

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re
B & T OLSON FAMILY LLC,
Debtor.

No. 12-14352
DEBTOR'S SECOND AMENDED PLAN
OF REORGANIZATION

B & T Olson Family LLC ("Debtor"), Debtor-in-possession in the above-captioned bankruptcy, proposes the following Plan of Reorganization pursuant to Subchapter II of Chapter 11 of the Bankruptcy Code:

Introduction. The Debtor is pleased to present a plan that will pay all creditors the full amount of their allowed claims. The Plan accomplishes this both through cash payments to creditors over time and by voluntarily surrendering and conveying certain properties to secured lenders that comprise that lender's collateral for a secured loan. Given the current challenging economic times, especially in the real estate sector, this represents a significant achievement.

The Debtor believes that the Plan provides the best possible return for creditors in the nearest term and at the lowest cost, and asks that you support it by returning a ballot approving the Plan.

**ARTICLE I.
DISCLOSURE STATEMENT**

A. The Debtor has filed a Disclosure Statement pursuant to 11 U.S.C. § 1125 and Bankruptcy Rule 3016(c). The Disclosure Statement has been approved by the Bankruptcy Court prior to this Plan being submitted to creditors. The Disclosure Statement provides useful information to aid and assist creditors in voting on the Plan. **YOU ARE URGED TO READ THE DISCLOSURE**

1 STATEMENT WITH CARE IN EVALUATING THE IMPACT OF THE PLAN UPON YOUR
2 CLAIMS.

3 **ARTICLE II.**
4 **DEFINITION OF TERMS**

5 **A. Definitions**

6 A term used in this Plan that is not defined below and that is defined in the Bankruptcy Code shall have the meaning ascribed in the Bankruptcy Code. When used in this Plan, the following terms shall have the meanings specified below, unless the context otherwise requires:

7 1. Administrative Expense Claim: A Claim that, if it is an Allowed Claim, is entitled to
8 priority under § 507(a)(1) of the Bankruptcy Code, including (a) claims incurred by the Debtor since
9 the Petition Date and allowed by the Court of a type described in § 503(b) of the Code; (b) all
10 Allowed Claims of Professional Persons pursuant to §§ 330 and 331 of the Code and Bankruptcy Rule
11 2016; and (c) all fees assessed against the Estate under 28 U.S.C. § 1930.

12 2. Allowed Claim: Any Claim in the amount and of the priority classification set forth in
13 the proof of such Claim that has been filed timely in the Reorganization Case, or in the absence of
14 such proof, as set forth in the Debtor's schedules of liabilities filed in the Reorganization Case, unless:

15 (i) such Claim has been listed in such schedules as disputed, contingent, or
16 unliquidated, in which case such Claim shall be allowed only in such amount and such
17 classification as is authorized by Final Order of the Bankruptcy Court;

18 (ii) such Claim has been objected to or is objected to after Confirmation, in which case
19 such claim is authorized by Final Order of the Bankruptcy Court; or,

20 (iii) such Claim has been paid in full, withdrawn, or otherwise deemed satisfied in full.

21 3. Avoidance Actions: Any Claim or cause of action of the Estate arising out of or
22 maintainable pursuant to Chapter V of the Bankruptcy Code or under any other similar applicable law,
23 regardless of whether or not such action has been commenced prior to the Effective Date.

4 Bankruptcy Code or Code: The Bankruptcy Code enacted November 6, 1978, as set
5 forth in Title 11 of the United States Code, and as amended thereafter.

6 Bankruptcy Court or Court: The United States Bankruptcy Court for the Western
7 District of Washington, at Seattle, before which the Reorganization Case is pending, or if that Court
8 ceases to exercise jurisdiction over the Reorganization Case, the Court that does exercise jurisdiction.

9 Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure.

- 1 7. Business Day: Any day except Saturday, Sunday or a “legal holiday” as defined in
Bankruptcy Rule 9006(a).
- 2
- 3 8. Camano Building D: Real property and improvements commonly known as 848 N.
Sunrise Blvd., Suite D, Camano Island, Washington.
- 4 9. Camano Buildings E & F: Real property and improvements commonly known as 848
N. Sunrise Blvd., Suites E & F, Camano Island, Washington.
- 5
- 6 10. Camano Building G: Real property and improvements commonly known as 848 N.
Sunrise Blvd., Suite G, Camano Island, Washington.
- 7 11. Cash: Cash or cash equivalents, including, but not limited to, bank deposits, wire
transfers, checks, and other similar items.
- 8
- 9 12. Claim: A claim as defined in § 101(5) of the Bankruptcy Code.
- 10 13. Claims Bar Date: July 16, 2012, the last day to timely file a proof claim herein.
- 11 14. Class: A class of Claims or Interests as defined in Article III of this Plan.
- 12 15. Confirmation: The entry of the Order of Confirmation by the Bankruptcy Court.
- 13 16. Debtor: B & T Olson Family LLC.
- 14 17. Deed in Lieu: A non-merger deed in lieu of foreclosure substantially in the form
attached hereto as Exhibit A.
- 15 18. Disputed Claim: A filed or scheduled Claim of an alleged creditor that was listed in
the Debtor’s schedules as "disputed," and which has not subsequently been allowed, or as to which an
objection has been filed by a party-in-interest.
- 16
- 17 19. District Court Litigation: The lawsuit pending in the United States District Court for
the Western District of Washington, styled as *Opus Bank v. Olson*, Case No. CV12-1996JCC.
- 18
- 19 20. Effective Date: The tenth (10th) Business Day following Confirmation.
- 20 21. Estate: The Estate created pursuant to § 541 of the Bankruptcy Code.
- 21 22. Federal Judgment Rate: The interest rate allowed on judgments entered in Federal
court pursuant to 28 U.S.C. § 1961(a), defined as the weekly average 1-year constant maturity
Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the
calendar week immediately preceding the date of the entry of the order of Confirmation.
- 22
- 23 23. Insider: An insider within the meaning set forth in 11 U.S.C. § 101(31).

- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24. Interests: The interests of a Member in the Debtor.
25. Members: Brett and Tina Olson, the sole members of the Debtor.
26. Notice and Hearing: Proceedings as contemplated under Bankruptcy Code § 102(1).
27. Olsons' Residence: Real property and improvements commonly known as 2170 Crestview Drive, Laguna Beach, California. The Olsons' Residence was sold in October 2012, with Opus Bank receiving sale proceeds in the approximate amount of \$1,355,000.
28. Order of Confirmation: The order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.
29. Person: A "person" within the meaning of § 101(41) of the Bankruptcy Code.
30. Petition Date: April 26, 2012, the date upon which the Debtor commenced the Reorganization Case.
31. Plan: The Debtor's Plan of Reorganization, as such may be amended from time to time.
32. Port Susan Building: Real property and improvements commonly known as 9612 270th St. NW, Stanwood, Washington. The Port Susan Building is sometimes referred to as the Downtown building.
33. Priority Tax Claims: Allowed Claims of Taxing Agencies for the principal amount of a tax within the meaning of § 507(a)(8) of the Code, and statutory interest accruing thereon prior to the Petition Date.
34. Professional Persons: Persons, including a trustee (if one is appointed), retained or to be compensated pursuant to §§ 326, 327, 328, 330, and/or 1103 of the Bankruptcy Code.
35. Proof of Claim: A proof of claim as defined in Bankruptcy Rule 3001(a).
36. Pro Rata: Proportionally so that the ratio of the amount distributed on account of a particular Allowed Claim to the amount of such Allowed Claim is the same as the ratio of the amount distributed on account of all Allowed Claims in the Class of which such particular Allowed Claim is a member to the total amount of all Allowed Claims in such Class.
37. Reorganization Case: The Chapter 11 case pending before the Bankruptcy Court commenced by the Debtor, designated Case No. 12-14352.

1 38. Reorganized Debtor: Following the Effective Date, the Debtor as reorganized pursuant
2 to the Plan.

3 39. Resilience Fitness: Resilience Fitness LLC, the tenant of the Resilience Fitness
4 Building. The Members hold all of the membership interests of Resilience Fitness.

5 40. Resilience Fitness Building: Real property and improvements commonly known as
6 7213 267th Street NW, Stanwood, Washington.

7 41. Secured Claim: An Allowed Claim that is a secured Claim against the Debtor
8 determined in accordance with § 506(a) of the Bankruptcy Code.

9 42. Schedules: The schedules of assets, liabilities and executory contracts and the
10 statement of financial affairs filed on behalf of the Debtor pursuant to § 521 of the Bankruptcy Code,
11 and in accordance with the Bankruptcy Rules, as each has been, or may be, amended and
12 supplemented from time to time.

13 43. Taxing Agency(ies): Any governmental or municipal agency holding a Claim that is
14 not a Secured Claim and that is otherwise entitled to treatment as a Priority Tax Claim.

15 44. Team Fitness Building: Real property and improvements commonly known as 1109
16 Frontier Circle E., Lake Stevens, Washington.

17 45. Unencumbered Funds: Funds of the Debtor or Reorganized Debtor wherever located
18 that are not subject to an enforceable lien, claim, levy or other interest in favor of any party.

19 46. Unsecured Claim: An Allowed Claim that is (a) based upon (i) a Proof of Claim
20 executed and filed in accordance with Bankruptcy Rule 3003(c) prior to the Claims Bar Date, or
21 (ii) the listing of the Claim in the Debtor's schedules of liabilities as other than disputed, contingent or
22 unliquidated, and (b) not a Secured Claim or an Unclassified Claim.

23 **B. Rules of Interpretation.**

 Except where the context otherwise requires, the rules of construction set forth in § 102 of the
Bankruptcy Code shall apply to the Plan.

ARTICLE III. CLASSIFICATION OF CLAIMS AND INTERESTS

 All Claims, as defined in § 101(4) of the Bankruptcy Code, against the Debtor are classified as
set forth herein. A Claim is in a particular Class only to the extent it qualifies within the definition of
such Class and is in a different Class to the extent it qualifies within the definition of such different
Class.

A. Class 1: Secured Claims of Opus Bank

- B. Class 2: Secured Claim of Union Bank
- C. Class 3: Secured Claim of KeyBank
- D. Class 4: Secured Claim of Snohomish County Treasurer
- E. Class 5: Secured Claim of Island County Treasurer
- F. Class 6: General Unsecured Claims
- G. Class 7: Allowed Interests of Members

**ARTICLE IV.
PROVISIONS FOR SATISFYING CLAIMS AND SPECIFYING
TREATMENT OF EACH CLASS UNDER THE PLAN**

The treatment of all Allowed Claims and Allowed Interests shall be as follows:

A. Unclassified Claims

There are six classes of Claims and one class of Interests, and certain other Claims are Unclassified Claims pursuant to applicable provisions of the Bankruptcy Code. If the Plan is confirmed by the Court and becomes effective, the class into which each Allowed Claim and Allowed Interest fits will determine the manner in which such Claim or interest will be treated. The classes defined are as follows.

1. Unclassified Claims.

a. Administrative Expense Claims. Administrative Expense claims shall be paid as follows:

(1) Claims of Professional Persons incurred prior to the Effective Date shall be paid on the later of the Effective Date or the date each such Claim becomes an Allowed Claim, unless the holder of such Claim agrees to different treatment not less favorable to the Estate. Claims of Professional Persons incurred following the Effective Date shall be paid upon terms to which the claimant and the Debtor agree.

(2) Any fees incurred by the Estate pursuant to 28 U.S.C. § 1930 shall be paid on the date such fees become due.

b. Priority Tax Claims.

(1) Internal Revenue Service. On May 15, 2012, the Internal Revenue Service (“IRS”) filed a Proof of Claim in the amount of \$700.00, asserting that \$100 was owed for each of years 2006-2012 on the basis of unfiled tax returns. After consultation with the Debtor’s representatives, on May 21, 2012 the IRS filed an amended Proof of Claim that reduced the amount claimed to zero. No amount shall be payable and no distribution shall be made to the IRS under the Plan.

1 (2) Department of Labor & Industries. The Debtor listed a claim in its
schedules in favor of Washington State Department of Labor & Industries – Elevator Section
2 (“L&I”) in the amount of \$109.40. The claim was not listed as contingent, unliquidated or
disputed. L&I did not file a Proof of Claim. Upon the Effective Date, the claim in favor of
3 L&I shall be deemed allowed in the amount of \$109.40 and paid in cash in full.

4 (3) Snohomish County and Island County. The claims of Snohomish
County and Island County for outstanding real and personal property taxes are Secured Claims
5 and shall be treated under Class 4 and 5, respectively. However, pursuant to § 1129(a)(9)(D)
of the Bankruptcy Code the treatment of both claims shall be more favorable to the claimant
6 than the treatment each would have received under § 1129(a)(9)(C) of the Bankruptcy Code
had its Claim been an Unsecured Claim.

