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9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 OAKLAND DIVISION

12 In re) Case No.: 10-41903
13) (Chapter 11)
14 ALMADEN ASSOCIATES, LLC,)
15 Debtor.) **COMBINED PLAN OF**
16) **REORGANIZATION AND DISCLOSURE**
17) **STATEMENT UNDER CHAPTER 11 OF**
18) **THE BANKRUPTCY CODE DATED**
19) **06/01/2010**

20 **INTRODUCTION**

21 This Combined Plan of Reorganization and Disclosure Statement Under Chapter 11 of
22 the Bankruptcy Code dated 6/1/2010 (the "Plan Document") provides for the restructuring of the
23 debts of ALMADEN ASSOCIATES, LLC (referred to herein as "Debtor"). This Plan Document
24 contains the Debtor's proposal with respect to payment of claims against the Debtor and the
25 Debtor's emergence from bankruptcy (as set forth in Section III herein, and as may be amended
26 from time to time, the "Plan") and has been preliminarily approved by the United States
27 Bankruptcy Court, Northern District of California ("Bankruptcy Court"), as containing adequate
28 information regarding the Plan to enable creditors to make a reasonably informed decision in
exercising their right to accept or reject the Plan.

Each recipient should carefully review and consider this Plan Document before voting the
ballot enclosed herewith.

1 confirmation of the Plan. Allowed administrative convenience creditors – unsecured creditors
2 owed \$1,000 or less – will also be paid a lump sum dividend for the full amount of their claims
3 shortly after confirmation.

4 The treatment of secured creditors varies. As to the different mortgage holders,
5 Mechanics Bank will be cured as to interest by August 19, 2010 or allowed to foreclose;
6 thereafter it will be paid current interest until two years from the Effective Date of the Plan,
7 when it will be paid in full. The notes of other secured creditors will remain secured by the
8 existing liens, will be paid on an interest only basis and will be due in full two years from the
9 Effective Date of the Plan. Interest holders will retain their interests.

10 This is a summary only. The Plan is a complex document containing additional details
11 which should be studied in full. Additionally, the treatment summarized here applies only to
12 “Allowed Claims”, defined below. The Plan reserves the Debtor’s right to dispute any claim on
13 any basis and to bring affirmative litigation claims against any party.

14 **DEFINITIONS**

15 As used in the Plan and Disclosure Statement, the following terms shall have the
16 respective meanings specified below:

17 “Administrative Claim” means a Claim for any cost or expense of administration of a
18 kind specified in Section 503(b) of the Bankruptcy Code, including any actual and necessary
19 costs and expenses of preserving the Estate incurred on or after the Petition Date and through and
20 including the Confirmation Date, any cure amounts that must be paid in connection with the
21 assumption of any executory contract or unexpired lease of the Debtor under Section 365 of the
22 Bankruptcy Code, fees due to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6), and
23 compensation for legal or other services and reimbursement of expenses allowed by the
24 Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code or otherwise.

25 “Administrative Claims Bar Date” means that date which is thirty (30) days following the
26 Effective Date.

1 “Allowed” or “Allowed Amount” means the amount in which any Claim is allowed.
2 Unless otherwise expressly required by the Bankruptcy Code or the Plan, the Allowed Amount
3 of any Claim does not include interest on such Claim from or after the Petition Date.

4 “Allowed Administrative Claim” means all or any portion of an Administrative Claim
5 that has either been Allowed by a Final Order or has not been objected to within the time period
6 established by the Plan or by an order of the Bankruptcy Court.

7 “Allowed Claim”, “Allowed Priority Claim”, “Allowed Secured Claim”, “Allowed Tax
8 Claim”, or “Allowed Unsecured Claim” means a Claim of the given type (a) in respect to which
9 a proof of Claim has been filed with the Bankruptcy Court by the applicable Claims Bar Date
10 and to which no objection has been filed within the time fixed by the Plan or the Bankruptcy
11 Court; (b) as to which no proof of Claim has been filed and which has been listed on Schedule D,
12 E or F of the Debtor’s Schedules and is not listed as disputed, contingent, unliquidated or
13 unknown as to amount, and to which no objection has been filed within the time fixed by the
14 Plan or the Bankruptcy Court; or (c) which is Allowed by a Final Order. No Claim shall be
15 considered an Allowed Claim if (1) an objection to the allowance thereof is interposed by a party
16 in interest within the time fixed by the Plan or the Bankruptcy Court, and such objection has not
17 been overruled by a Final Order, or (2) the Claim has already been satisfied.

18 “Available Cash” means any and all cash and cash equivalents owned or held by the
19 Reorganized Debtor or the Estate available for payment of Claims after payment of Allowed
20 Administrative Claims, Allowed Tax Claims, Allowed Priority Claims, Allowed Secured Claims,
21 and after reserving for expenses incurred and anticipated to be incurred as provided for under the
22 Plan.

23 “Bankruptcy Case” or “Case” means the bankruptcy case commenced by the Debtor
24 filing with the Bankruptcy Court of its Voluntary Petition under Chapter 11 of the Bankruptcy
25 Code, Case No. 10-41903.

26 “Bankruptcy Code” means Title 11, United States Code, § 101, et seq. as in effect and
27 applicable to the Case.

1 “Bankruptcy Court” means the United States Bankruptcy Court for the Northern District
2 of California, Oakland Division, or such other court exercising jurisdiction over the Case.

3 “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure promulgated
4 under 28 U.S.C. § 2075, as amended, as applicable to the Bankruptcy Case.

5 “Claim” means any (A) right to payment, whether or not such right is reduced to
6 judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed,
7 legal, equitable, secured, or unsecured; or (B) right to an equitable remedy for breach of
8 performance if such breach gives rise to a right to payment, whether or not such right to an
9 equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed,
10 undisputed, secured, or unsecured.

11 “Claims Bar Date” means (a) with respect to claims other than those held by
12 governmental units, June 28, 2010, (b) with respect to claims held by governmental units, 180
13 days after the Petition Date, and (c) with respect to Rejection Claims, the Rejection Claims Bar
14 Date.

15 “Claims Objection Date” means the date ninety (90) days after the Effective Date;
16 provided, however, that the Claims Objection Date may be extended by the Bankruptcy Court for
17 cause upon the *ex parte* motion of the Reorganized Debtor or the Plan Administrator.

