non-Tax Claim, except to the extent that such holder of an Allowed Non-Priority Tax Claim has been paid by the Debtor prior to the Effective Date and except to the extent such holder agrees to less favorable treatment.

B. **Class 2 - Allowed Unsecured Claims of Taberna.** In full and complete satisfaction of Taberna's Allowed Unsecured Claims, on the Effective Date the Reorganized Debtor will transfer to Taberna and Taberna will receive, free and clear of any claims, liens or

other interests, CMBS bonds KEYC 2007-SL1 D (CUSIP 49307RAF4), KEYC 2007-SL1 E (CUSIP 49307RAG2) and KEYC 2007-SL1 F (CUSIP 49307RAH0). The Reorganized Debtor also will transfer \$100,000.00 to Taberna Capital Management, LLC.

C. **Class 3 - Allowed Unsecured Claims of C-III.** In full and complete satisfaction of C-III's Allowed Unsecured Claims, on the Effective Date the Reorganized Debtor will transfer to C-III and C-III will receive the New Common Stock from the Reorganized Debtor under and pursuant to the terms of the C-III Exchange Agreement.

D. **Class 4 - Allowed Unsecured Claims.** In full and complete satisfaction of its Claim, on the later of the Effective Date and the date such Claim becomes an Allowed Unsecured Claim, each Entity holding an Allowed Unsecured Claim will receive Cash equal to the Allowed amount of such Unsecured Claim, except to the extent that such holder of an Allowed Unsecured Claim has been paid by the Debtor prior to the Effective Date and except to the extent such holder agrees to less favorable treatment. Centerline/AMAC Manager Inc. and Centerline Servicing LLC have agreed that they will receive no distribution under the Plan.

E. **Class 5 - Allowed Equity Interests.** On the Effective Date, Equity Interests will be cancelled and deemed extinguished. Holders of Equity Interests will receive no distribution and will retain no property under the Plan.

ARTICLE V MEANS FOR EXECUTION OF THIS PLAN

A. **Distributions.** The Reorganized Debtor shall make all distributions required by this Plan. All costs and expenses in connection with such distributions shall be borne by the Reorganized Debtor. Whenever payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction down to the nearest whole cent.

Pursuant to Bankruptcy Code section 347, except as otherwise provided herein, in the event and at such time as any distribution under this Plan becomes Unclaimed Property, the Entity to which such distribution was to have been made shall forfeit all rights thereto, and to any and all future payments, and thereafter the Claim in respect of which such distribution was to have been made shall be treated as disallowed. Such Unclaimed Property shall become the property of the Reorganized Debtor.

B. Actions By Debtor and Issuance of New Preferred Shares. On the Effective Date, the following shall occur: (1) the Reorganized Debtor will make all distributions called for under the Plan and (2) the Reorganized Debtor will issue the New Common Stock to C-III under and pursuant to the terms of the C-III Exchange Agreement. As soon as practicable, but not more than thirty days, after the Effective Date, the Reorganized Debtor will issue the New Preferred Shares. The Reorganized Debtor will maintain its REIT status. On the Effective Date, the Reorganized Debtor shall be authorized and directed to execute and to deliver all documents and agreements and issue and deliver all securities contemplated by this Plan.

C. Objections to Claims. From and after the Effective Date, the Reorganized Debtor shall be responsible for pursuing any objections to Claims. Objections to Claims, if any, with the exception of any Claim to which an objection may be filed under Bankruptcy Code section 502(d) (as to which Claims an objection need not be filed within the time period set forth hereinafter), shall be filed with the Bankruptcy Court and served upon each holder of a Disputed Claim on or before the 120th day after the Effective Date. The Reorganized Debtor shall have the right to petition the Bankruptcy Court for an extension of such date if a complete review of all Claims cannot be completed by such date.

Except as otherwise set forth herein, objections to Claims which are not filed on or before the 120th day after the Effective Date are barred, precluded and may not be raised. With respect to any Claim for which no objection is filed within such time, such Claim shall be deemed an Allowed Claim for the amount specified in a timely filed proof of Claim with respect to such Claim, or, if no timely filed proof of Claim exists, in the amount specified in the Schedules, unless the Claim was specified in the Schedules as being disputed, contingent or unliquidated.

