

EXHIBIT 1

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6 IN THE UNITED STATES BANKRUPTCY COURT

7 FOR THE DISTRICT OF ARIZONA

8 In re:

Chapter 11 Proceeding

9 CLINICA REAL, LLC,

Case No. 2:12-bk-20451-EPB

Case No. 2:12-bk-20452-EPB

(Joint Administration)

10 Debtor.

11 KEITH MICHAEL STONE,

12 Debtor.

13 This filing applies to:

14 ☒ All Debtors

15 ☐ Specified Debtor:
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18 **JOINT PLAN OF REORGANIZATION DATED FEBRUARY 14, 2014**
19 **PROPOSED BY THE DEBTORS**
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1 services, and the cost of comparable services other than in a case under Title 11; (2) the costs and
2 expenses of the administration of this proceeding, including, but not limited to, any Bankruptcy
3 Court Clerk fees or Court Reporter's fees which have not been paid, the cost of reproduction and
4 mailing of this Joint Plan and the Disclosure Statement; (3) any post-petition operating expenses of
5 the Debtors which are due and unpaid at Confirmation; and (4) the actual and necessary costs of
6 preserving the Estate.

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8 As of February 1, 2014, the amount owed by Clinica Real, LLC, to Debtor's counsel, Mark
9 J. Giunta, is approximately \$10,066.36. As of January 1, 2014, the amount owed by Clinica Real,
10 LLC to Debtor's special counsel, Mahaffy Law Firm, P.C., is approximately \$46,000.

11 As of January 1, 2014, the amount owed by Keith Michael Stone ("Stone" or "Keith Stone")
12 to Debtor's counsel, Cindy L. Greene, is approximately \$7,400.

13 Class 1 also expressly includes any outstanding pre-confirmation quarterly fee payments
14 owed by the Debtors to the United States Trustee.

15 **2.03 Class 2: Priority Claims.** Class 2 consists of all Allowed obligations, including tax
16 obligations, of the Debtors which are entitled to priority under § 507(a)(8) of the Bankruptcy Code.

17 The Debtor Keith Stone has Priority Tax Claims owed to the United States Treasury
18 (Internal Revenue Service) in the approximate aggregate amount of \$147.79.

19 **2.04 Class 3A: Secured Claim of Allstate Insurance – Clinica Real, LLC.** Class 3A
20 consists of the Allowed Secured Claim of Allstate Insurance ("Allstate") as Clinica Real, LLC,
21 which prior to an 11 U.S.C. § 506 determination, has an approximate principal amount of
22 \$260,000.00 secured by a lien in a first position on a 16.65% Membership Interest in Artemis
23 Resort Properties No. 2 Ltd. (the "Membership Interest"). The indebtedness underlying the
24 Secured Claim is joint and several with a claim against, and a co-debt of, Keith Stone.
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1 **2.05 Class 3B: Secured Claim of Edna Van Natta - Clinica Real, LLC.** Class 3B
2 consists of the Allowed Secured Claim of Edna Van Natta (“Van Natta”) as to Clinica Real,
3 LLC, which has an approximate principal amount of \$10,000.00 secured by a lien in a first
4 position on the Debtor’s medical and office equipment (“Equipment”) located in Maricopa
5 County.

6 **2.06 Class 3C: Secured Claim of Allstate Insurance – Keith Stone.** Class 3C
7 consists of the Allowed Secured Claim of Allstate Insurance (“Allstate”) as to Keith Stone,
8 which prior to any separate 11 U.S.C. § 506 determination, has an approximate principal amount
9 of \$260,000.00 secured by a lien in a first position on 16.65% Membership Interest in Artemis
10 Resort Properties No. 2 Ltd. (the “Membership Interest”). The indebtedness underlying the
11 Secured Claim is joint and several with a claim against, and co-debt of, Clinica Real, LLC
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13 **2.07 Class 4A: Unsecured Deficiency Claims of Allstate Insurance and Edna Van**
14 **Natta – Clinica Real, LLC.** Class 4A consists of the Allowed Unsecured Claims of Allstate and
15 Van Natta arising on account of deficiency claims as to Clinica Real, LLC. These Claims shall
16 be determined either by approved stipulation or after the Court has conducted any 11 U.S.C. §
17 506 determination of secured status. If Allstate or Van Natta asserts such an Unsecured Claim
18 arising on account of a deficiency outside of an approved stipulation they must do so by filing a
19 Proof of Claim for the same within 30 days of the date of the entry of the Order by the Court
20 setting forth the 11 U.S.C. § 506 determination of secured status or the date of Confirmation
21 whichever is earlier.
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23 **2.08 Class 4B: Unsecured Deficiency Claims of Allstate Insurance – Keith Stone.**
24 Class 4B consists of the Allowed Unsecured Claims of Allstate arising on account of deficiency
25 claims as to Keith Stone. This Claim shall be determined either by approved stipulation or after

1 the Court has conducted an 11 U.S.C. § 506 determination of secured status. If Allstate asserts
2 such an Unsecured Claim arising on account of a deficiency outside of an approved stipulation
3 they must do so by filing a Proof of Claim for the same within 30 days of the date of the entry of
4 the Order by the Court setting forth the 11 U.S.C. § 506 determination of secured status or the
5 date of Confirmation whichever is earlier.