18 “Confirmation” means the entry by the Bankruptcy Court of the Order of Confirmation.

19 “Confirmation Date” means the date on which the Bankruptcy Court enters the Order of
20 Confirmation.

21 “Confirmation Hearing” means the hearing held by the Bankruptcy Court on
22 confirmation of the Plan as required by Section 1128(a) of the Bankruptcy Code.

23 “Creditor” means any entity holding a Claim against the Debtor.

24 “Debtor” means Almaden Associates, LLC, a limited liability company.

25 “Debtor’s Professionals” means The Law Office of Joel K. Belway, P.C., and/or their
26 respective successors, if any; and such other professionals whose employment by the Debtor
27 prior to Confirmation is approved by order of the Bankruptcy Court, if any; and following the
28 Effective Date, any professionals engaged by the Reorganized Debtor to represent or assist it in

1 fulfilling its duties and obligations under the Plan, including such accountant(s) as may be
2 selected to complete the Debtor's tax returns and other required filings with governmental
3 authorities having jurisdiction over the Reorganized Debtor or the Estate and such legal
4 professionals as might be appropriate to assist in administering the Plan, the Bankruptcy Case
5 and the Estate.

6 "Disbursing Agent" means the Reorganized Debtor or such person as is appointed
7 Disbursing Agent in the Confirmation Order.

8 "Disputed Claim" means a Claim against the Debtor (a) as to which a proof of Claim has
9 not been filed and that has been listed in the Debtor's Schedules as disputed, contingent,
10 unliquidated, or unknown as to amount or; (b) as to which an objection or adversary proceeding
11 has not been withdrawn or disposed of by a Final Order.

12 "Distribution" means, as the context requires: (a) the cash to be provided under the Plan
13 to the holders of Allowed Claims; or (b) the payment, transfer, delivery or deposit of cash to
14 Creditors pursuant to the Plan.

15 "Distribution Date" means any date on which a Distribution is made pursuant to the Plan.

16 "Effective Date" means the thirtieth (30th) day following the Confirmation Date so long
17 as the Order of Confirmation is not subject to a stay.

18 "Estate" means the estate created by the commencement of the Bankruptcy Case and
19 comprised of the Property described in Section 541 of the Bankruptcy Code and all property and
20 property interests acquired or arising after the Petition Date, including without limitation the
21 proceeds of any litigation. The "Estate" as used herein shall continue to exist on and after the
22 Effective Date.

23 "Final Order" means an order entered on the docket by the Bankruptcy Court as to which
24 no timely filed notice of appeal is pending within ten (10) days after entry of such order; or, if
25 such appeal is pending, for which no stay pending appeal has been issued.

26 "Local Rules" means the Local Rules of the United States Bankruptcy Court for the
27 Northern District of California, as amended, as applicable to this Bankruptcy Case.

1 “Net Cash Flow” means gross rental income and expense reimbursement received from
2 tenants, less rental costs, maintenance, utilities, payroll, general and administrative expenses,
3 management fees, capital expenditures, and secured debt service payments.

4 “Order of Confirmation” or “Confirmation Order” means the order entered by the
5 Bankruptcy Court approving and confirming the Plan in accordance with the provisions of
6 Chapter 11 of the Bankruptcy Code.

7 “Person” shall have the meaning ascribed to it in the Bankruptcy Code.

8 “Petition Date” means February 22, 2010, the date on which the Debtor filed its
9 Voluntary Petition under Chapter 11 initiating the Bankruptcy Case and on which date relief was
10 ordered in the Bankruptcy Case.

11 “Plan” means this PLAN OF REORGANIZATION (Dated _____), including
12 any modification(s) hereof and/or amendment(s) hereto that comply with Section 1127 of the
13 Bankruptcy Code and Bankruptcy Rule 3019.

14 “Priority Claim” means any Claim entitled to priority pursuant to Section 507(a) of the
15 Bankruptcy Code, but not including an Administrative Claim or a Tax Claim.

16 “Priority Claims Objection Date” means the date thirty (30) days after the Effective Date.

17 “Pro Rata” means, with respect to any Distributions to be made to the holder of an
18 Allowed Claim, the proportion that such Allowed Claim bears to the aggregate of all outstanding
19 Allowed Claims in the same Class.

20 “Rejection Claim” means an Unsecured Claim arising from the Debtor’s rejection of an
21 unexpired lease or executory pursuant to the Plan or pursuant to an order of the Bankruptcy
22 Court.

23 “Rejection Claims Bar Date” means the earlier of (a) thirty (30) days following the date
24 of the Effective Date, or (b) thirty (3) days after the rejection date with respect to an executory
25 contract or unexpired lease rejected before the Confirmation Date pursuant to a Final Order.

26 “Reorganized Debtor” means the Debtor from and after the Effective Date up through the
27 entry of a final decree closing the Case.

1 “Schedules” means the Debtor’s respective schedules of assets and liabilities consisting
2 of Schedule “A” through “H” filed with the Bankruptcy Court pursuant to Section 521(a)(1) of
3 the Bankruptcy Code and Bankruptcy Rule 1007(b), as may be amended at any time prior to
4 Distribution.

5 “Secured Claim” means a Claim secured by a lien, security interest, or other charge
6 against or interest in property in which the Debtor has an interest or that is subject to set off
7 under Section 553 of the Bankruptcy Code, to the extent of the value (as specified in the Plan, or
8 if no value is specified, as determined in accordance with Section 506(a) of the Bankruptcy
9 Code) of the interest of a holder of such Allowed Claim in the Debtor’s interest in such property
10 or to the extent of the amount subject to such setoff, as the case may be.

11 “Tax Claim” means any Claim against the Debtor entitled to priority pursuant to Section
12 507(a)(8) of the Bankruptcy Code.

13 “Unsecured Claim” means a Claim which is not a Secured Claim.

14 A term used in the Plan that is not herein defined but is defined in the Bankruptcy Code
15 or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or
16 the Bankruptcy Rules.

17 **ARTICLE I**

18 **BACKGROUND OF THE DEBTOR AND FINANCIAL INFORMATION**

19 Debtor is a California limited liability company. Its principal owner (and responsible
20 individual in this Chapter 11 case) is Sidney Corrie, Jr. Its minority member is Corrie
21 Development Corporation (“CDC”), which manages the Debtor’s real property portfolio. CDC
22 is wholly-owned by Mr. Corrie.