7
8 **B. Classified Claims and Interests**

9 1. Class 1: Secured Claims of Opus Bank.

10 Class 1 consists of the Secured Claims of Opus Bank, as successor to loans originated by
Cascade Bank. Class 1 which is comprised of the following loans (each of which is identified by the
last four digits of the corresponding loan number):

11 • Loan No. 0513: Loan No. 0513 is evidenced by, among other things, a
12 promissory note, dated May 21, 2004, in the original principal amount of \$7,060,000. As of
the Petition Date, the amount owing on Loan No. 0513 was \$6,699,286.27. Loan No. 0513 is
13 secured by a deed of trust and assignment of rents and leases encumbering the Port Susan
Building and the Lake Stevens Building.

14 • Loan No. 0577: Loan No. 0577 is evidenced by, among other things, a
15 promissory note, dated October 15, 2010, in the original principal amount of \$788,781. As of
the Petition Date, the amount owing on Loan No. 0577 was \$771,074.52. Loan No. 0577 is
16 secured by a deed of trust and assignment of rents and leases encumbering Camano Building G
and the Resilience Fitness Building, and was secured previously by a deed of trust
17 encumbering the Olsons’ Residence, which has been sold.

18 • Loan No. 1013: Loan No. 1013 is evidenced by, among other things, a
19 promissory note, dated October 25, 2010, in the original principal amount of \$323,862.84. As
of the Petition Date, the amount owing on Loan No. 1013 was \$317,001.07. Loan No. 1013 is
20 secured by a deed of trust and assignment of rents and leases encumbering Camano Building G
and the Resilience Fitness Building.

21 • Loan No. 2461: Loan No. 2461 is evidenced by, among other things, a
22 promissory note, dated April 10, 2007, in the original principal amount of \$300,000. As of the
Petition Date, the amount owing on Loan No. 2461 was \$262,656.65. Loan No. 2461 was
23 previously secured by a deed of trust encumbering the Olsons’ Residence, which has been
sold.

1 • Loan No. 2614: Loan No. 2614 is evidenced by, among other things, a
2 promissory note, dated September 19, 2007, in the original principal amount of \$2,775,000.
3 As of the Petition Date, the amount owing on Loan No. 2614 was \$2,540,863.11. Loan
4 No. 2614 is secured by a deed of trust and assignment of rents and leases encumbering the
5 Resilience Fitness Building and was previously secured by a deed of trust encumbering the
6 Olsons' Residence, which has been sold.

7 • Loan No. 2683: Loan No. 2683 is evidenced by, among other things, a
8 promissory note, dated September 19, 2007, in the original principal amount of \$925,000. As
9 of the Petition Date, the amount owing on Loan No. 2683 was \$846,925.15. Loan No. 2683 is
10 secured by a first-position deed of trust and assignment of rents and leases encumbering the
11 Resilience Fitness Building, and was previously secured by a deed of trust encumbering the
12 Olsons' Residence, which has been sold.

13 • Loan No. 3014: Loan No. 3014 is evidenced by, among other things, a
14 promissory note, dated May 23, 2008, in the original principal amount of \$258,825.36. As of
15 the Petition Date, the amount owing on Loan No. 3014 was \$184,331.89. Loan No. 3014 is
16 secured by a deed of trust and assignment of rents and leases encumbering the Lake Stevens
17 Building, and was previously secured by a deed of trust encumbering the Olsons' Residence,
18 which has been sold.

19 • Loan No. 3015: Loan No. 3015 is evidenced by, among other things, a
20 promissory note, dated May 23, 2008, in the original principal amount of \$326,757.93. As of
21 the Petition Date, the amount owing on Loan No. 3015 was \$232,863.71. Loan No. 3015 was
22 previously secured by a deed of trust encumbering the Olsons' Residence, which has been
23 sold.

24 In or about June 2011, Opus Bank acquired all assets of Cascade Bank for an acquisition price of
25 \$21 million. On or about July 16, 2012, Opus Bank filed eight separate Proofs of Claim in connection
26 with the Class 1 Claim alleging an aggregate amount owing of \$12,214,319 as of the Petition Date.

27 a. Allowance of Claim. The Class 1 Claim shall be allowed in connection with
28 Section IV.B.1.f below.

29 b. Retention of Security Interests. Upon and following Confirmation, Opus Bank
30 shall retain the lien of its deeds of trust encumbering the Port Susan Building, the Team Fitness
31 Building, the Resilience Fitness Building, and Camano Building G.

32 c. Deeds in Lieu and Lease Assignments by Debtor. On the Effective Date, the
33 Debtor shall execute and deliver to Opus Bank (i) Deeds in Lieu conveying to Opus Bank or its
designee the Resilience Fitness Building, the Team Fitness Building and Camano Building G; and
(ii) assignments of each of the leases of such buildings in a form mutually acceptable to the parties,
subject to the provisions of the following paragraph.

1 d. Additional Provisions Related to Resilience Fitness Building.

2 (1) Opus Bank shall permit Resilience Fitness to continue to operate the
3 business in the Resilience Fitness Building following the conveyance of the Resilience Fitness
4 Building to Opus Bank.

5 (2) Notwithstanding the immediately preceding sentence, Opus Bank shall
6 have the right to engage, at its sole expense, an individual to oversee the operations of
7 Resilience Fitness on the bank's behalf with the powers and duties equivalent to a custodial
8 receiver of any operating business under applicable state law, provided, however, that such
9 individual shall not, and shall not have any right to, direct Resilience Fitness in connection
10 with its business operations, except as may be authorized by subsequent Order of this Court
11 upon proof that the standards for the appointment of a receiver under RCW 7.60.025 are met.

12 (3) The lease between the Debtor and Resilience Fitness shall be amended
13 to provide that total monthly payments due from the tenant under the lease shall be (i) \$30,000
14 for the first twelve months, commencing March 2013, and (ii) \$35,000 for the thirteenth
15 through the fortieth month following March 2013. Monthly payments due for the forty-first
16 month through the end of the lease term shall remain unaffected by the amendments
17 contemplated herein.