6 **2.09 Class 5A: Unsecured Claim of State Farm Mutual Automobile Insurance**
7 **Company and State Farm Fire & Casualty Company – Clinica Real, LLC.** Class 5A
8 consists of the Allowed Unsecured Claim of State Farm Mutual Automobile Insurance Company
9 and State Farm Fire & Casualty Company (“State Farm”), as to Clinica Real, LLC, whose
10 amount, if any, at present has yet to be determined by Order of this Court. State Farm has filed a
11 proof of claim as Clinica Real, LLC, in the amount of \$29,000,000 which Clinica Real, LLC
12 disputes. State Farm asserts this Claim to be joint and several with a claim against, and a co-debt
13 of, Keith Stone.
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15 **2.10 Class 5B: Unsecured Claim of State Farm Mutual Automobile Insurance**
16 **Company and State Farm Fire & Casualty Company - Keith Stone.** Class 5B consists of the
17 Allowed Unsecured Claim of State Farm Mutual Automobile Insurance Company and State
18 Farm Fire & Casualty Company (“State Farm”), as to Keith Stone, whose amount, if any, at
19 present has yet to be determined by Order of this Court. State Farm has filed a proof of claim as
20 to Keith Stone, in the amount of \$29,000,000 which Keith Stone disputes. State Farm asserts
21 this Claim to be joint and several with a claim against, and a co-debt of, Clinica Real, LLC.
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23 **2.11 Class 6A: Claims of General Unsecured Creditors - Clinica Real, LLC.** Class
24 6A consists of the Allowed Unsecured Claims of Clinica Real, LLC, other than the deficiency
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1 claims and other claims set forth in Classes 4A and 5A, which the Debtor estimates to be
2 approximately \$145,348.98.

3 **2.12 Class 6B: Claims of General Unsecured Creditors - Keith Stone.** Class 6B
4 consists of the Allowed Unsecured Claims of Keith Stone, other than the deficiency claims and
5 other claims set forth in Classes 4B and 5B, which the Debtor estimates to be approximately
6 \$15,052.56.

7 **2.13 Class 7A: Equity Security Holders of Clinica Real, LLC.** Class 7A consists of
8 the interests of Equity Security Holders of Clinica Real, LLC, which consists of member Keith
9 Stone (100%).

10 **2.14 Class 7B: Individual Debtor Keith Stone.** Class 7B consists of the equity interest
11 of the individual Debtor, Keith Stone.

12 **2.15 Elimination of Classes.** Any Class that is not occupied as of the date of the
13 hearing on confirmation of this Joint Plan by an Allowed Claim or a Claim temporarily allowed
14 pursuant to Rule 3019 of the Bankruptcy Rules shall be deemed deleted from this Joint Plan for
15 purposes of voting on acceptance or rejection of this Joint Plan and for the purpose of
16 determining whether this Joint Plan has been accepted by such Class pursuant to § 1129 of the
17 Bankruptcy Code.

18 19 20 **ARTICLE III**

21 **IDENTIFICATION OF IMPAIRED CLASSES OF 22 CLAIMS AND EQUITY INTERESTS**

23 **3.01 Impaired Classes of Claims.** Classes 3A, 3B, 3C, 4A, 4B, 5A, 5B, 6A and 6B are
24 impaired under this Plan. Administrative Expenses (Class 1) and Priority Tax Claims (Class 2) are
25 treated in accordance with Section 1129(a)(9) of the Bankruptcy Code unless otherwise agreed to by
the claimant.

3.02 Impairment Controversies. If a controversy arises as to whether any Claim or any class of Claims is impaired under this Plan, such class shall be treated as specified in this Joint Plan unless the Bankruptcy Court shall determine such controversy upon motion of the party challenging the characterization of a particular Class or Claim under this Plan.

ARTICLE IV

ACCEPTANCE OR REJECTION OF PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS

4.01 Classes Entitled to Vote. Each impaired Class of Claims shall be entitled to vote separately to accept or reject this Plan. Any unimpaired Class of Claims shall not be entitled to vote to accept or reject this Plan.

4.02 Creditors Not Entitled to Vote. Only Creditors holding Claims that are not contested may vote for the Joint Plan unless authorized by the Court to do so after motion and court order entered prior to the Confirmation hearing unless Debtor stipulates to allow a Creditor temporary voting privileges.

4.03 Class Acceptance Requirement. A Class of Claims shall have accepted this Joint Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims of such class that have voted on this Plan.

4.04 One Vote Per Holder. If a holder of a Claim holds more than one Claim in any one class, all Claims of such holder in such Class shall be aggregated and deemed to be one Claim for purposes of determining the number of Claims voting on this Plan.

4.05 Cramdown. Notwithstanding the rejection or deemed rejection of this Joint Plan by any class of Claims, Debtor shall request that the Bankruptcy Court confirm this Joint Plan in accordance with § 1129(b) of the Bankruptcy Code.

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ARTICLE V

**TREATMENT OF ADMINISTRATIVE EXPENSES
AND CLASSES NOT IMPAIRED UNDER THE PLAN**

5.01 **Class 1: Administrative Expenses**. The allowed amount of Administrative Expenses shall be paid by the Debtors:

(A) On the later of: (1) the Effective Date; or (2) ten days after an Order approving the Administrative Expenses is entered if the Claim is one of a professional person employed under Sections 327 or 1103 of the Bankruptcy Code or otherwise employed by the Bankruptcy; or (3) for all other Administrative Expenses, twenty days after the Claim becomes an Allowed Claim; or

(B) Through such other treatment as may be agreed in writing by such holder of an Administrative Expense or as expressly set forth herein; provided, however, an Allowed Administrative Expense representing a liability incurred in the ordinary course of business shall be paid by the Debtors upon presentment or otherwise in accordance with the terms of the particular transaction and any agreements relating thereto.