23 **Assets and Liabilities**

24 The Debtor filed “Schedules of Assets and Liabilities” and “Statement of Financial
25 Affairs” shortly after the Petition, which described its assets and liabilities. These documents are
26 available for viewing online at the Court’s PACER website. See www.canb.uscourts.gov for
27 instructions on how to access these materials, or contact the Debtor’s counsel to receive paper
28 copies.

1 Debtor's real property holdings, their values, the secured loans against them and the
2 approximate loan balances are as follows:

3
4 **REAL PROPERTY ASSETS &**
5 **VALUATIONS**

6 **LENDERS & SECURED**
7 **LOANS**

8 7950 Dublin Boulevard
9 Dublin, CA
10 ("Corrie Center")
11 Value: \$12,000,000

The Mechanics Bank
Richmond, CA
Secured Loan Balance: \$6,108,380

12 18120 Bollinger Canyon Road
13 San Ramon, CA
14 ("Bollinger Canyon")
15 Value: \$3,200,000

The Mechanics Bank
Richmond, CA
Secured Loan Balance: \$950,533

16 1609 Lawrence Road
17 Danville, CA
18 ("Lawrence Road")
19 Value: \$1,147,000

The Mechanics Bank
Richmond, CA
Secured Loan Balance: \$cross-
collateral for all Mechanics Bank
debt

20 147 Acres
21 19251 San Ramon Blvd.
22 San Ramon, CA
23 ("San Ramon")
24 Value: \$6,250,000

The Mechanics Bank
Richmond, CA
Secured Loan Balance:\$650,000

25 29+ Acres, Finley Road
26 Danville, CA
27 ("Finley Road")
28 Value: \$2,550,000

Bloch Family Limited Partnership
Danville, CA
Secured Loan Balance:
\$350,000.00

1611 SE 8th Street
Ft. Lauderdale, FL
("8th Street")
Value: \$2,000,000

Northern Trust Bank
Ft. Lauderdale, FL
Secured Loan Balance: \$519,276

1 1625 SE 11th Street
2 Ft. Lauderdale, FL
3 (“11th Street”)
4 Value: \$4,887,500

1st United Bank
Ft. Lauderdale, FL
Secured Loan Balance: \$1,625,000

5 **ARTICLE II**

6 **EVENTS LEADING TO BANKRUPTCY AND POST-PETITION DEVELOPMENTS**

7 In 2009, as Mr. Corrie and Debtor were in the midst of negotiating with Mechanics Bank
8 regarding a loan extension, and after Mr. Corrie granted Mechanics Bank additional security
9 against property that was previously unencumbered, to induce Mechanics Bank to extend the
10 loans, Mechanics Bank accepted the additional collateral but then did not extend the loans and
11 recorded defaults under all four of its deeds of trust. Mr. Corrie has guaranteed all of Mechanic
12 Bank’s debt.

13 When the impasse in negotiations with Mechanics Bank could not be broken, it became
14 apparent that only a Chapter 11 bankruptcy could simultaneously (1) stop the foreclosures, and
15 (2) give Mr. Corrie and the Debtor breathing space to reorganize in order to save the millions of
16 dollars of equity in the four properties upon which Mechanics Bank was foreclosing and to pay
17 off Mechanics Bank. A decision was made that Debtor would file a Chapter 11 in any event.
18 In order to preserve his financial capability and flexibility to assist in any borrowing or
19 refinancing of the properties subject to Mechanics Bank’s security, which was and remains very
20 important in saving the properties, Mr. Corrie transferred to Debtor three of the properties
21 subject to Mechanics Bank’s security shortly before the scheduled foreclosures, and Debtor then
22 filed this Chapter 11.

23 Since the Petition Date, the Debtor has continued to manage its affairs as a Chapter 11
24 “Debtor in Possession.” Neither a trustee nor an official unsecured creditors committee has been
25 appointed. After the filing of the case, the Debtor obtained various administrative orders from
26 the Court, including authorization to pay all tenant security deposits as they came due in the
27 ordinary course of business, authorization to pay certain prepetition utility bills as they came due,
28

1 and authorization to retain various professionals. The Debtor also obtained authorization to use
2 post petition rental income, known as “cash collateral”, on a Court supervised budget.

3 Confirmation of the Plan will terminate the Debtor’s “cash collateral” restrictions.

4 In addition, Debtor entered into a stipulated order on a motion for relief from the
5 automatic stay filed by Mechanics Bank (the “MB Stay Relief Order”), a copy of which is
6 attached hereto and the terms of which are incorporated into the Debtor’s Plan.

7 **ARTICLE III**

8 **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

9 The Allowed Claims against and Interests in the Debtor are designated and classified
10 below for purposes of the Plan. Except to the extent that the Plan provides otherwise, a Claim or
11 Interest that is properly includable in more than one class is classified in a particular class only to
12 the extent that it qualifies within the description of that class, and is placed in a different class to
13 the extent it qualifies within the description of such different class.

14 3.1 **Class 1 (Secured Claim of the County of Contra Costa, CA).** Class 1 consists of
15 the Allowed Claim of the County of Contra Costa, or its assignee, for unpaid real and personal
16 property taxes to the extent that such Claim constitutes an Allowed Secured Claim on the real
17 and personal property owned by the Debtor. The Class 1 Claim is further divided into separate
18 subclasses to reflect the Class 1 Creditor’s separate Claims on separate collateral as follows: (1)
19 Bollinger Canyon, (2) San Ramon, (3) Lawrence Road, and (4) Finley Road.

20 3.2 **Class 2 (Secured Claim of the County of Alameda, CA).** Class 2 consists of the
21 Allowed Claim of the County of Alameda, CA or its assignee, for unpaid real and personal
22 property taxes to the extent that such Claim constitutes an Allowed Secured Claim on the real
23 and personal property owned by the Debtor. The Class 2 Claim consists of the Class 2 Creditor’s
24 Claims on Corrie Center.

25 3.3 **Class 3 (Secured Claim of the County of Broward, FL).** Class 3 consists of the
26 Allowed Claim of the County of Broward, FL or its assignee, for unpaid real and personal
27 property taxes to the extent that such Claim constitutes an Allowed Secured Claim on the real
28 and personal property owned by the Debtor. The Class 3 Claim is further divided into separate

1 The following classes of Claims are not impaired under the Plan and shall receive the
2 following treatment: Class 8, the holders of which shall be paid a lump sum dividend equal to
3 the amount of its Allowed Claim as soon as practical after the Effective Date.