If no timely filed proof of Claim exists, and the Claim either (i) was not listed in the Schedules or (ii) was specified in the Schedules as being disputed, contingent or unliquidated, the Claim shall be barred and no distribution shall be made thereon if the Creditor holding such Claim received proper notice of the Case. With respect to any Claim for which a timely objection (which shall expressly be deemed to include any application, motion or complaint seeking subordination of a Claim) is filed (i.e., a Disputed Claim), no distribution shall be made to the holder of any such Disputed Claim, in whole or in part, until the entry of a Final Order or judgment determining the allowed amount of such Disputed Claim. Upon final determination of the allowed amount of the Disputed Claim, payment will be made to the holder of the Disputed Claim to the extent necessary to pay the allowed amount of such Claim as allowed.

For the avoidance of doubt, the Debtor acknowledges and agrees that it has no objection to any Class 2 Claim or any Class 3 Claim, and/or that any such objection is waived. Centerline/AMAC Manager Inc. and Centerline Servicing LLC have agreed that they will receive no distribution under the Plan on account of their Unsecured Claims and that such Claims will be extinguished by confirmation of the Plan.

D. Survival of Indemnification and Contribution Obligations. Notwithstanding anything to the contrary contained in this Plan, the obligations of the Debtor to indemnify and/or

provide contribution to its present or former directors, officers, agents, employees and representatives, pursuant to the Certificate of Incorporation, By-Laws, applicable statutes or contractual obligations, in respect of all past, present and future actions, suits and proceedings against any of such directors, officers, agents, employees and representatives, based upon any act or omission that occurred prior to the Petition Date and related to service with, for or on behalf of the Debtor, shall not be discharged or impaired by confirmation or consummation of this Plan but shall survive unaffected by the reorganization contemplated by this Plan and shall be treated as, and deemed to be, Allowed Unsecured Claims that are unimpaired pursuant to this Plan.

E. **Exculpation.** The Debtor, C-III, Centerline/AMAC Manager Inc., Centerline Holding Company, Centerline Servicing LLC, Taberna and Taberna Capital Management LLC, and their respective members, partners, officers, directors, employees, trustees, investors, bondholders and agents (including any attorneys, financial advisors, investment bankers and other professionals retained by such Persons) and their successors and assigns are hereby released from and shall have no liability to the Debtor, the Reorganized Debtor, any holder of any Claim or Equity Interests for any act or omission in connection with, or arising out of the Case, the Disclosure Statement, the Plan, the Class 2 Claims, the solicitation of votes for and the pursuit of confirmation of this Plan, the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, except for willful misconduct or fraud as determined by a Final Order of the Bankruptcy Court and, in all respects, shall be entitled to rely on the advice of counsel with respect to their duties and responsibilities under this Plan.

F. **Cancellation of Existing Securities and Agreements and Discharge of Trustees.** Except for purposes of evidencing a right to distributions under the Plan or as otherwise expressly provided under the Plan, on the Effective Date all of the agreements and

other documents evidencing Claims or Equity Interests, including, but not limited to, (i) the Amended and Restated Trust Agreement, dated as of March 16, 2005 (the “Trust Agreement”), among the Debtor, The Bank of New York Mellon Trust Company, National Association (formerly known as JPMorgan Chase Bank, National Association, “BNYM”) as property trustee, BNY Mellon Trust of Delaware (formerly known as Chase Bank USA, National Association, “BNY Delaware”) as Delaware trustee, and certain individuals (the “Administrative Trustees”) as administrative trustees, (ii) the Junior Subordinated Indenture, dated as of March 16, 2005 (the “Indenture”), between the Debtor and BNYM as trustee, (iii) the Floating Rate Preferred Securities (the “Preferred Securities”) issued by ACF to Taberna pursuant to the Trust Agreement, (iv) the Floating Rate Common Securities (the “Common Securities”) issued by ACF to the Debtor pursuant to the Trust Agreement, (v) the Junior Sub Note issued by the Debtor to ACF pursuant to the Indenture, and (vi) the Old Common Stock, shall be cancelled and cease to be of further effect. On the Effective Date, any trustee under any such documents, including BNYM as property trustee under the Trust Agreement and as trustee under the Indenture; BNY Delaware as Delaware trustee under the Trust Agreement; and the Administrative Trustees, shall be discharged from any and all rights, liabilities, duties and obligations under such documents.