5.02 **Class 2: Priority Tax Claims**. Debtors will pay all Class 2 claims, to the extent any exist, in 5 years, in even annual cash payments, commencing one year after the Petition Date, a value, as of the Petition Date of the Plan, equal to the allowed amount of such claim consistent with 11 U.S.C. § 1129(a)(9)(C).

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ARTICLE VI

**TREATMENT OF CLASSES
IMPAIRED UNDER THE PLAN**

6.01 **Class 3A: Claim of Allstate Insurance – Clinica Real, LLC**. The Allowed amount of the Secured Claim of Allstate Insurance (“Allstate”) secured by the Membership

1 Interest as defined above in Class 3A shall be paid commencing on the first day of the second
2 month following the Effective Date the amount of \$10,000 and shall be paid \$10,000 every three
3 months thereafter until the Allowed Secured Claim is paid full.

4 Allstate shall retain its lien on the Membership Interest to the extent of its Allowed
5 Secured Claim, with the same validity, perfection and priority it had on the Petition Date.

6 **6.02 Class 3B: Secured Claim of Edna Van Natta – Clinica Real, LLC.** The Allowed
7 amount of the Secured Claim of Van Natta secured by Equipment defined above in Class 3B
8 shall retain all liens and security interests in the subject Equipment of the Debtor to the extent
9 she holds an Allowed Secured Claim until the completion of the payments called for herein. Van
10 Natta's Allowed Secured Claim shall be paid commencing on the second month after the
11 Effective Date the amount of \$1,000 and shall be paid \$1,000 every three months thereafter until
12 the Allowed Secured Claim is paid in full.

14 Van Natta shall retain a lien on the Equipment to the extent of her Allowed Secured
15 Claim, with the same validity, perfection and priority she had on the Petition Date.

16 **6.03 Class 3C: Secured Claim of Allstate Insurance – Keith Stone.** The Allowed
17 amount of the Secured Claim of Allstate Insurance ("Allstate") secured by the Membership
18 Interest as defined above in Class 3C shall be paid by the treatment Allstate is receiving pursuant
19 to Section 6.01 herein where its receiving treatment as to its Class 3A Claim.

20 Allstate shall retain its lien on the Membership Interest to the extent of its Allowed
21 Secured Claim, with the same validity, perfection and priority it had on the Petition Date.

22 **6.04 Class 4A: Unsecured Claims of Allstate Insurance and Edna Van Natta – Clinica**
23 **Real, LLC.** The Allowed Unsecured Claims of Allstate and Van Natta, if any, will be paid pro rata
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1 from the same aggregate payments being made to, and thus treated identically as, Class 5A, 5B, 6A,
2 and 6B Unsecured Creditors.

3 **6.05 Class 4B: Unsecured Claim of Allstate Insurance – Keith Stone.** The Allowed
4 Unsecured Claim of Allstate of Class 4B, if any, will be paid pro rata from the same aggregate
5 payments being made to, and thus treated identically as, Class 5A, 5B, 6A and 6B Unsecured
6 Creditors.

7 **6.06 Class 5A: Unsecured Claim of State Farm Mutual Automobile Insurance**
8 **Company and State Farm Fire & Casualty Company – Clinica Real, LLC.** The Allowed
9 Unsecured Claim of the Class 5A, State Farm, as to Clinica Real, LLC, shall be paid as follows:
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11 A. If State Farm so elects by the time of the approval of the Disclosure
12 Statement in this matter its treatment shall be:

13 i. State Farm shall have an Allowed Unsecured Claim as to Clinica
14 Real, LLC, in the amount of \$1,500,000. The claims by Clinica Real, LLC against State Farm
15 contained in District Court Case No. CIV 13-00429-PHX-SMM (“District Court Action”) shall be
16 released and State Farm and Clinica Real, LLC shall stipulate to the dismissal with prejudice of said
17 District Court Action with the parties to bear their own costs. State Farm shall dismiss with
18 prejudice the State Court litigation, Case No. CV2007-003838, against Clinica Real, LLC, and
19 Clinica Real, LLC’s employees and their spouses if any, including but not exhausted by, Keith
20 Stone and Victoria Patricia Rascon, and release any non-dischargeability claims associated with the
21 same

22 ii. State Farm’s Allowed Unsecured Claim shall be paid commencing
23 the first day of the second month after the Effective Date in the amount of \$25,000, and shall be
24 paid \$25,000 every three months after until the Allowed Unsecured Claim is paid in full.
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1 iii. The election is only available if State Farm makes the election for
2 both its Class 5A and 5B Claims. It cannot elect for one of its classes and not the other. The
3 \$25,000 quarterly payments made to State Farm on account of Class 5A shall be considered
4 payment also on, and concurrently reduce State Farm's Allowed Unsecured Class 5B Claim. The
5 ultimate aggregate payment of \$1,500,000 shall be deemed to satisfy in full both State Farm's Class
6 5A and 5B Allowed Unsecured Claims.

7 iv. As part its election State Farm must support, and vote to accept,
8 confirmation of the Plan, and not object, or withdraw any objection, to the confirmation of the Plan,
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10 B. If State Farm does not make the election set forth in above in Section
11 6.06(A) then its treatment shall be:

12 i. The Allowance, or Disallowance, of State Farm's disputed
13 Unsecured Claim shall be determined by the Bankruptcy Court pursuant to 11 U.S.C. § 502.

14 ii. To the extent State Farm receives an Allowed Unsecured Claim, if
15 any, State Farm's Allowed Unsecured Claim shall be paid, commencing the first day of the second
16 month after entry of the Order of this Bankruptcy Court allowing it, pro rata from the same
17 aggregate payments being made to, and thus treated identically as, Classes 4A, 4B, 6A and 6B
18 Allowed Unsecured Creditors.