4 **ARTICLE V**

5 **TREATMENT OF UNCLASSIFIED CLAIMS**

6 Unclassified Claims shall be treated as follows:

7 5.1 **Allowed Administrative Claims.** Except to the extent that the holder of a particular
8 Administrative Claim has agreed to a different treatment of such Claim, each holder of an
9 Allowed Administrative Claim shall be paid in cash, in full upon the later of (a) the Effective
10 Date, (b) if such Claim is initially a Disputed Claim, when it becomes an Allowed
11 Administrative Claim, and (c) if such Claim is incurred after the Petition Date in the ordinary
12 course of the Debtor's business by a person other than an insider, within such time as payment is
13 due pursuant to the terms giving rise to such Claim. Any request for allowance of an
14 Administrative Claim pursuant to Section 503(a) of the Bankruptcy Code (including an
15 estimation of expenses to be incurred after the Effective Date), other than by the Debtor's
16 Professionals, must be filed on or before the Administrative Claims Bar Date or the holder of
17 such Claim shall be forever barred from asserting such Claim or receiving any payment on
18 account of such Claim.

19 5.2 **Tax Claims.** The holders of Allowed Claims entitled to priority under 11 U.S.C. §
20 507(a)(8) ("Allowed Tax Claims") will receive deferred cash payments, payable quarterly,
21 commencing with an initial payment six months from the Effective Date, over a period not
22 exceeding five (5) years after the Petition Date, the unpaid portion of any such claim to bear
23 interest at the statutory rate; provided however, that Allowed Tax Claims shall be paid in a
24 manner not less favorable than the most favored nonpriority unsecured claim provided for by the
25 Plan. The Reorganized Debtor reserves the right to pay Allowed Tax Claim(s) in full at any time
26 after the Effective Date, provided that all claims entitled to higher priority pursuant to
27 Bankruptcy Code Section 507(a) are first paid in full.

28 **ARTICLE VI**

1 **TREATMENT OF CLASSES OF CLAIMS AND INTERESTS THAT ARE IMPAIRED**
2 **UNDER THE PLAN**

3 The following classes of Claims and Interests are impaired under the Plan and shall
4 receive the following treatment:

5 6.1 **Class 1 (Secured Claims of The County of Contra Costa.)** The holder of the
6 Allowed Class 1 Secured Claims shall retain its liens under non-bankruptcy law until all taxes
7 have been paid in full and the Claims shall be fully matured, due, and payable two years from the
8 Effective Date.

9 6.2 **Class 2 (Secured Claim of The County of Alameda.)** Except as provided by the
10 MB Stay Relief Order, the holder of the Allowed Class 2 Secured Claim shall retain all of its lien
11 rights under non-bankruptcy law until all taxes have been paid in full and the Claim shall be fully
12 matured, due, and payable two years from the Effective Date.

13 6.3 **Class 3 (Secured Claims of The County of Broward.)** The holder of the Allowed
14 Class 3 Secured Claims shall retain all of its lien rights under non-bankruptcy law until all taxes
15 have been paid in full and the Claims shall be fully matured, due, and payable two years from the
16 Effective Date.

17 6.4 **Class 4.1, 4.2, 4.3 and 4.4 (Secured Claims of Mechanics Bank).**

18 **MB Stay Relief Order.** As to the holder of the Allowed Class 4.1, 4.2, 4.3 and 4.4
19 Claims, the Debtor shall comply with the MB Stay Relief Order.

20 **Lien Retention.** Beyond the MB Stay Relief Order, the holder of the Allowed Class
21 Secured Claims shall retain its liens under non-bankruptcy law.

22 **Modification of Prepetition Secured Notes to Short Term, Cross-collateralized,**
23 **Interest-Only Obligations.** Except as provided by the MB Stay Relief Order, as of the
24 Effective Date, each of the Notes representing the Class 4 Secured Claims shall be deemed
25 modified to (1) require monthly loan payments of interest only, at the adjustable non-default
26 interest rate and terms of adjustment as set forth in the existing obligations, (2) provide that it
27 shall be fully matured, due, and payable two years from the Effective Date, (3) provide that it is
28 cross-collateralized by each other Note representing the Class 4 Secured Claims. In the event

1 that there is a default in payment of any of the Notes representing the Class 4 Secured Claims,
2 which default is not cured within ten (10) days written notice to the Reorganized Debtor, the
3 Class 4 Claimant shall be permitted to exercise all of its State law enforcement rights with
4 respect to its collateral. Notwithstanding its cross-collateralization rights, the Class 4 Creditor
5 shall release its lien on the sale of any particular item of real property security for a payment
6 equal to the prepetition and post petition principal and interest attributable to the particular
7 collateral in question. Except as provided in this Plan, all terms and condition of the Loan
8 Documents (as the term is defined therein) for each loan held by the Class 4 Claimant will
9 remain unchanged and will be paid by the Debtor as required by the terms of said documents,
10 and shall be enforceable by the Class 4 Claimant in accordance with their terms.

11 **6.5 Class 5 (Secured Claim of 1st United Bank).** The holder of the Allowed Class 5
12 Secured Claim shall retain its lien under non-bankruptcy law. As of the Effective Date, the Note
13 representing the Class 5 Secured Claim shall be deemed modified to (1) require monthly loan
14 payments of interest only, at the adjustable non-default interest rate and terms of adjustment as
15 set forth in the existing obligations, and (2) provide that it shall be fully matured, due, and
16 payable two years from the Effective Date. In the event that there is a default in payment of the
17 Note representing the Class 5 Secured Claim, which default is not cured within ten (10) days
18 written notice to the Reorganized Debtor, the Class 5 Claimant shall be permitted to exercise all
19 of its State law enforcement rights with respect to its collateral. Except as provided in this Plan,
20 all terms and condition of the Loan Documents (as the term is defined therein) for each loan held
21 by the Class 5 Claimant will remain unchanged and will be paid by the Debtor as required by the
22 terms of said documents, and shall be enforceable by the Class 5 Claimant in accordance with
23 their terms.