G. Taberna and The Debtor Treated as Owners of Junior Sub Note and Action By Trustees. In accordance with Section 9.2(a) of the Trust Agreement, the Delaware statutory trust known as AMAC Capital Financing I, i.e., ACF, which issued the Preferred Securities to Taberna, shall be dissolved upon the occurrence of a Bankruptcy Event (as defined in the Trust Agreement) of the Debtor. Section 9.4 of the Trust Agreement provides that in the event of such a dissolution, ACF shall be liquidated by BNYM by distributing the property of ACF, i.e., the

Junior Sub Note, to the holders of the Preferred Securities and the Common Securities. Therefore, for all purposes of this Plan, including voting and distribution, Taberna and the Debtor will be treated as the owners of the Junior Sub Note and Taberna will be treated as owner of the Preferred Securities, as applicable, in accordance with the terms of the Trust Agreement and the Indenture. In addition, BNYM and BNY Delaware shall be deemed to have taken all actions necessary by them under the Trust Agreement and the Indenture to effectuate the provisions of the Plan, including all actions necessary to effectuate the cancellation of the Preferred Securities and the distribution of the Junior Sub Note and the liquidation of the trust established pursuant to the Trust Agreement. To the extent BNYM or BNY Delaware are owed any fees or expenses pursuant to the Indenture or the Trust Agreement, the Reorganized Debtor shall be responsible for the payment of such fees and expenses. To the extent that any such trustee fees and expenses exceed \$10,000.00, Taberna shall reimburse the Debtor for such excess.

**ARTICLE VI
TREATMENT OF EXECUTORY
CONTRACTS AND UNEXPIRED LEASES**

The Debtor will seek Bankruptcy Court approval to assume or reject any executory contracts or leases of nonresidential real property that have not been assumed or rejected as of the Confirmation Date. The Debtor will seek to assume any contracts or leases that have value or add value to other property of the Debtor. The Debtor will seek to reject any contracts or leases that are of no value to the Debtor and its estate. Confirmation of the Plan will constitute the rejection of the Advisory Agreement, effective as of the Confirmation Date.

ARTICLE VII
EFFECTS OF PLAN CONFIRMATION

A. **Discharge.** Except as otherwise expressly provided in this Plan or the Confirmation Order, upon the occurrence of the Effective Date, the Debtor shall be discharged, effective immediately, from any Claim and any “debt” (as that term is defined in Bankruptcy Code section 101(12)), and the Debtor's liability in respect thereof shall be extinguished completely, whether reduced to judgment or not, liquidated or unliquidated, contingent or non-contingent, asserted or unasserted, fixed or not, matured or unmatured, disputed or undisputed, legal or equitable, known or unknown, that arose from any agreement of the Debtor entered into or obligation of the Debtor incurred before the Confirmation Date, or from any conduct of the Debtor prior to the Confirmation Date, or that otherwise arose before the Confirmation Date, including, without limitation, all interest accrued and expenses incurred, if any, on any such debts, whether or not a proof of claim was filed or is deemed filed under Bankruptcy Code section 501, such claim is allowed under Bankruptcy Code section 502 or the Entity holding such Claim has accepted this Plan. Without limiting the foregoing, the Debtor shall be discharged from all debts in accordance with section 1141 of the Bankruptcy Code.

B. **Revesting.** Except as otherwise expressly provided in this Plan or the Confirmation Order, on the Effective Date, without any further action, the Reorganized Debtor will be vested with all Estate Assets free and clear of all Claims, liens and Interests and may operate its business and may use, acquire or dispose of its assets free and clear of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Court. Except as otherwise expressly provided in this Plan or Confirmation Order, all claims against third parties on account of, and all causes of action owed to or in favor of, the Debtor (including, without limitation, any claims,

rights or causes of action arising under Bankruptcy Code sections 544, 547, 548, 549 and 550) are hereby preserved and retained for enforcement solely and exclusively by and at the discretion of the Reorganized Debtor and are vested in the Reorganized Debtor on the Effective Date.