19 iii. The payment of any Class 5A Allowed Unsecured Claim of State
20 Farm under Section 6.06(B)(ii) shall be considered payment also on any Class 5B Allowed
21 Unsecured Claim State Farm and the completion of the payments towards Class 5A called for by
22 Section 6.06(B)(ii) and the satisfaction of any Class 5A Allowed Unsecured Claim thereby shall
23 also be deemed a satisfaction in full of any Class 5B Allowed Unsecured Claim. State Farm shall
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1 only receive, if any, one payment stream under this Joint Plan on account of both its joint and
2 several Class 5A and 5B Claims.

3 **6.07 Class 5B: Unsecured Claim of State Farm Mutual Automobile Insurance**

4 **Company and State Farm Fire & Casualty Company – Keith Stone.** The Allowed Unsecured
5 Claim of Class 5B, State Farm, as to Keith Stone shall be paid as follows:

6 A. If State Farm so elects in a writing received Debtors' counsel by the time of
7 the approval of the Disclosure Statement in this matter its treatment shall be:

8 i. State Farm shall have a Class 5B Allowed Unsecured Claim as to
9 Keith Stone, in the amount of \$1,500,000. The claims by Keith Stone, against State Farm contained
10 in District Court Case No. CIV 13-00429-PHX-SMM shall be released and State Farm and Keith
11 Stone shall stipulate to the dismissal with prejudice of said District Court action with the parties to
12 bear their own costs. State Farm shall dismiss with prejudice the State Court litigation, Case No.
13 CV2007-003838, against Clinica Real, LLC, and other Clinica Real, LLC's employees and their
14 spouses if any, including but not exhausted by Victoria Patricia Rascon.

15 ii. State Farm's Class 5B Allowed Unsecured Claim shall be paid
16 identically, and from the same funds, as that of State Farm's Class 5A Allowed Unsecured Claim.
17 Payment of the State Farm's Class 5A Allowed Unsecured Claim in full shall be payment in full
18 and complete satisfaction of State Farm's Class 5B Allowed Unsecured Claim.

19 iii. The election is only available if State Farm makes the election for
20 both its Class 5A and 5B Claims. It cannot elect for one its classes and not the other. The \$25,000
21 quarterly payments made to State Farm on account of Class 5A shall be considered payment also
22 on, and concurrently reduce State Farm's Allowed Unsecured Class 5B Claim. The ultimate
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1 aggregate payment of \$1,500,000 shall be deemed to satisfy in full both State Farm's Class 5A and
2 5B Allowed Unsecured Claims.

3 iv. As part of its election, State Farm must support, and vote to accept,
4 confirmation of the Plan, and not object, or withdraw any objection, to the confirmation of the Plan.

5 B. If State Farm does not make the election set forth in above in Section
6 6.06(A) then its treatment shall be:

7 i. The Allowance, or Disallowance, of State Farm's disputed
8 Unsecured Claim shall be determined by the Bankruptcy Court pursuant to 11 U.S.C. § 502.

9 ii. To the extent State Farm receives an Allowed Class 5B Unsecured
10 Claim, if any, State Farm's Allowed Class 5B Unsecured Claim shall be paid by the same payment
11 being made on State Farm's joint and several Allowed Class 5A Unsecured Claim, commencing the
12 first day of the second month after entry of the Order of this Bankruptcy Court allowing it, pro rata
13 from the same aggregate payments being made to, and thus treated identically as, Classes 4A, 4B,
14 6A and 6B Allowed Unsecured Creditors. No payments will occur on the Class 5B Claim that is
15 independent from payments made on the Class 5A Claim.

16 iii. The payment of any Class 5A Allowed Unsecured Claim of State
17 Farm under Section 6.06(B)(ii) shall be considered payment also on any Class 5B Allowed
18 Unsecured Claim State Farm and the completion of the payments towards Class 5A called for by
19 Section 6.06(B)(ii) and the satisfaction of any Class 5A Allowed Unsecured Claim thereby shall
20 also be deemed a satisfaction in full of any Class 5B Allowed Unsecured Claim. State Farm shall
21 only receive, if any, one payment stream under this Joint Plan on account of both its joint and
22 several Class 5A and 5B Claims.
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1 **6.08 Class 6A: Claims of General Unsecured Creditors - Clinica Real, LLC.** The
2 Allowed Claims of the General Unsecured Creditors of Clinica Real, LLC, shall be treated as
3 follows:

4 A. In the event that State Farm makes the election contained in Section 6.06(A) herein,
5 then Class 6A General Unsecured Creditors (and Classes 4A, 4B and 6B who also be paid pro rata
6 from the same payments) shall paid as follows:

7 Commencing on the first day of the second month after the Effective Date Class 6A
8 General Unsecured Creditors shall be paid their pro rata share of the aggregate payment of
9 \$5,000 (the same sum from which also Classes 4A, 4B and 6B will also be paid pro rata
10 from) and shall be paid their pro rata share of an aggregate \$5,000 every quarter thereafter
11 until they are paid in full.
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13 B. In the event that State Farm does not make the election contained in Section 6.06(A)
14 herein then Class 6A General Unsecured Creditors (and Classes 4A, 4B, 5A [5B shall be paid by
15 any payments to 5A], and 6B) shall be paid as follows:

16 Commencing the first day of the second month after entry of the Order of this Bankruptcy
17 Court allowing or disallowing State Farm's Class 5A and 5B Unsecured Claims, Class 6A
18 General Unsecured Creditors shall be paid their pro rata share of an aggregate payment of
19 \$25,000 (the same sum from which also Classes 4A, 4B, and 6B will also be paid pro rata
20 from) and shall be paid their pro rata share of an aggregate \$25,000 every quarter thereafter
21 until the all Allowed Unsecured Claims are paid in full, or for 23 quarters resulting in an
22 aggregate of \$575,000 being paid to all Allowed Unsecured Creditors, whichever occurs
23 first. No Class 6A Allowed Unsecured Creditor shall receive a double payment on account
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1 of the same payment on account of the same joint and several co-debts owed by both
2 Debtors.