24 **6.6 Class 6 (Secured Claim of Northern Trust Bank).** As of the Effective Date, the
25 Note representing the Class 6 Secured Claim shall be deemed modified to (1) require monthly
26 loan payments of interest only, at the adjustable non-default interest rate and terms of adjustment
27 as set forth in the existing obligations, and (2) provide that it shall be fully matured, due, and
28 payable two years from the Effective Date. In the event that there is a default in payment of the

1 Note representing the Class 6 Secured Claim, which default is not cured within ten (10) days
2 written notice to the Reorganized Debtor, the Class 6 Claimant shall be permitted to exercise all
3 of its State law enforcement rights with respect to its collateral. Except as provided in this Plan,
4 all terms and condition of the Loan Documents (as the term is defined therein) for each loan held
5 by the Class 6 Claimant will remain unchanged and will be paid by the Debtor as required by the
6 terms of said documents, and shall be enforceable by the Class 6 Claimant in accordance with
7 their terms.

8 **6.7 Class 7 (Secured Claim of the Bloch Family Limited Partnership).** As of the
9 Effective Date, the Note representing the Class 7 Secured Claim shall be deemed modified to (1)
10 require monthly loan payments of interest only, at the adjustable non-default interest rate and
11 terms of adjustment as set forth in the existing obligations, and (2) provide that it shall be fully
12 matured, due, and payable two years from the Effective Date. In the event that there is a default
13 in payment of the Note representing the Class 7 Secured Claim, which default is not cured within
14 ten (10) days written notice to the Reorganized Debtor, the Class 7 Claimant shall be permitted
15 to exercise all of its State law enforcement rights with respect to its collateral. Except as
16 provided in this Plan, all terms and condition of the Loan Documents (as the term is defined
17 therein) for each loan held by the Class 7 Claimant will remain unchanged and will be paid by
18 the Debtor as required by the terms of said documents, and shall be enforceable by the Class 7
19 Claimant in accordance with their terms.

20 **6.8 Class 9 (General Unsecured Claims).** Once Unclassified Claims and Allowed
21 Class 8 claims have been paid their dividends, each Class 9 Allowed Claim shall be paid on a
22 Pro Rata Basis, with interest at the rate of six percent (6%) per annum, from Available Cash, to
23 the extent that the funds are available. Failure to pay all Class 9 Allowed Claims in full within
24 two years of the Effective Date shall constitute a material default of the Plan.

25 **6.9 Class 10 (Almaden Associates Interests).** The holders of Class 10 interests, which
26 are the membership interests in the Debtor, shall retain their interests.

1 shall be permitted to withhold a Distribution to any Creditor that has not provided information
2 requested by the Disbursing Agent for the purpose of fulfilling its obligations hereunder. The
3 Disbursing Agent shall comply with all reporting obligations imposed on it by any governmental
4 unit with respect to withholding and related taxes.

5 **7.4 De Minimis Distributions.** Notwithstanding any other provision of the Plan,
6 Distributions of less than \$10.00 need not be made on account of any Allowed Claim or Allowed
7 Interest; provided that Distributions that would otherwise be made but for this provision shall
8 carry over until the next Distribution Date until the cumulative amount to which any holder of an
9 Allowed Claim or Allowed Interest is entitled to more than \$10.00, at which time the cumulative
10 amount of such Distributions will be paid to such holder.

11 **7.5 Unclaimed Distributions.** Any cash Distributions that remain unclaimed or
12 unnegotiated for ninety (90) days following Distribution or are returned for reasons other than
13 the absence of a current or correct address (unless a current or correct address cannot be
14 determined after reasonable inquiry) shall become the property of the Reorganized Debtor and be
15 considered Available Case.

16 **7.6 Waiver and Reservation of Avoidance Actions and Other Litigation.**
17 Reorganized Debtor reserves all litigation claims of any kind, including without limitation
18 including any claims arising out of Bankruptcy Code Sections 502, 510, 541, 542, 543, 544, 545,
19 546, 547, 548, 549, 550, 551 and 552, any claims or setoff rights for usury, and any claims or set
20 offs arising out of any non-bankruptcy right under contract, tort, or statute in law or equity (“the
21 Debtor’s Reserved Litigation”). **Any Creditor holding a filed or scheduled Claim and any
22 and all third parties are subject to potential litigation claims brought by the Reorganized
23 Debtor unless those claims are specifically released by the Plan.** The Debtor and the
24 Reorganized Debtor reserve the right to object to any and all Claims.

25 **7.7 Tax Returns and Payments.** The Reorganized Debtor shall file or cause to be filed
26 any and all delinquent and final tax returns and pay any and all taxes owed by the Debtor and the
27 Reorganized Debtor on a timely basis (other than Tax Claims provided for under the Plan).
28

1 7.8 **Further Orders.** Upon motion by the Debtor or the Reorganized Debtor, on not less
2 than ten (10) days notice to registered ECF participants entitled to notice in this Case, the
3 Bankruptcy Court may enter such other and further orders as may be necessary or appropriate to
4 facilitate consummation of the Plan.

5 7.9 **Insurance Policies.** To the extent any insurance policies exist in which either the
6 Debtor and/or its personnel have an insurable or other interest in or right to make a claim, such
7 policies shall remain available, before and after the Effective Date, to satisfy any and all Claims
8 held by, or asserted against, the Debtor or other personnel that may be covered by such policies.

9 7.10 **Post-Confirmation Operating Expenses.** From and on the Effective Date, the
10 Reorganized Debtor and Plan Administrator may incur and pay operating expenses, including
11 professional fees for post petition services, in the ordinary course of business.

12 7.11 **Post-Confirmation Reports, Fees and Final Decree.**

13 **7.11.1 U.S. Trustee Fees.** Not later than thirty (30) days after the end of each
14 calendar quarter that ends after the Effective Date (including any fraction thereof), the
15 Reorganized Debtor shall pay to the United States Trustee the quarterly fee for such quarter until
16 this case is converted, dismissed, or closed pursuant to a Final Decree, as required by 28 U.S.C.
17 § 1930(a)(6).

18 **7.11.2 Post-Confirmation Reports.** Not later than thirty (30) days after the end
19 of the calendar quarter which ends after the Effective Date, the Reorganized Debtor shall file and
20 serve upon the United States Trustee separate quarterly post-Confirmation status reports in
21 substantially the form provided by the United States Trustee. Further reports shall be filed thirty
22 (30) days after the end of every calendar quarter thereafter until entry of a Final Decree, unless
23 otherwise ordered by the Bankruptcy Court.