18 e. Additional Provisions Related to Team Fitness Building. Following the
19 Debtor's delivery of an executed Deed in Lieu conveying the Team Fitness Building to Opus Bank,
20 (i) Opus Bank shall succeed to the lessor's interests in the existing lease between the Debtor and Team
21 Fitness, LLC, and the income stream derived therefrom; (ii) the Debtor shall have no further
22 obligation for payment of amounts owing Union Bank in connection with the Class 2 Claim;
23 (iii) Opus Bank shall be responsible for the timely and full payment of all amounts owing Union Bank
in connection with the Class 2 Claim, and (iv) Opus Bank shall defend, indemnify and hold the Debtor
harmless from any claim of Union Bank in connection with the Class 2 Claim.

f. Remaining Claim Amount. Upon the completion of the deliveries identified in
Section IV.B.1.c above, the amount of the Class 1 Claim shall be deemed allowed in the amount of
\$2,100,000 the (the "Class 1 Allowed Claim") and shall be disallowed as to any and all amounts in
excess of the Class 1 Allowed Claim.

g. Payment of Allowed Claim. On the Effective Date, the Class 1 Allowed Claim
shall be amortized for payment in one hundred twenty (120) equal monthly payments of principal and
interest based upon a thirty (30) year amortization, with interest accruing on the unpaid principal
balance at the rate of four and 75/100 percent (4.75%) per annum, plus a single final payment of all
outstanding principal and interest in the 120th full month following the Effective Date. The first
payment on the Class 1 Allowed Claim shall be due and payable in the first full month following the
Effective Date, and all payments on the Class 1 Allowed Claim, including the final payment, shall be
due and payable on the tenth (10th) day of the month in which such payment is due. The Class 1
Allowed Claim shall be memorialized in a promissory note (the "Class 1 Note") in a form acceptable
to the Debtor and Opus Bank on which the Debtor and Brett and Tina Olson shall each be a maker.

1 h. Security for Class 1 Note. The Class 1 Note shall be secured by a deed of trust
2 in a form acceptable to the Debtor and Opus Bank encumbering the Port Susan Building, subordinate
3 only to the statutory lien securing the Class 4 Claim.

4 i. Discount for Early Payment. The Debtor shall have the right to satisfy in full
5 all amounts then owing on the Class 1 Note and the Class 1 Allowed Claim if, on or before the 75th
6 day following the Effective Date, the Debtor or the Olsons tender to the holder of the Class 1 Note
7 cash in the amount of \$1,500,000. Upon the tender of such amount, Opus Bank shall promptly
8 (i) return the original Class 1 Note to the Debtor marked "Paid in full," and (ii) execute and deliver to
9 the Debtor a reconveyance of the bank's deed of trust encumbering the Port Susan Building and any
10 and all other documents that the Debtor deems reasonable or desirable to effectuate a release of the
11 bank's liens, interests and encumbrances against the Port Susan Building.

12 j. Mutual Releases. Upon the Effective Date:

13 (1) Opus Bank, on behalf of itself as well as its officers, directors,
14 shareholders, employees, attorneys, agents, representatives, subsidiaries, principals,
15 beneficiaries, successors, heirs or assigns, release and forever waive and discharge the Debtor
16 and Brett T and Christina L. Olson, and their respective employees, attorneys, members,
17 agents, representatives, principals, beneficiaries, successors, heirs or assigns from any and all
18 claims, obligations, demands, rights, defenses and causes of action of any kind and nature,
19 known or unknown, asserted or unasserted, by reason of any matter, cause or thing
20 whatsoever, including without limitation those arising out of or in any way related to (i) Loan
21 Nos. 0513, 0577, 1013, 2461, 2614, 2683, 3014 and 3015 as described above, and (ii) all
22 claims and causes of action set forth in the District Court Litigation, provided, however, that
23 such release shall not include any claims or causes of action arising solely out of this Plan.

(2) The Debtor and Brett T. and Christina L. Olson, on behalf of themselves
and the Debtor's employees, attorneys, agents, members, representatives, subsidiaries,
principals, beneficiaries, successors, heirs or assigns, release and forever waive and discharge
Opus Bank, on behalf of itself as well as its officers, directors, shareholders, employees,
attorneys, agents, representatives, subsidiaries, principals, beneficiaries, successors, heirs or
assigns, from any and all claims, obligations, demands, rights, defenses and causes of action of
any kind and nature, known or unknown, asserted or unasserted, by reason of any matter,
cause or thing whatsoever, including without limitation those arising out of or in any way
related to (i) Loan Nos. 0513, 0577, 1013, 2461, 2614, 2683, 3014 and 3015 as described
above, and (ii) all claims and causes of action set forth in the District Court Litigation,
provided, however, that such release shall not include any claims or causes of action arising
solely out of this Plan.

k. Dismissal of District Court Litigation. Promptly following the Effective Date,
Opus Bank, the Debtor and the Olsons shall prepare and file such pleadings as are necessary to
effectuate a dismissal of the District Court Litigation, with prejudice and without costs to any party.

1 2. Class 2: Secured Claim of Union Bank.

2 Class 2 consists of the Secured Claim of Union Bank, as successor to the beneficial interests in
3 a loan originated by Frontier Bank. The Class 2 Claim is evidenced by, among other documents, a
4 Construction Loan Agreement, Promissory Note in the original principal amount of \$2,017,000, and a
5 Construction Deed of Trust, each dated February 8, 2002, each as modified. In or about April 2010,
6 Union Bank acquired all assets of Frontier Bank. On July 16, 2012, Union Bank filed a Proof of
7 Claim in connection with the Class 2 Claim in the amount of \$1,172,980.07 as of the Petition Date.
8 The Class 2 Claim is secured by a deed of trust encumbering the Team Fitness Building in first
9 position.

10 a. Allowance of Claim. The Class 2 Claim shall be allowed in connection with
11 entry of the order of Confirmation in the amount of \$1,172,980.07, less principal reductions from
12 payments made following the Petition Date.

13 b. Retention of Security Interests. Union Bank shall retain the lien of its deed of
14 trust encumbering the Team Fitness Building following the Effective Date until the Class 2 Claim is
15 paid in full.

16 c. Payments: On the Effective Date, the Class 2 Claim shall be amortized for
17 payment based upon a straight-line amortization beginning in the first full month following the
18 Effective Date, with all amounts being due and payable in December 2017. Interest shall accrue on
19 the unpaid balance at a fixed rate of four and 75/100 percent (4.75%) per annum. All payments on the
20 Class 2 Claim, including the final payment, shall be due and payable on the tenth (10th) day of the
21 month in which such payment is due. All payments on the Class 2 Claim shall be made by Opus
22 Bank.

23 d. Reconveyance of Deed of Trust. Promptly following Union Bank's receipt of
all amounts owing on the Class 2 Claim pursuant to this Section IV.B, Union Bank shall reconvey the
deed of trust securing the Class 2 Claim and otherwise release all its liens, interests and encumbrances
against the Team Fitness Building.