3 **6.09 Class 6B: Claims of General Unsecured Creditors – Keith Stone.** The Allowed
4 Claims of the General Unsecured Creditors of Keith Stone shall be treated identically as Class 6A
5 Allowed Unsecured Creditors but no Class 6B Allowed Unsecured Creditor shall receive a double
6 payment on account of the same joint and several co-debts owed by both Debtors.

7 **6.10 Classes 7A and 7B: Interests Of Equity Security Holders.** The Allowed Equity
8 Security Interest of the Equity Security Holder in the Clinica Real, LLC, Keith Stone, shall be
9 retained and continue in the Clinica Real, LLC Reorganized Debtor. Keith Stone the individual
10 shall retain his interest in the reorganized individual estate.
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12 13 **ARTICLE VII**

14 **IMPLEMENTATION OF THE PLAN**

15 **7.01 Procedure To Implement The Plan.** On the date of the Joint Plan Confirmation, or
16 prior to where applicable, the following events shall occur:

17 The Debtors shall:

- 18 a. Determine the amounts of all allowed Class claims consistent with the
19 provisions of this Joint Plan.
- 20 b. Execute any documents necessary to implement Plan.
- 21 c. Debtors shall file with the Court post-confirmation quarterly reports, and
22 provide a copy of the same to the United States Trustee, as required by the
23 United States Trustee Operating Guidelines and Reporting Requirements
24 for Chapter 11 Cases until a final decree is obtained in this case. The
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Debtors shall pay any post-confirmation quarterly fees as required by the United States Trustee Operating Guidelines and Reporting Requirements for Chapter 11 Cases until a final decree is obtained in this case.

d. Appoint a Disbursing Agent.

e. The Debtors shall receive on or before the Effective Date a capital contribution in the cash value amount of \$50,000.00 from Debtor Keith Stone's exempt ING Security Life of Denver whole life insurance policy. These contributed proceeds shall be used to fund the Debtors' Joint Plan obligations through the first year of post-confirmation operation as well as to pay any applicable administrative and operating expenses

f. The Debtors shall receive on or before the Effective Date a capital contribution in the amount of \$75,000 from Victoria Patricia Rascon. These contributed funds shall be used to fund the Debtors' Joint Plan obligations through the first year of post-confirmation operation as well as to pay any applicable administrative and operating expenses.

7.02 The Reorganized Debtor Shall Serve As The Disbursing Agent. The Debtors shall become the Disbursing Agent on the day after the Effective Date to serve as Disbursing Agent for all payments to be made to the Classes under the Plan.

a. Duties of the Disbursing Agent. The Disbursing Agent shall receive, disburse and account to the Court, the Creditors, Equity Security Holders and other parties in interest for the assets, and shall be responsible for reviewing and approving all claims (all disputes to be resolved by the Court), keep adequate records of all transactions, receipts and disbursements,

1 communicating with, and advising all Creditors, Debtor and other parties in interest as needed, and
2 such other duties as may be consistent with the responsibilities of a Disbursing Agent.

3 The Disbursing Agent on behalf of the Reorganized Debtor shall file with the Court post-
4 confirmation quarterly reports, and provide a copy of the same to the United States Trustee, as
5 required by the United States Trustee Operating Guidelines and Reporting Requirements for
6 Chapter 11 Cases until a final decree is obtained in this case. The Disbursing Agent on behalf of
7 the Reorganized Debtors shall pay any post-confirmation quarterly fees as required by the United
8 States Trustee Operating Guidelines and Reporting Requirements for Chapter 11 Cases until a
9 final decree is obtained in this case. The Disbursing Agent shall acknowledge and assume these
10 duties, and all other obligations of Disbursing Agent set forth herein, by its execution of an
11 acceptance on the notice of the appointment of the Disbursing Agent to be filed with Court pursuant
12 to Section 7.02 of the Plan.
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14 **b. Termination of Disbursing Agents' Duties:** The final distribution of the
15 remaining pre-petition assets of the Reorganized Debtors pursuant to the terms of the Joint Plan set
16 forth herein shall discharge the Disbursing Agent.

17 **c. Compensation of Disbursing Agent.** The Disbursing Agent shall not
18 receive any compensation other than the reimbursement of any actual out of pocket costs incurred
19 by the Disbursing Agent in performing the duties authorized by this Joint Plan which may include
20 legal fees and expenses.
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22 **7.03 Effectuating Documents.** On or before the Effective Date, the Reorganized
23 Debtors shall file with the Bankruptcy Court such agreements, indentures, instruments and other
24 documents as may be necessary or appropriate to effectuate and further evidence the terms and
25 conditions of this Plan.

1 **7.04 Property Vests In The Reorganized Debtor.** All Property, assets and rights of the
2 estate of the Debtor shall vest in the Reorganized Debtors, free and clear of all liens, Claims and
3 encumbrances of any kind whatsoever unless expressly provided for under this Plan. The
4 Reorganized Debtors shall be able to manage their affairs, subject only to the limitations set forth in
5 this Plan, without the requirement of further orders from the Bankruptcy Court.

6 **7.05 Minimum Distributions.** The distributions to holders of Claims pursuant to the
7 Joint Plan are minimum distributions only, and the Reorganized Debtors shall have the right and
8 discretion, at all times, to make full or partial prepayments without penalty to holders of Claims.