24 **7.11.3 Final Decree.** Once the Plan is substantially consummated the
25 Reorganized Debtor shall file an application for a Final Decree as provided in the Local Rules.
26 If the Final Decree is entered before the Reorganized Debtor is granted a discharge, the
27 Reorganized Debtor may reopen the case to seek and obtain a general discharge from the Court
28 as is more fully set forth below.

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ARTICLE VIII

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 **Assumption and Assignment of Executory Contracts and Unexpired Leases.** All unexpired leases in which the Debtor is the lessor shall be assumed as of the Effective Date. Any other executory contracts and unexpired leases shall be deemed rejected.

8.2 **Effect of Assumption of Executory Contracts and Unexpired Leases.** All executory contracts assumed prior to Confirmation of pursuant to the Plan and not otherwise rejected pursuant to the Plan shall remain in full force and effect, be unimpaired by the Plan except as specifically modified by the Plan and the Order of Confirmation, and be binding on the parties thereto.

8.3 **Adding and Removing Executory Contracts and Unexpired Leases.** The provisions of this Article VIII may be amended, with appropriate notice to those parties in interest directly affected, at any time prior to the conclusion of the hearing on Confirmation of the Plan, to add or remove executory contracts and unexpired leases to be assumed, assumed and assigned, or rejected pursuant to the Plan.

8.4 **Rejection Claims.** Rejection Claims shall be classified as Class 9 Claims. The holder of a Rejection Claim shall file with the Bankruptcy Court, and serve on counsel for the Reorganized Debtor, a proof of Claim relative to such Rejection Claim on or before the Rejection Claims Bar Date or be forever barred from asserting any such Claim or receiving any payment or other Distribution on account of such Claim.

ARTICLE IX

FEASIBILITY OF THE PLAN

The feasibility of the Plan is premised upon certain assumptions. The first of these is that the commercial real estate and credit markets will stabilize, so that the Debtor will be able to sell or refinance the properties in its portfolio. The second assumption is that the rental market does not significantly deteriorate. Based on the substantial experience of Mr. Corrie in real estate, the Debtor believes that the assumptions are reasonably warranted.

1 The Bankruptcy Code permits a party in interest other than the Debtor to propose a plan
2 of reorganization under certain circumstances. The Plan submitted by the Debtor is the only plan
3 of reorganization that has been proposed at this time.

4 ARTICLE XI

5 PROOFS OF CLAIM; OBJECTIONS

6 11.1 **Time for Filing Proofs of Claim.** Proofs of Claim, when required, shall be filed
7 with the Bankruptcy Court no later than the applicable Claims Bar Date, or such Claims shall be
8 conclusively deemed barred and disallowed.

9 11.2 **Evidence of Claim.** For purposes of any Distribution under the Plan, the
10 Disbursing Agent shall have no obligation to recognize any transfer of Claims or Interests
11 occurring on or after the first Distribution Date. The Reorganized Debtor, the Disbursing Agent,
12 and their professionals shall be entitled to recognize and deal for all purposes with only those
13 Creditors of record with the Bankruptcy Court as of the first Distribution Date.

14 11.3 **Amendments to Claims.** Except as provided by the Plan or as otherwise permitted
15 by the Bankruptcy Court, the Bankruptcy Rules or applicable law, upon expiration of the
16 applicable bar date, proofs of Claim and proofs of interest may not be filed or amended except
17 for amendments to proofs of Claim to decrease the amount of priority thereof.

18 11.4 **Claim Objections.** An objection to a Priority Claim shall be filed no later than the
19 Priority Claims Objection Date. An objection to any other Claim shall be filed no later than the
20 Claims Objection Date. The Reorganized Debtor shall have the responsibility to review Claims
21 filed against the Debtor, to file objections as appropriate, and to resolve Disputed Claims.

22 11.5 **Distributions.** Notwithstanding any provision of the Plan specifying a date or time
23 for payments or Distributions of consideration hereunder, payments and Distributions in respect
24 of any Claim that at such date or time is disputed, unliquidated or contingent, shall not be made
25 until a Final Order with respect to an objection, estimation or valuation of such Claim is entered
26 by the Bankruptcy Court, whereupon appropriate Distributions shall be made promptly.

27 ARTICLE XII

28 DEFAULT

1 If the Reorganized Debtor shall default in the performance of any of its obligations under
2 the Plan, and shall not have cured such default within a period of thirty (30) days after receipt of
3 written notice of default from any party in interest affected by the alleged default, then such
4 party in interest may file a motion with the Bankruptcy Court seeking an order directing the
5 Reorganized Debtor to perform such obligations, or such other relief as may be appropriate
6 under the circumstances. Any party in interest, including the Reorganized Debtor may oppose
7 any such motion.

8 **ARTICLE XIII**

9 **CERTAIN INCOME TAX CONSEQUENCES OF DEBTOR'S PLAN**

10 **13.1 In general**

11 The following is a summary of certain United States federal income tax consequences of
12 Debtor's Plan that may be material to Creditors. This discussion is included for general
13 information purposes only and is not intended to be, and is not, legal or tax advice to any
14 particular Creditor. This summary is based on the current provisions of the Internal Revenue
15 Code of 1986, as amended (the "Code"), in Income Tax Regulations (the "Regulations") and
16 other legal authorities, all of which are subject to change, possibly with retroactive effect. No
17 rulings from the Internal Revenue Service (the "IRS") or opinions of counsel have been or will
18 be requested concerning the matters discussed below. The tax consequences set forth in the
19 following discussion are not binding on the IRS or the courts and no assurance can be given that
20 contrary provisions will not be successfully asserted. This summary does not address the
21 taxation of the Debtor or the Creditors under state law.

22 TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT
23 CIRCULAR 230, CREDITORS ARE HEREBY NOTIFIED THAT: (A) ANY
24 DISCUSSION OF FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS
25 NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE
26 RELIED UPON BY CREDITORS FOR THE PURPOSE OF AVOIDING PENALTIES
27 THAT MAY BE IMPOSED ON CREDITORS UNDER THE CODE; (B) SUCH
28 DISCUSSION IS INCLUDED HEREIN BY DEBTOR IN CONNECTION WITH THE

1 PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY
2 DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND
3 (C) CREDITORS SHOULD SEEK ADVICE BASED UPON THEIR PARTICULAR
4 CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

5 EACH CREDITOR SHOULD CONSULT THE CREDITOR'S OWN TAX
6 ADVISOR TO DETERMINE THE CREDITOR'S PARTICULAR U.S. FEDERAL
7 INCOME TAX CONSEQUENCES AND OTHER TAX CONSEQUENCES TO THE
8 CREDITOR OF DEBTOR'S PLAN, INCLUDING ANY STATE, LOCAL AND
9 FOREIGN TAX LAWS AND THE EFFECT OF ANY CHANGES IN SUCH LAWS.