1 3. Class 3: Secured Claim of KeyBank

2 Class 3 consists of the Secured Claim of KeyBank, as successor to the beneficial interests in
3 two loans originated by EverTrust Bank, identified by loan numbers ending in 9850 and 9855 (the
4 "KeyBank Loans"). Loan 9850 is evidenced by, among other documents (each as modified), a note in
5 the original principal amount of \$975,000; a Construction Loan Agreement; and a Deed of Trust,
6 Assignment of Rents and Security Agreement encumbering Camano Building D, each dated June 25,
7 2004. By way of a Loan Assumption Agreement, dated November 23, 2004, the Debtor assumed the
8 obligations of Loan 9850 in connection with its acquisition of Camano Building D. Loan 9855 is
9 evidenced by, among other documents (each as modified), a note in the original principal amount of
10 \$1,660,000; a Construction Loan Agreement, and a Deed of Trust, Assignment of Rents and Security
11 Agreement encumbering Camano Buildings E & F, each dated May 14, 2004. In or about November

1 2004, EverTrust Bank merged with and into KeyBank. On July 16, 2012, KeyBank filed a Proof of
2 Claim in connection with the Class 3 Claim in the amount of \$2,200,923.76 as of the Petition Date.

3 a. Allowance of Claim. The Class 3 Claim shall be allowed in connection with
4 entry of the order of Confirmation in the amount of \$2,200,923.76.

5 b. Retention of Security Interests. KeyBank shall retain the liens of its deeds of
6 trust encumbering the Camano Buildings D, E & F (the “KeyBank Collateral”) following the
7 Effective Date.

8 c. Deeds in Lieu by Debtor. On the Effective Date, the Debtor shall execute and
9 deliver to KeyBank Deeds in Lieu conveying to KeyBank or its designee Camano Buildings D, E & F
10 in partial satisfaction of the Class 3 Claim. Notwithstanding the foregoing, KeyBank shall have the
11 option to not record such Deeds in Lieu and may elect to proceed with non-judicial foreclosures of its
12 deeds of trust encumbering the KeyBank Collateral. KeyBank shall either accept and record a deed in
13 lieu or commence nonjudicial foreclosure proceedings not later than forty-five (45) days from the
14 Effective Date.

15 d. Continued Assistance. Until KeyBank actually takes title to the KeyBank
16 Collateral (by way of the recording of Deed(s) in Lieu or the delivery of a trustee's deed following
17 completion of a non-judicial foreclosure), the Debtor shall continue to manage the KeyBank Collateral
18 without cost to KeyBank, and continue to remit the net rental income actually collected by the Debtor,
19 net of expenses to KeyBank consistent with the terms of the Third Interim Order Authorizing Debtor’s
20 Use of Cash Collateral of KeyBank and the budget (“Budget”) attached as Exhibit A thereto.

21 e. Payment of Real Property Taxes. On or before the Plan Effective Date, the
22 Debtor shall pay or cause to be paid the past due real estate taxes (including interest and penalties)
23 owing in connection with the KeyBank Collateral and current taxes pro-rated as of the Effective Date.

f. Settlement Agreement, Deficiency Note and Confession of Judgment. By
separate agreement, the effectiveness of which shall be subject to entry of an order confirming the
Plan, Brett T. Olson and Christina L. Olson and KeyBank have entered into (i) a settlement agreement
with mutual releases, (ii) a deficiency note (the “KeyBank Note”), and (iii) a confession of judgment
 (“Confession of Judgment”). The KeyBank Note provides for (i) a principal balance of \$546,037.49;
(ii) interest on the unpaid balance at KeyBank Prime plus three percent per annum; (iii) interest-only
payments until maturity, commencing on April 15, 2013, and on the fifteenth day of each month
thereafter until maturity; and (iv) a term of 24 months, whereupon the principal plus any unpaid
interest or other non-principal amounts owing under the KeyBank Note shall be immediately due and
fully payable. The Confession of Judgment is in the amount of \$546,037.49, plus interest at twelve
percent per annum, which KeyBank shall hold and not enter unless and until there is an uncured
default in payment under the KeyBank Note or the KeyBank Note is not paid at maturity.

g. Discount for Early Payoff. The Debtor and/or Brett T. Olson and Christina L.
Olson shall have the right to satisfy the KeyBank Note in full if, within 120 days of the Effective

1 Date, the Debtor and/or Brett T. Olson and Christina L. Olson shall pay KeyBank (i) principal in the
2 amount of \$400,000.00, plus (ii) any unpaid interest owing under the KeyBank Note.

3 h. Bank Consent for New Leases. Until KeyBank actually takes title to the
4 KeyBank Collateral, neither the Debtor nor the Members shall enter into any new lease relating to the
5 KeyBank Collateral with any existing or prospective tenant without first obtaining KeyBank's written
6 consent.

7 i. Mutual Releases. Upon the Effective Date:

8 (1) KeyBank, on behalf of itself as well as its officers, directors,
9 shareholders, employees, attorneys, agents, representatives, subsidiaries, principals,
10 beneficiaries, successors, heirs or assigns, releases and forever waives and discharges the
11 Debtor, and its employees, attorneys, agents, representatives, beneficiaries, successors, heirs or
12 assigns from any and all claims, obligations, demands, rights, defenses and causes of action of
13 any kind and nature, known or unknown, asserted or unasserted, by reason of any matter,
14 cause or thing whatsoever, including without limitation those arising out of or in any way
15 related to the KeyBank Loans, provided, however, that such release shall not include any
16 claims or causes of action arising solely out of this Plan, including without limitation claims
17 under the KeyBank Note and the Confession of Judgment.

18 (2) The Debtor on behalf of itself and its employees, attorneys, agents,
19 members, representatives, subsidiaries, principals, beneficiaries, successors, heirs or assigns,
20 releases and forever waives and discharges KeyBank, on behalf of itself as well as its officers,
21 directors, shareholders, employees, attorneys, agents, representatives, subsidiaries, principals,
22 beneficiaries, successors, heirs or assigns, from any and all claims, obligations, demands,
23 rights, defenses and causes of action of any kind and nature, known or unknown, asserted or
unasserted, by reason of any matter, cause or thing whatsoever, including without limitation
those arising out of or in any way related to KeyBank Loans, provided, however, that such
release shall not include any claims or causes of action arising solely out of this Plan.