9 **7.06 Unclaimed Monies.** All distribution of money under the Joint Plan which are
10 returned by the Post Office undelivered or which cannot be delivered due to lack of a current
11 address will be retained by the Disbursing Agent, in trust, in a federally insured bank for the
12 distributee; after the expiration of six months from the date of the first attempted distribution, the
13 unclaimed monies, stock, and all future distributions will be redistributed pro rata to the other
14 distributees, free of any Claim by the distributee.

15 **7.07 Void Nature Of Any Post-Petition Trustee's Sales Or Foreclosures.** Any
16 trustee's sales or other forms of foreclosure of the Debtors' real property undertaken after the
17 Petition Date in violation of the 11 U.S.C. § 362 are hereby deemed void. Any Creditor, Creditor's
18 affiliate or agent, or other party, who purported to undertake such a trustee's sale or foreclosure of
19 the Debtors' real property shall use best efforts to correct and document the void nature of their
20 act(s) and document and correct any public record of such a void trustee's sale or foreclosure. The
21 remedy for enforcing this provision expressly includes, but is not exhausted by, that of specific
22 performance and injunction without the need for a bond by the Debtors.
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7.08 Binding To Debtor And Creditors. Upon the entry of the Confirmation Order, this Joint Plan shall bind the Debtors now known as the Reorganized Debtors, Equity Security Holders of the Debtors, any entity acquiring or being distributed any property under this Plan, any Creditor, whether or not their Claims and interests are impaired under this Joint Plan and whether or not they have accepted this Plan.

ARTICLE VIII

CONDITIONS OF CONFIRMATION

8.01 Conditions To Confirmation Of The Plan. It shall be a condition precedent to the Confirmation of this Joint Plan that the Final Order provide for:

- (a) Confirmation of this Plan;
- (b) To supplement the injunctive provisions of § 524 of the Bankruptcy Code, except as provided in this Joint Plan or the Confirmation Order, as of the Confirmation Date, all persons or entities and governmental units shall be stayed, restrained and enjoined from taking any of the following actions on account of any such discharge Claims, debts or liabilities: (i) commencing or continuing in any manner any action or other proceeding against the Reorganized Debtors, or its property; (ii) enforcing, attaching (including, without limitation, any prejudgment attachment), collecting or recovering in any manner any judgment, award, decree or order against the Reorganized Debtors, or its property; (iii) creating, perfecting or enforcing in any manner, directly or indirectly, any lien or encumbrance against the Reorganized Debtors, or any of its property, or any direct or indirect transferee of any property of, or any direct or indirect successor in interest to, or any property of such transferee or successor; (iv) setting-off, seeking reimbursement of, contribution from, subrogation against or otherwise recouping in any manner directly or indirectly, any amount owed to the Reorganized Debtors, or any direct or indirect transferee of any

1 property of, or any successor in interest to the Reorganized Debtors, commencing or continuing any
2 action, in any manner, in any place that does not comply with or is inconsistent with the provisions
3 of this Plan.

4 Pursuant to the Plan, the Reorganized Debtors, shall not have or incur any liability to any
5 holder of a Claim or an Interest, or any other party in interest, or any of their respective agents,
6 employees, representatives, financial advisors, attorneys or affiliates, or any of their successors
7 or assigns for any act or omission in connection with, relating to or arising out of the Chapter 11
8 case, any settlement related to the Chapter 11 case, the negotiation and execution of a proposed
9 Plan, the solicitation of acceptances of the Plan, the pursuit of confirmation of the Plan, the
10 consummation of the Plan, or the administration of the Estate or of the Plan, issuance and
11 distribution of any securities issued or to be issued pursuant to the Plan, or the property to be
12 distributed under the Plan, except only to the extent that liability is based on willful misconduct.
13 The Reorganized Debtors shall be entitled to reasonably rely on the advice of counsel with
14 respect to their duties and responsibilities under the Plan, or in the context of the Bankruptcy
15 Case.
16

17 (c) Acceptance or rejection of this Joint Plan was solicited in good faith and in
18 compliance with the applicable provisions of the Bankruptcy Code, and no Person conducting or
19 participating in solicitation, including the Reorganized Debtors, shall be liable, on account of such
20 solicitation or participation, for violation of any applicable law, rule, or regulation government
21 solicitation of acceptance or rejection of a plan of reorganization.
22

23 **ARTICLE IX**

24 **GENERAL PROCEDURES FOR OBJECTING TO CLAIMS** 25 **AND RESOLVING AND TREATING CONTESTED** **AND CONTINGENT CLAIMS**

1 **9.01 Claim Objection Deadline.** Unless another date for any particular Claim or Claims is
2 established by the Bankruptcy Court or this Plan, all objections to Claims shall be filed with the
3 Clerk of the Bankruptcy Court and served on the holders of such Claims (unless earlier filed) by the
4 later of 90 days after the Effective Date or the date that is ninety (90) days after a particular proof of
5 Claim (or a request for payment in the case of Administrative Claim) has been filed. If an objection
6 has not been filed to a Claim by the deadlines established herein, the Claim shall be treated as an
7 Allowed Claim; provided, however, that no objection shall be required if a Claim was not listed on
8 the Schedules or was listed on the Schedules as disputed, contingent or unliquidated, or was not
9 evidenced by a timely filed proof of Claim. No such unlisted, disputed, contingent, unliquidated or
10 unfiled Claim shall be treated as an Allowed Claim, except pursuant to a Final Order so providing.
11 The objection deadlines established herein shall not apply to Claims and causes of action that must
12 be asserted through an adversary proceeding.