10 13.2 Consequences to Creditors

11 Any amount realized by a Creditor in satisfaction of an Allowed Claim, to the extent such
12 amount constitutes "gross income" within the meaning of Section 61 of the Code, will be taxable
13 to the Creditor in accordance with the Creditor's method of accounting, if not previously
14 included in the Creditor's gross income. This would include, for example, payments for goods
15 and services. If a Creditor previously reported as taxable income their respective Allowed Claim
16 then the unpaid portion of the previously reported taxable income would be deductible as a bad
17 business debt. Similarly, if a Creditor has previously deducted some or all of its Allowed Claim
18 against either Debtor as a bad business debt, amounts received under the Plan may be reportable
19 as ordinary income. A Creditor may be subject to regular income tax withholding or backup
20 withholding as well.

21 **ARTICLE XIV**

22 **PLAN CONFIRMATION PROCESS**

23 14.1 Voting

24 Under the Bankruptcy Code, only classes of Claims that are "impaired" (as that term is
25 defined in Section 1124 of the Bankruptcy Code) under Debtor's Plan and which will receive or
26 retain property under the Plan are entitled to vote to accept or reject the Plan. Within each Class,
27 only the holders of Allowed Claims may vote. In order to confirm Debtor's Plan, with regard to
28 each impaired class of creditors, two thirds in monetary amount and a majority of the number of

1 Allowed Claims of creditors who vote on the Plan must vote to accept the Plan. The holders of
2 Allowed Claims in Classes 1-7 and 9 are impaired. These are the only creditors who are entitled
3 to vote on the Plan. Pursuant to Bankruptcy Code Section 1126(f), the classes of Claims that are
4 not impaired – Class 8 – are conclusively presumed to have accepted the Plan and are not
5 entitled to vote.

6 An acceptance or rejection of Debtor’s Plan may be voted by completing and signing the
7 Ballot that accompanies Debtor’s Plan and mailing, faxing, emailing or delivering it to The Law
8 Office of Joel K. Belway, P.C., 235 Montgomery Street, Suite 668, San Francisco, California
9 94104, (415) 788-1702, belwaypc@pacbell.net. Only the Ballot should be transmitted and all
10 Ballots must be received by the deadline set forth on the ballot.

11 **UNSIGNED BALLOTS, LATE BALLOTS, AND BALLOTS RECEIVED THAT**
12 **ARE SIGNED BUT DO NOT DESIGNATE ACCEPTANCE OR REJECTION OF THE**
13 **PLAN WILL NOT BE COUNTED.**

14 14.2 Confirmation Standards

15 For a Plan to be confirmed and to be binding on all Creditors, the Bankruptcy Court must
16 determine that the requirements of Section 1129(a) of the Bankruptcy Code have been satisfied,
17 including that at least one class of Claims that is impaired under Debtor’s Plan has accepted the
18 Plan.

19 14.3 Classification of Claims

20 The Bankruptcy Code requires that a plan of reorganization place each claim and interest
21 in a class with other claims or interests that are “substantially similar.” The dollar amount of a
22 claim is usually not a basis upon which to distinguish it from other claims. Debtor believes that
23 the classification system set forth in Debtor’s Plan meets the Bankruptcy Code standard.

24 14.4 Confirmation Without Acceptance by All Impaired Classes

25 Section 1159(b) of the Bankruptcy Code enables the Debtor to confirm Debtor’s Plan
26 without acceptance of one or more classes of Claims. If necessary, the Debtor will seek
27 Confirmation under Section 1129(b). In order to be confirmed over the rejection of a class of
28 Allowed Claims, the Bankruptcy Court must find that Debtor’s Plan does not unfairly

1 discriminate and that it is fair and equitable as to each rejecting, impaired Class. Section
2 129(b)(2)(A), (B) and (C) contain detailed provisions as to the meaning of “fair and equitable” as
3 to dissenting secured creditors, unsecured creditors and interest holders. If necessary, the Debtor
4 believes that it can comply with all of the requirements of Section 1129(b).

5 **ARTICLE XV**

6 **RETENTION OF JURISDICTION**

7 The Bankruptcy Code shall retain exclusive jurisdiction of the Bankruptcy Code (a) to
8 enforce the provisions, purposes and intent of the Plan; (b) to hear and determine any adversary
9 proceedings or contested matters filed in or related to the Case; (c) to hear and determine the
10 allowance or disallowance of Claims; (d) to fix and approve allowance of compensation and
11 other Administrative Claims, including, if appropriate, payments to be made in connection with
12 the Plan; (e) to adjudicate controversies arising from the terms of the Plan; (f) to hear and
13 determine any proposed modifications of or amendments to the Plan to the extent permitted by
14 Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019; (g) to enforce or interpret the
15 provisions of the Plan, the Order of Confirmation or any order entered by the Bankruptcy Court
16 in the Bankruptcy Case; (h) to facilitate the consummation of the Plan; (i) to consider such other
17 matters as may be set forth in the Plan or the Order of Confirmation; (j) to hear and determine
18 any Claim of any Persons of any nature whatsoever against the Debtor’s Professionals arising in
19 or related to the Case; and (k) to enter a Final Decree closing the Bankruptcy Case. If closed, the
20 Bankruptcy Case may be reopened at any time to facilitate the provisions of the Plan, including
21 the granting of a discharge to the Debtor.

22 **ARTICLE XVI**

23 **EFFECT OF ORDER OF CONFIRMATION**

24 As of the Effective Date, the effect of the Order of Confirmation shall be as follows:

25 16.1 **Binding Effect of Plan.** The provisions of the confirmed Plan shall bind the
26 Debtor, the Reorganized Debtor, any entity acquiring property under or otherwise accepting the
27 benefits of the Plan, and every Creditor, whether or not such entity has filed a proof of Claim or
28

1 Interest in the Bankruptcy Case, whether or not the Claim or Interest of such entity is impaired
2 under the Plan, and whether or not such Creditor or entity has accepted or rejected the Plan.