4. Class 4: Secured Claim of Snohomish County Treasurer

Class 4 consists of the Secured Claim of Snohomish County Treasurer for outstanding real and
personal property taxes. On May 1, 2012, Snohomish County filed a Proof of Claim in connection
with the Class 4 Claim in an aggregate amount of \$209,394.43 as of the Petition Date, detailed as
follows:

Property	Tax	Amount
Resilience Fitness Building	Personal property	\$455.33
Port Susan Building	Personal property	\$544.98
Team Fitness Building	Real property	\$35,956.23
Team Fitness Building (lot)	Real property	\$8,075.79

Port Susan Building	Real property	\$129,250.29
Port Susan Building (lot)	Real property	\$3,467.56
Port Susan Building (lot)	Real property	\$110.91
Resilience Fitness Building	Real property	\$31,523.34

Each component of the Class 4 Claim set forth above is secured by the property indicated.

a. Allowance of Claim. Following the Petition Date and pursuant to order of the Court, the Debtor made a payment to Snohomish County in the amount of \$22,817.89. The Class 4 Claim shall therefore be allowed in connection with entry of the order of Confirmation in the amount of \$186,576.54.

b. Retention of Security Interests. Snohomish County shall retain its statutory liens against the property indicated above until the Class 4 Claim is paid in full.

c. Recovery Against Other Collateral. In connection with the treatment of the Class 1 Claim, on the Effective Date the Resilience Fitness Building shall be conveyed to Opus Bank. No amount shall be payable and no distribution shall be made to Snohomish County on account of the amounts owing on the Class 4 Claim that are related to the Resilience Fitness Building (as set forth above, a total of \$31,978.67), and the holder of the Class 4 Claim shall be entitled to exercise any remedies it may have under applicable non-bankruptcy law to recover such amounts from its collateral. As of the Effective Date, (i) any stay otherwise in place enjoining actions to recover against the Resilience Fitness Building shall be deemed lifted and of no further force and effect, and (ii) the allowed amount of the Class 4 Claim shall be deemed reduced by amounts allocable to the Resilience Fitness Building.

d. Payments Related to Retained Properties: On the Effective Date, the remaining balance of the Class 4 Claim, in the amount of \$154,597.87, shall be amortized for payment in fifty-four (54) equal monthly payments, the first of which shall be due and payable in the first full month following the Effective Date. Interest shall accrue on the unpaid balance at a fixed rate of five percent (5.0%) per annum. All payments on the Class 4 Claim, including the final payment, shall be due and payable on the tenth (10th) day of the month in which such payment is due.

5. Class 5: Secured Claim of Island County Treasurer

Class 5 consists of the Secured Claim of Island County Treasurer for outstanding real property taxes related to Camano Buildings D, E & F, and G. The Debtor listed claims in its Schedule E in favor of Island County in a total amount of \$14,294.26. The claims were not listed as contingent, unliquidated or disputed. Island County did not file a Proof of Claim. Island County holds a statutory lien against each of Camano Buildings D, E & F, and G for amounts owing related to each particular property.

a. Allowance of Claim. Following the Petition Date and pursuant to order of the Court, the Debtor made a payment to Island County in the amount of \$4,489.91. The Class 5 Claim

1 shall therefore be allowed in connection with entry of the order of Confirmation in the amount of
2 \$9,804.35.

3 b. Retention of Security Interests. Island County shall retain its statutory liens
4 against Camano Buildings D, E & F, and G until the Class 5 Claim is paid in full.

5 c. Recovery Against Other Collateral. In connection with the treatment of the
6 Class 3 Claim, on the Effective Date Camano Buildings D, and E & F shall be conveyed to KeyBank.
7 As of the Effective Date, any stay otherwise in place enjoining actions to recover against Camano
8 Buildings D, and E & F shall be deemed lifted and of no further force and effect.

9 d. Payments Related to Retained Property: On the Effective Date, the remaining
10 balance of the Class 5 Claim, in the amount of \$7,299, shall be amortized for payment in fifty-four
11 (54) equal monthly payments, the first of which shall be due and payable in the first full month
12 following the Effective Date. Interest shall accrue on the unpaid balance at a fixed rate of five percent
13 (5.0%) per annum. All payments on the Class 5 Claim, including the final payment, shall be due and
14 payable on the tenth (10th) day of the month in which such payment is due.

15 6. Class 6: General Unsecured Claims

16 Class 6 consists of all Unsecured Claims not more particularly described in another Class
17 under the Plan.

18 a. Allowance of Claims. Each Class 6 Claim shall be allowed or disallowed, as
19 the case may be, whether prior to or following Confirmation, in such amount as the Court may
20 approve following Notice and Hearing.

21 b. Treatment of Class 6 Claims. All Class 6 Claims shall be paid in full in two
22 payments, which shall be due on the tenth (10th) day of the twelfth (12th) and the eighteenth (18th)
23 full month following the Effective Date, provided that each holder of a Class 6 Claim that is not an
Insider shall be paid in full prior to any distributions being made to a holder of a Class 6 Claim that is
an Insider. Interest shall accrue on the unpaid balance of each Allowed Claim that is a Class 6 Claim
following the Effective Date at the Federal Judgment Rate.

7. Class 7: Allowed Interests of Members

Class 7 consists of the Allowed Interests of the Members of the Debtor. Except as otherwise
provided for under the Plan, the Members shall retain such interests following Confirmation but shall
receive no distributions on account of such interests (i) if there exists a default under payments owing
to any other Class, or (ii) the Debtor shall fail to make any payment due on the Effective Date.

1 **C. Impairment of Classes**

2 Classes 1-7 are each impaired under the Plan (the “Impaired Classes”). Pursuant to the
3 provisions of § 1129(b) of the Bankruptcy Code, in the event an Impaired Class does not accept the
4 Plan, the Debtor requests that the Court confirm the Plan without the consent of such Impaired Class.

4 **ARTICLE V.**
5 **CLAIMS OBJECTIONS AND TREATMENT OF DISPUTED CLAIMS**

6 **A. Administration of Claims**

7 Except as otherwise provided for herein, each Claim shall be allowed or disallowed, as the
8 case may be, in such amount as the Court shall determine, whether prior to or following Confirmation,
9 and whether pursuant to this Plan or otherwise, upon such notice as the Bankruptcy Court or
10 Bankruptcy Rules shall permit except that, after the Effective Date, the Debtor may settle or
11 compromise any controversies regarding Claims without notice or further order of the Court.