14 **9.02 Preservation Of Objections To Claims.** Except as otherwise provided in this Joint
15 Plan or in the Confirmation Order or other Final Order, no compromise, waiver or release of
16 Claims, demands or causes of action, that may be provided for in this Joint Plan or in any Final
17 Order of the Court shall, in any way, limit or impair the right of the Reorganized Debtors to
18 prosecute objections to Claims, and the Reorganized Debtors hereby retain all objections to the
19 allowability of a Claim and all defenses associated with such objections.

21 **9.03 No Distributions Pending Resolution Of Objections.** Notwithstanding any other
22 provision of this Plan, no distributions shall be made with respect to a contested Claim (or any
23 contested portion of a Claim, if such Claim is not severable) by the Reorganized Debtors unless and
24 until all objections to such contested Claim have been determined by Final Order.

1 **9.04 Interest On Contested Claims And Contingent Claims.** No interest shall accrue on
2 a contested Claim during the period from the Effective Date until the date on which the Claim is
3 allowed, if ever, and no interest shall accrue on a contingent Claim during the period from the
4 Effective Date until the date on which the Claim becomes fixed and absolute or is otherwise
5 allowed, if ever; provided that a contested Claim or a contingent Claim that is specifically entitled to
6 post-confirmation interest by the terms of this Plan, and that is ultimately allowed, shall accrue post-
7 confirmation interest from the Effective Date.

8 **9.05 Treatment Of Contingent Claims.** Until such time as a contingent Claim or a
9 contingent portion of an Allowed Claim becomes fixed and absolute or is disallowed, such Claim
10 shall be treated as a contested Claim for all purposes related to the distributions under this Plan;
11 provided, however, that the distribution entitlements shall arise only from the date on which a
12 contingent Claim becomes fixed and absolute or is otherwise allowed.

13 **9.06 Disallowance Of Post-Petition Additions.** The Reorganized Debtors shall not be
14 required to make specific objection to proofs of Claim that allege a right to recover post-petition
15 interest, penalties, fees, and other accruals with respect to pre-petition Claims (except Secured
16 Claims entitled to such accruals pursuant to § 506(b) of the Bankruptcy Code), and any Claim
17 amounts attributable to such post-petition interest, penalties, fees and other accruals shall be
18 disallowed in full upon entry of the Confirmation Order.

19 **9.07 Settlement and Resolution Of Disputed and Undisputed Claims.** The Reorganized
20 Debtors shall be authorized to settle or resolve, without Court approval, any disputed or undisputed
21 Claims with a settlement payment amount that does not exceed five thousand dollars (\$5,000).

22 **9.08 Preservation Of Debtor's Claims, Demands And Causes Of Action.** All claims,
23 demands and causes of action held by, through or on behalf of the Debtors, against any other person
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1 or entity, are hereby preserved in full, unless otherwise provided by this Plan; and no provision of
2 this Joint Plan shall impair the rights of the Reorganized Debtors with respect to any of such claims,
3 demands and causes of action to prosecute and defend against any such preserved claims, demands
4 and causes of action.

6 **ARTICLE X**

7 **GENERAL PROVISIONS**

8
9 **10.01 Post-Confirmation Operating Of The Automatic Stay.** Any lawsuits pending in
10 any court (other than the Bankruptcy Court) that seek to establish Debtor's liability on pre-petition
11 Claims and that are stayed pursuant to § 362 of the Bankruptcy Code, shall be dismissed as of the
12 Effective Date unless the Reorganized Debtor elect to have their liability determined by such other
13 courts. Any pending motions to lift or vacate the automatic stay shall be deemed denied as of the
14 Effective Date and the stay shall remain in effect. Any such pre-petition Claims shall be determined
15 as provided in this Plan.

16 **10.02 Prohibition Against Discriminating Treatment Against The Reorganized**
17 **Debtor.** No individual, entity or government may discriminate against the Reorganized Debtors
18 solely because of the commencement, continuation or termination of this Chapter 11 proceeding, or
19 because of any provision of this Plan, or the legal effect of this Plan, and the Confirmation Order
20 shall constitute an express injunction against such discriminating treatment.

21
22 **10.03 Compliance With Tax Requirements.** In connection with this Plan, the
23 Reorganized Debtors shall comply with all withholding and reporting requirements imposed by
24 federal, state and local taxing authorities.

1 **10.04 Insurance.** The Reorganized Debtors shall use its best efforts to maintain insurance
2 on any non-exempt pre-petition property they retain pending completion of distributions to
3 Creditors.

4 **10.05 Termination Of Adequate Protection Payments.** Any and all payments to Secured
5 Creditors for adequate protection shall be terminated on the Effective Date.

6 **10.06 No Additional Charges And No Prohibition Against Early Payment.** Except as
7 expressly stated in this Plan, or as allowed by Court order, no interest, penalty, late charge or
8 additional charges (such as attorneys' fees) shall be allowed on any Claim subsequent to the Filing
9 Date. Furthermore, the Debtors are not prohibited in any way from making any early or pre-
10 payments on their obligations under the Joint Plan and shall incur no pre-payment penalty when
11 doing so.
12

13 **10.07 Deficiency Claims and Administrative Claims.** Unsecured Creditors whose Claims
14 arise out of a deficiency resulting from the abandonment of Collateral to a previously Secured
15 Creditor or resulting from orders granting relief from the provisions of § 362 of the Bankruptcy
16 Code, or who assert Administrative Claims, must file, or apply for approval of, their Claims within
17 thirty (30) days after Confirmation of this Joint Plan unless the Court enters an Order making an 11
18 U.S.C. §506 determination of secured status as to the subject Unsecured Creditor prior to
19 Confirmation in which case said Unsecured Creditor must file its Claim within thirty (30) days
20 after the entry of said Order.
21

22 **10.08 Barring Of Claims.** The entry of the Confirmation Order shall permanently bar the
23 filing and asserting of any Claims against the Debtors which arose or relate to the period of time
24 prior to the Confirmation Date, which were listed by the Debtors in its Schedules and Statement Of
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1 Financial Affairs (as amended) filed with the Court or were not evidenced by timely and proper
2 proofs of Claim filed with the Court.