3 16.2 **Full Satisfaction of Claims.** Except as otherwise provided in the Plan and the
4 Order of Confirmation, the rights afforded in the Plan shall constitute full and complete
5 satisfaction and release of all Claims, including any interest accrued thereon from and after the
6 Petition Date, against the Debtor, the Reorganized Debtor, the Estate, or any assets or property of
7 the Debtor, the Reorganized Debtor and the Estate. Except with respect to Administrative
8 Claims, Rejection Claims, and Claims described in Bankruptcy Rule 3002(c)(3), the
9 Confirmation Order shall be deemed to be a Final Order disallowing any claim not filed as of the
10 Effective Date.

11 16.3 **Injunction.** From and after the Effective Date, except as otherwise provided for
12 herein or in the Order of Confirmation, all Persons who have held, currently hold or may hold a
13 debt, Claim or interest against the Estate, the Debtor, the Reorganized Debtor, their trustees,
14 agents, employees or Professionals, or their respective property, including the property
15 transferred pursuant to this Plan are permanently enjoined from taking any of the following
16 actions on account of any such debt or Claim: (a) commencing or continuing in any manner any
17 action or other proceeding against the Estate, the Debtor, the Reorganized Debtor, their agents,
18 employees or Professionals, or their respective property; (b) enforcing, attaching, collecting or
19 recovering in any manner any judgment, award, decree or order against the Estate, the Debtor,
20 the Reorganized Debtor, their agents, employees or Professionals; (c) creating, perfecting or
21 enforcing any lien or encumbrance against the Estate, the Debtor, the Reorganized Debtor, their
22 agents, employees or Professionals, or their respective property transferred pursuant to this Plan;
23 (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation
24 due to the Estate, the Debtor or the Reorganized Debtor; and (e) commencing or continuing any
25 action, in any manner, in any place that does not comply with or is inconsistent with the
26 provisions of the Plan or the Order of Confirmation.

27 16.4 **Limitation of Liability.** On and after the Effective Date, neither the Debtor, the
28 Reorganized Debtor, nor any of their respective agents, employees or Professionals, shall have or

1 incur any liability to any Person for any authorized act taken or authorized omission made in
2 good faith in connection with or related to the Bankruptcy Case or the Estate, including
3 objections to or estimations of Claims, disposition of assets, or formulating, determining not to
4 solicit acceptances or rejections to, or confirming the Plan, or any contract, instrument, release or
5 other agreement or document created in connection with the Plan. Nothing herein shall be
6 deemed to release any party from any claims for willful misconduct or gross negligence.

7 **ARTICLE XVII**

8 **DISCHARGE OF THE DEBTOR**

9 17.1 **Grant of Discharge.** On completion of all payments required by the Plan, or the
10 Reorganized Debtor's compliance with the provisions of Bankruptcy Code Section 1141(d), the
11 Court shall grant the Reorganized Debtor a discharge of any and all debts of the Debtor that
12 arose at any time before Confirmation. The discharge shall be effective as to each Claim
13 regardless of whether a proof of claim therefor was filed, whether the Claim is an Allowed
14 Claim, or whether the holder thereof votes to accept this Plan.

15 17.2 **Effect of Discharge.** The discharge release provided for under this Plan shall have
16 the effects set forth in the Bankruptcy Code including, but not limited to:

17 (a) voiding any judgment obtained against the Debtor or Reorganized Debtor on
18 any discharged debt; and

19 (b) operating as an injunction against the commencement or continuation of any
20 action to collect, recover or offset either any discharged debt from the Debtor, the Reorganized
21 Debtor or its Estate or any property of the Debtor, the Reorganized Debtor or its Estate, except as
22 otherwise permitted by this Plan, the Bankruptcy Code, or order of the Court.

23 **ARTICLE XVIII**

24 **MISCELLANEOUS**

25 18.1 **Plan Interpretation.** The headings contained in the Plan are for convenience of
26 reference only and shall not limit or otherwise affect in any way the meaning or interpretation of
27 the Plan. All references in the plan to the singular shall be construed to include references to the
28 plural and vice versa. All references in the Plan to any one of the masculine, feminine or neuter

1 genders shall be deemed to include references to both other such genders. All exhibits attached
2 to the plan are, by this reference, hereby incorporated into the Plan. All references in the Plan to
3 a Section or an Article shall mean the appropriately numbered Section or Article of the Plan.
4 Whenever the Plan uses the term “including,” such reference shall be deemed to mean
5 “including, but not limited to.”

6 18.2 **Modification.** The Debtor may propose amendments to or modifications of the
7 Plan under Section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior
8 to the conclusion of the hearing on Confirmation of the Plan. After the Confirmation Date, the
9 Reorganized Debtor may modify the Plan in accordance with Section 1127(b) of the Bankruptcy
10 Code and Bankruptcy Rule 3019.

11 18.3 **Waiver.** After the Confirmation Date, except as otherwise specifically set forth in
12 the Plan, any term of the Plan may be waived only by the parties entitled to the benefit of the
13 term to be waived.

14 18.4 **Reservation of Rights.** Neither the filing of the Plan nor any statement or
15 provision contained in the Plan or in the Disclosure Statement, nor the taking by any party in
16 interest of any action with respect to the Plan, shall (a) be or be deemed to be an admission
17 against interest, and (b) until the Effective Date, be or be deemed to be a waiver of any rights any
18 party in interest may have (i) against any other party in interest, or (ii) in any of the assets of any
19 other party in interest, and, until the Effective Date, all such rights are specifically reserved. In
20 the event that the Plan is not confirmed or fails to become effective, neither the Plan nor the
21 disclosure Statement nor any statement contained in the Plan or in the Disclosure Statement may
22 be used or relied upon in any manner in any suit, action, proceeding or controversy within or
23 without this Bankruptcy Case involving the Debtor, except with respect to Confirmation of the
24 Plan.

1 Dated: June 1, 2010

ALMANDEN ASSOCIATES, LLC

2 By: /s/ Sidney Corrie, Jr.

3 SIDNEY CORRIE, JR.

4 Its: Managing Member

and Responsible Individual

5 Dated: June 1, 2010

6 THE LAW OFFICE OF JOEL K. BELWAY
Professional Corporation

7
8 /s/ Joel K. Belway

9 JOEL K. BELWAY

Attorney for Debtor