12 **B. Affirmative Claims, Defenses and Counterclaims Assigned to Reorganized Debtor**

13 On the Effective Date, the Debtor shall be deemed to have assigned to the Reorganized
14 Debtor, and the Reorganized Debtor shall be deemed to have acquired and become the successor to,
15 all defenses, counterclaims and setoffs, whether equitable or legal, of the Debtor to Claims held or
16 asserted to be held against the Debtor, and all claims of the Debtor for relief against any other party.
17 Any objection to Claims must be filed and served in accordance with Bankruptcy Rule 3007;
18 provided, however, that the foregoing limitations do not apply to any claims filed subsequent to
19 Confirmation.

20 **C. No Distribution on Disputed Claims**

21 Notwithstanding any provision of the Plan specifying the time for payment of distributions to
22 holders of Claims, no payment or distribution shall be made to the holder of any Disputed Claim until
23 the time such Claim has been determined to be an Allowed Claim. Notwithstanding the existence of a
24 Disputed Claim in a Class to which a distribution under this Plan is due, such distribution to other
25 creditors shall not be affected by any delay in the resolution of the Disputed Claim. Upon the
26 allowance of any Disputed Claim, the holder shall be paid the amount that such holder would have
27 received had its Claim been an Allowed Claim on the Effective Date.

28 **ARTICLE VI.**
29 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

30 **A. Assumption of Executory Contracts and Unexpired Leases.**

31 The Plan constitutes a motion by the Debtor to assume the executory contracts and unexpired
32 leases set forth in Exhibit D to the Disclosure Statement as of the Effective Date pursuant to § 365(a)
33 of the Bankruptcy Code. The Debtor believes no cure pursuant to § 365(b)(1)(A) of the Code will

1 become due upon assumption. Notwithstanding the foregoing, any party to an executory contract or
2 unexpired lease scheduled for assumption as provided in this paragraph shall, within the same
3 deadline and in the same manner established for objections to confirmation, file any claim for
4 arrearage required to be cured by § 365(b)(1) of the Bankruptcy Code and any objections to the
5 assumption. Failure to assert such arrearage or to file any objections shall constitute an agreement to
6 the assumption and an acknowledgment that no defaults or claims exist under said contract that
7 require a cure.

8 **B. Rejection of Executory Contracts and Unexpired Leases.**

9 The Plan constitutes a motion by the Debtor to reject all other executory contracts and
10 unexpired leases of the Debtor, not heretofore assumed or rejected, as of the Effective Date, except
11 (1) those executory contracts and unexpired leases previously assumed, and (2) those executory
12 contracts and unexpired leases set forth in Exhibit D to the Disclosure Statement. Any claim arising
13 from the rejection of an executory contract or unexpired lease is a Class 6 claim to the extent it is an
14 Allowed Claim. Any entity holding a claim based upon the rejection of an executory contract or
15 unexpired lease pursuant to this Section VI must file a Proof of Claim with the Bankruptcy Court
16 within thirty (30) days after the Effective Date. The failure of any such entity to file a Proof of Claim
17 within the specified time period will result in the disallowance of such claim.

18 **ARTICLE VII.**
19 **MEANS FOR EXECUTION OF THE PLAN**

20 The Plan effects a significant reduction in the amounts owing to creditors by conveying certain
21 properties to their associated secured creditors and, in the case of lenders where an amount will
22 remain owing, providing a means to restructure such remaining debt in a commercially reasonable
23 manner.

24 **A. Continued Operation of the Business.**

25 Following Confirmation, the Debtor shall continue to own, control, manage and operate its
26 assets and business in connection with the Team Fitness Building and the Port Susan Building in the
27 exercise of reasonable and prudent judgment in the ordinary course of business without further notice
28 or order of the Court.

29 **B. Payments to Creditors.**

30 Funding for payments to creditors pursuant to the Plan shall come from Cash on hand as of the
31 Effective Date, and operating revenues. The Debtor or its designee shall act as disbursing agent for
32 payments and distributions due under the Plan.

33 **C. Conveyance of Properties.**

On the Effective Date, the Debtor shall convey (i) to KeyBank, Camano Buildings D, E & F,
and (ii) to Opus Bank (or its designee), the Team Fitness Building, Camano Building G, and the

1 Resilience Fitness Building. In each case the conveyance shall be by way of a non-merger deed in
2 lieu of foreclosure substantially in the form attached hereto as Exhibit A. KeyBank and Opus Bank
3 shall be permitted to realize on such properties following the Effective Date.

4 **D. Assignment and Release of Claims and Causes of Action**

5 All rights, claims and causes of action, whether equitable or legal, of the Debtor or the
6 Reorganized Debtor against all persons are reserved for and assigned to the Reorganized Debtor,
7 including without limitation all rights, claims and causes of action of the Debtor or the Reorganized
8 Debtor arising under §§ 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code, or under applicable
9 non-bankruptcy law, for the recovery of avoidable preferences, fraudulent transfers or other
10 conveyances. Upon the Effective Date, all such claims shall be deemed waived and released.

11 **ARTICLE VIII.**
12 **MISCELLANEOUS PROVISIONS**

13 **A. Vesting of Assets**

14 All assets of the Estate shall be vested in the Reorganized Debtor in accordance with 11 U.S.C.
15 § 1141, and no further order of the Court shall be necessary for the Reorganized Debtor to perform
16 such acts as are within the ordinary scope of its business and/or necessary to carry out the purposes
17 and intent of this Plan.

18 **B. Provisions Regarding De Minimis Distributions.**

19 In the event a periodic distribution to the holder of an Allowed Claim that would otherwise be
20 required under the Plan totals less than \$5.00, the Reorganized Debtor may, but shall in no event be
21 required to, withhold such distribution until subsequent distributions, when combined with the
22 withheld distribution, total at least \$5.00, whereupon all distributable amounts owing such holder shall
23 be distributed.

C. Unmarked Ballots

Executed ballots respecting the Plan returned by creditors to the Debtor that do not indicate
acceptance or rejection of the Plan shall be deemed and counted as acceptances of the Plan.

D. Unnegotiated Distribution Checks

Pursuant to § 347 of the Bankruptcy Code, ninety (90) days after any distribution to any
unsecured creditor by the Debtor provided for herein, the Debtor shall stop payment on any check on
such distribution remaining unpaid to a holder of an Allowed Claim and funds shall be returned to the
Debtor. From and after the date the Debtor stops payment on any distribution check pursuant to this
paragraph, the holder of the claim on account of which such check was issued shall be entitled to

1 receive no further distributions on account of his claim and such holder's Allowed Claim shall
2 thereupon be deemed satisfied in full.