C. **Releases.** From and after the Effective Date, each of the Releasees shall be released from any and all claims, obligations, suits, judgments, damages, rights, causes of action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or prior to the Effective Date in any way relating to, but solely to the extent relating to, the Debtor, the Case or this Plan, except for claims or liabilities (i) based upon fraud or wilful misconduct, (ii) in respect of any loan, advance or similar payment by the Debtor to any such Releasee or (iii) in respect of any contractual obligation owed by such Releasee to the Debtor.

D. **Injunctions and Stays.** Unless otherwise provided in this Plan or the Confirmation Order, all injunctions and stays provided for in the Case pursuant to Bankruptcy Code sections 105 and 362 or otherwise in effect on the Confirmation Date, shall remain in full force and effect until the Effective Date. From and after the Effective Date, Creditors and holders of Equity Interests are permanently enjoined from, and restrained against, commencing or continuing in any court or suit, action or other proceeding, or otherwise asserting any claim or interest, seeking to hold (a) the Debtor or the Reorganized Debtor, (b) the property of the Debtor or the Reorganized Debtor, or (c) any of the Releasees liable for any claim, obligation, right, interest, debt or liability that has been discharged or released pursuant to this Plan.

ARTICLE VIII
PROVISIONS COVERING DISTRIBUTIONS

A. **Timing of Distributions under this Plan.** Except as otherwise provided in this Plan and without in any way limiting this Plan, payments and distributions which are required by this Plan to be made on the Effective Date shall be made by the Debtor, the Reorganized Debtor or the Debtor's designee.

B. **Allocation of Consideration.** The aggregate consideration to be distributed to the holders of Allowed Claims in each Class under this Plan shall be treated as first satisfying an amount equal to the stated principal amount of the Allowed Claim for such holders and any remaining consideration as satisfying accrued, but unpaid, interest, if any.

C. **Payment of Statutory Fees.** All fees payable pursuant to 28 U.S.C. § 1930 as determined by the Bankruptcy Court at the Confirmation Hearing shall be paid by the Debtor on or before the Effective Date.

D. **Fractional Securities.** Notwithstanding any other provision of this Plan, only whole numbers of shares of New Common Stock will be issued or transferred, as the case may be, pursuant to this Plan. Reorganized Debtor will not distribute any fractional shares of New Common Stock. For purposes of distribution, fractional shares of New Common Stock shall be rounded up to the nearest share of New Common Stock.

E. **Withholding of Taxes.** Reorganized Debtor shall withhold from any property distributed under this Plan any property which must be withheld for taxes payable by the Entity entitled to such property to the extent required by applicable law. As a condition to making any distribution under this Plan, Reorganized Debtor or its designee, as the case may be, may request that the holder of any Allowed Claim provide such holder's taxpayer identification number and

such other certification as may be deemed necessary to comply with applicable tax reporting and withholding laws.

F. **Record Date.** As of the close of business on the Record Date, the transfer registers for the Old Common Stock maintained by the Debtor, or its respective agents, will be closed. Reorganized Debtor and its designees will have no obligation to recognize the transfer of any Old Common Stock occurring after the Record Date and will be entitled for all purposes relating to this Plan to recognize and deal only with those holders of record as of the close of business on the Record Date.

G. **Persons Deemed Holders of Registered Securities.** Except as otherwise provided herein, the Debtor, Reorganized Debtor or its designee, shall be entitled to treat the record holder of a registered security as the holder of the Claim or Equity Interest in respect thereof for purposes of all notices, payments or other distributions under this Plan unless the Debtor, Reorganized Debtor, or its designee, as the case may be, shall have received written notice specifying the name and address of any new holder thereof (and the nature and amount of the interest of such new holder) at least ten (10) Business Days prior to the date of such notice, payment or other distribution. In the event of any dispute regarding the identify of any party entitled to any payment or distribution in respect of any Claim or Interest under this Plan, no payments or distributions will be made in respect of such Claim or Interest until the Bankruptcy Court resolves that dispute pursuant to a Final Order.