3 **E. Mailing List; Returned Distribution Checks**

4 The official listing of creditor identities and mailing addresses is maintained by the Clerk of
5 the Bankruptcy Court, United States Bankruptcy Court, 700 Stewart St., #6301, Seattle, WA 98101-
6 1271 (the "Official Mailing List"). It shall be the obligation of each creditor and/or party in interest to
7 assure that the Official Mailing List is current and accurate as to each such person or entity. In the
8 event that a distribution check, that has been properly posted to the creditor's address as set forth in the
9 Official Mailing List, is returned as undeliverable by the United States Postal Service, the Debtor shall
10 be authorized, but not required, to void such check with the applicable funds becoming subject to
11 further distribution pursuant to this Plan, and the claim of such creditor being deemed satisfied in full.

12 **F. Administrative Claim Bar Date**

13 The deadline for submission of all claims entitled to priority pursuant to §§ 507(a)(1) and (b)
14 of the Bankruptcy Code incurred prior to Confirmation, with the exception of fees and costs of
15 Professional Persons, shall be thirty (30) days following Confirmation. Failure to file a claim by this
16 date shall conclusively bar the claimant from asserting his claim, which claim shall be forever
17 discharged.

18 **G. Employment of Professional Persons**

19 The Reorganized Debtor shall be authorized to employ and compensate Professionals
20 following Confirmation upon such terms as the Reorganized Debtor deems reasonable and appropriate
21 without further notice or order of the Court.

22 **H. Payments Shall Be Timely**

23 The Reorganized Debtor shall timely make all payments required under this Plan. Without
limiting the generality of the foregoing, the Reorganized Debtor shall be responsible for the timely
payment of quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) following confirmation of the
plan until the case is closed. After confirmation of the Plan, the Reorganized Debtor shall serve on the
United States Trustee quarterly a financial report for each quarter (or portion thereof) the case remains
open. The financial report shall include a statement of all disbursements made during the course of
the relevant quarter, whether or not pursuant to the Plan.

I. Treatment of Negotiable Instruments.

Any negotiable instrument held by the holder of an Allowed Claim shall be deemed
exchanged, canceled or satisfied, as the case may be, on the Effective Date.

1 **J. Stay of Confirmation Order Shall Not Apply**

2 The stay of enforceability of the order of Confirmation pursuant to Bankruptcy Rule 3020(e)
3 shall not apply, and the order of Confirmation shall be enforceable according to its terms absent
4 further order of the Court.

4 **K. Event of Default; Consequence of Default**

5 An event of default shall occur if the Reorganized Debtor shall fail to comply with a material
6 provision of this Plan. In such an event, the party alleging such default shall provide written notice of
7 the alleged default (a "Notice of Default") to the Reorganized Debtor and the attorneys for the
8 Reorganized Debtor at the addresses set forth below. If, after thirty (30) days following the
9 Reorganized Debtor's and its counsel's receipt of a Notice of Default, the Reorganized Debtor and the
10 party providing the Notice have been unable to resolve, or the Debtor has been unable to cure, the
11 asserted default, such party may proceed with any remedies available to it under applicable law.
12 Notwithstanding the foregoing, nothing herein shall limit or affect the Reorganized Debtor's right to
13 seek appropriate relief from any court of competent jurisdiction.

10 All notices to the Reorganized Debtor and its counsel provided for or required under this
11 Section VIII.K shall be sent by certified mail, return receipt requested, to the following addresses:

12 B and T Olson Family LLC
13 6932 Evergreen Way
14 Everett, WA 98203
15 Phone: 949-715-0992
16 Email: bbttolson@aol.com

15 With copy to:

16 James L. Day
17 Bush Strout & Kornfeld
18 601 Union Street, Suite 5000
19 Seattle, WA 98101-2373
20 Phone: 206-292-2110
21 Fax: 206-292-2104
22 Email: jday@bskd.com

20 **ARTICLE IX.**
21 **SATISFACTION OF INDEBTEDNESS AND DISCHARGE OF CLAIMS**

21 Except as specifically provided in this Plan or in the Confirmation Order the distribution made
22 to the various classes of creditors as provided for in this Plan shall be in full and complete satisfaction
23 of their Allowed Claims and Allowed Interests. Except as specifically provided in this Plan or the
Confirmation Order, Confirmation shall operate, upon the Effective Date, as a discharge of any and all
debts and claims as defined in § 101(5) of the Bankruptcy Code against the Estate, the Debtor or

1 Debtor-in-Possession that arose at any time prior to Confirmation. The discharge of the Debtor and
2 the discharge of claims against the Debtor, whether asserted against the Debtor or the Debtor-in-
3 Possession shall be effective as to each claim, regardless of whether or not (a) the claim was
4 scheduled, (b) a proof of claim was filed, (c) the claim is an Allowed Claim, or (d) the holder thereof
5 voted to accept the Plan.

6 **ARTICLE X.**
7 **WAIVER OF RIGHTS UNDER SECTION 1127(e) OF THE BANKRUPTCY CODE.**

8 So long as the Debtor have fully performed all acts and made all payments required on the
9 Effective Date, Confirmation of the Plan shall constitute the agreement of all holders of Allowed
10 Claims to the waiver of all rights of any party to modify the Plan pursuant to section 1127(e) of the
11 Bankruptcy Code.

12 **ARTICLE XI.**
13 **RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT**

14 Notwithstanding Confirmation, until entry of a final decree, the Bankruptcy Court shall retain
15 jurisdiction to ensure that the purposes and intent of the Plan are carried out. Without limiting the
16 generality of the foregoing, the Court shall retain jurisdiction for the following purposes:

- 17 1. Fixing and allowing any claim as a cost and expense of the administration of the
18 Reorganization Case;
- 19 2. Re-examining any claim that has been allowed;
- 20 3. Hearing and determining objection to a claim. The failure of the Debtor to object to, or
21 to examine any claim for the purpose of voting, shall not be deemed to be a waiver of the Reorganized
22 Debtor's right to object to, or re-examine any claim in whole or in part.
- 23 4. Hearing and determining any action brought by the Reorganized Debtor on behalf of
the Estate seeking to avoid any transfer of an interest of the Debtor in property, or any obligation
incurred by Debtor, that is avoidable pursuant to applicable law.
5. Hearing and determining all causes of action, controversies, disputes, or conflicts
between or among the Reorganized Debtor, and any other party, including those that were pending
prior to Confirmation.
6. Hearing and determining all questions and disputes regarding title to the property of the
Estate.
7. Correcting any defect, curing any omission, or reconciling any inconsistency in the
Plan or the Order of Confirmation as may be necessary to carry out the purpose and intent of the Plan.