ARTICLE IX CONDITIONS TO EFFECTIVENESS OF PLAN

The following conditions must occur and be satisfied or be waived by the Debtor for this Plan to become effective on the Effective Date.

1. **Final Order.** The Confirmation Order, in form and substance reasonably acceptable to the Debtor, shall have become a Final Order.

2. **Authorizations, Consents and Approvals.** All authorizations, consents and regulatory approvals required, if any, in connection with this Plan's effectiveness shall have been obtained.

**ARTICLE X
DEBTOR'S REQUEST PURSUANT TO
BANKRUPTCY CODE SECTION 1129(b)**

If all of the applicable requirements of Bankruptcy Code section 1129(a), other than section 1129(a)(8) thereof, are met with respect to this Plan, the Debtor requests that the Bankruptcy Court, pursuant to section 1129(b), confirm this Plan notwithstanding the requirements of section 1129(a)(8) if this Plan does not discriminate unfairly and is fair and equitable with respect to each class.

**ARTICLE XI
RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT**

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Case and any of the proceedings arising from, or relating to, the Case pursuant to Bankruptcy Code section 1142 and 28 U.S.C. section 1334 to the fullest extent permitted by the Bankruptcy Code and other applicable law, including, without limitation, such jurisdiction as is necessary to ensure that the purposes and intent of this Plan are carried out. Without limiting the generality of the foregoing, the Bankruptcy Court shall retain jurisdiction for the following purposes: (a) to hear and determine any and all objections to the allowance, or requests for estimation, of Claims; (b) to consider and act on the compromise and settlement of any Claim against, or cause of action on behalf of, the

Debtor and the Debtor's estate; (c) to determine any and all applications pending on the Confirmation Date for the rejection and disaffirmance, assumption or assignment of executory contracts or leases and the allowance of any Claim resulting therefrom; (d) to enter such orders as may be necessary or appropriate in connection with the recovery of the Debtor's assets or property wherever located; (e) to hear and determine any and all applications for allowance of compensation and reimbursement of expenses; (f) to hear and determine any and all controversies, suits and disputes arising under or in connection with the interpretation, implementation or enforcement of this Plan and any of the documents intended to implement the provisions of this Plan; (g) to hear and determine any and all applications, adversary proceedings, contested matters and other litigated matters pending on the Effective Date or that may be commenced thereafter as provided in this Plan; (h) to hear and determine any applications to modify any provision of this Plan to the full extent permitted by the Bankruptcy Code; (i) to correct any defect, cure any omissions or reconcile any inconsistency in this Plan, or any order of the Bankruptcy Court, including the Confirmation Order, as may be necessary to carry out the purposes and intent of this Plan; (j) to effectuate distributions under and performance of the provisions of this Plan; (k) to hear and determine any motions or contested matters involving taxes, tax refunds, tax attributes and tax benefits and similar and related matters with respect to the Debtor relating to the administration of the Case, including, without limitation, matters involving federal, state and local taxes in accordance with Bankruptcy Code sections 346, 505 and 1146; (l) to determine such other matters and for such other purposes as may be provided in the Confirmation Order or as may from time to time be authorized under the provisions of the Bankruptcy Code or any other applicable law; (m) to enforce all orders, judgments, injunctions, releases and rulings issued or entered in connection with the Case or this

Plan; (n) to enter such orders as may be necessary or appropriate in aid of confirmation and to facilitate implementation of this Plan, including, without limitation, any stay orders as may be appropriate in the event that the Confirmation Order is for any reason stayed, revoked, modified or vacated; (o) to determine any other matter not inconsistent with the Bankruptcy Code; and (p) to enter an order closing the Case.

ARTICLE XII MODIFICATION OR WITHDRAWAL OF THIS PLAN

A. **Modification of this Plan.** The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation Order with the prior written consent of Taberna and C-III. After entry of the Confirmation Order, the Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan as provided in Bankruptcy Code section 11127, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A holder of an Allowed Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

B. **Withdrawal of this Plan.** The Debtor reserves the right to revoke and withdraw this Plan at any time before the Confirmation Date. If the Debtor revokes or withdraws this Plan, then this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtor or any other Entity or to prejudice in any manner the rights of the Debtor or any Entity in any further proceedings involving the Debtor.

**ARTICLE XIII
MISCELLANEOUS**

A. **Effectuating Documents and Further Transactions.** Upon entry of the Confirmation Order, the Debtor and the Reorganized Debtor shall be authorized and instructed to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

B. **Governing Law.** Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights, duties and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the federal laws of the United States and, to the extent there is no applicable federal law, the laws of the State of New York, without giving effect to the principles of conflicts of laws thereof.

C. **Headings.** The headings of the articles, paragraphs, and sections of this Plan are inserted for convenience and reference only, and shall not affect the interpretation hereof.

D. **Severability.** Should any provision in this Plan be determined to be invalid, void or unenforceable, such determination shall in no way limit, affect, impair or invalidate the enforceability and operative effect of any or all other provisions of this Plan.

E. **Computations.** Any calculation of days shall exclude the first date and include the last date of the relevant period.

F. **Miscellaneous Rules of Construction.** (1) The words “herein,” “hereof,” and other words of similar import refer to this Plan as a whole, not to any particular section, subsection or clause, unless the context requires otherwise; (2) whenever it appears appropriate from the context, each term stated in the singular or the plural includes the singular and the

plural, and each pronoun stated in the masculine, feminine, or neuter includes the masculine, feminine, or neuter; (3) accounting terms not otherwise defined in this Plan shall have the meanings assigned to them under generally accepted accounting principles currently in effect; and (4) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply, unless superseded herein or in the Confirmation Order.

G. Confirmation Order and Plan Control. To the extent the Confirmation Order and/or this Plan is inconsistent with the Disclosure Statement, this Plan controls the Disclosure Statement, and the Confirmation Order (and any other orders of the Bankruptcy Court) controls this Plan. In the event the terms or provisions of this Plan are inconsistent with the terms and provisions of the exhibits to this Plan or documents executed in connection with this Plan, the terms of this Plan shall control.

H. Successors and Assigns. The rights, benefits, and obligations of any person or Entity named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the heir, executor, administrator, successor, or assign of such person or Entity.

I. No Waiver. The failure of the Debtor to object to a Claim for purposes of voting on this Plan shall not be deemed a waiver of the Debtor's right to object to or examine such Claim, in whole or in part.

J. Exemption from Transfer Taxes. Pursuant to Bankruptcy Code section 1146(c), the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, assignments, mortgages, deeds of trust or similar documents executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use or similar tax.

K. **Exhibits/Schedules.** Any exhibits and schedules to the Plan are incorporated into and are a part of the Plan as if set forth in full herein.

L. **Notices.** All notices and requests in connection with this Plan shall be in writing and shall be hand delivered or sent by mail to:

American Mortgage Acceptance Company

c/o Reid and Riege, P.C.
One Financial Plaza
Hartford, CT 06103
Attention: Eric Henzy, Esq.
Attorneys for the Debtor
Facsimile: (860) 240-1002
Email: ehenzy@reidandriege.com

c/o Platzer, Swergold, Karlin Levine,
Goldberg & Jaslow, LLP
1065 Avenue of the Americas
New York, New York 10018
Attention: Cliff A. Katz
Facsimile: (212) 593-0353
Email: ckatz@platzerlaw.com

Taberna Capital Management, LLC

450 Park Avenue, 11th Floor
New York, New York 10022
Attention: Raphael Licht
Facsimile: (215) 243-9039
Email: rlicht@raitft.com

With a copy to:

Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, Pennsylvania 19014
Attention: Ralph R. Mazzeo, Esq.
Facsimile: (215) 655-2417
Email: ralph.mazzeo@dechert.com

Dated at New York, New York, this 26th day of April, 2010.

AMERICAN MORTGAGE ACCEPTANCE COMPANY

By /s/ Robert L. Levy
Robert L. Levy
Its President and Chief Executive Officer