3 **10.09 Amount Of Claims.** All references to Claims and amount of the Claims refer to the
4 amount of the Claims as allowed by the Court. The Debtors reserve the right, both before and
5 within ninety (90) days after the Effective Date, to object to Claims so as to have the Court
6 determine the amount allowed to be paid under this Plan.

7 **10.10 Remedies To Cure Defects.** After Confirmation, the Reorganized Debtors may, with
8 the approval of the Court, and so long as it does not materially and/or adversely affect the interest of
9 Creditors, remedy any defect or omission, or reconcile any inconsistencies in this Plan, or in the
10 Confirmation of this Plan, in such a manner as may be necessary to carry out the purposes and the
11 intent of this Plan.

12 **10.11 Retention Of Jurisdiction.** After the Effective Date, the Bankruptcy Court shall
13 retain and have exclusive jurisdiction over the Chapter 11 cases for the following purpose:

- 14 (a) To determine any and all objections to the allowance of Claims;
- 15 (b) To determine any and all applications for allowances of compensation and
16 reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed
17 under the Bankruptcy Code or this Plan;
- 18 (c) To determine any applications for the rejection or assumption of executory
19 contracts or unexpired leases or for the assumption and assignment, as the case may be, of
20 executory contracts or unexpired leases to which the Debtors are a party or with respect to which the
21 Debtors may be liable, and to hear and determine, and if need be, to liquidate any and all Claims
22 arising therefrom;
- 23
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1 (d) To determine any and all applications, adversary proceedings and contested
2 or litigated matters that may be pending on the Effective Date;

3 (e) To consider any modifications of this Plan, remedy and defect or omission or
4 reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation
5 Order, to the extent authorized by the Bankruptcy Code;

6 (f) To determine any and all controversies, suits and disputes that may arise in
7 connection with the interpretation, enforcement or consummation of this Joint Plan or any person's
8 or entity's obligations thereunder;

9 (g) To determine all controversies, suits and disputes arising as a result of a
10 demand by any utility for a deposit or other form of security as a condition to providing post-
11 confirmation utility services to the Debtors;

12 (h) To determine all controversies, suits and disputes of this Joint Plan as a result
13 of discriminatory treatment of the Debtors;

14 (i) To hear and determine any Claim or cause of action by or against the
15 Debtors, and to consider and act on the compromise and settlement of any Claim or cause of action
16 by or against the Debtors;

17 (j) To issue such orders in aid of execution of this Plan, as are authorized by
18 § 1142 of the Bankruptcy Code; and

19 (k) To determine such other matters as may be set forth in the Confirmation
20 Order or as may arise in connection with this Joint Plan or the Confirmation Order.

21 **10.12 Modification Of Plan.** Modifications of this Joint Plan may be proposed in writing
22 by Debtors at any time before Confirmation, provided that this Plan, as modified, meets the
23 requirements of §§ 1122 and 1123 of the Bankruptcy Code, and Debtors shall have complied with
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1 § 1125 of the Bankruptcy Code. This Joint Plan may be modified at any time after Confirmation
2 and before its substantial consummation, provided that this Plan, as modified, meets the
3 requirements of §§ 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice
4 and hearing, confirms this Plan, as modified, under § 1129 of the Bankruptcy Code, and the
5 circumstances warrant such modification. A holder of a Claim that has accepted or rejected this
6 Joint Plan shall be deemed to have accepted or rejected, as the case may be, such Joint Plan as
7 modified, unless within the time fixed by the Bankruptcy Court, such holder changes its previous
8 acceptance or rejection.
9

10 **10.13 Severability.** Wherever possible, each provision of this Joint Plan shall be interpreted
11 in such manner as to be effective and valid under applicable law, but if any provision of this Joint
12 Plan shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the
13 extent of such prohibition or invalidity, without invalidating the remainder of such provision or the
14 remaining provisions of this Plan. Furthermore, if the Bankruptcy Court will not confirm this Joint
15 Plan because one or more provisions hereof are determined to be prohibited or invalid under
16 applicable law, Debtors may seek permission of the Bankruptcy Court to amend this Joint Plan by
17 deleting the offending provision.

18 **10.14 Revocation Of Plan.** Debtor reserves the right to revoke and/or withdraw this Joint
19 Plan prior to entry of the Confirmation Order. If the Debtors revoke and/or withdraws this Plan, or
20 if Confirmation of this Joint Plan does not occur, then this Joint Plan shall be deemed null and void
21 and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or
22 against the Debtors or any other person or entity or to prejudice in any manner the rights of the
23 Debtors or any person or entity in any further proceeding involving the Debtors.
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ARTICLE XI

DISCHARGE OF DEBTOR

11.01 Discharge Of The Debtor. Except as otherwise provided in this Joint Plan or in the Confirmation Order, the rights afforded under this Joint Plan and the treatment of Claims under this Joint Plan shall be in exchange for and in complete satisfaction, discharge and release of all Claims including any interest or Claims from the petition date including as provided for in 11 U.S.C. § 1141. Except as is modified by application of 11 U.S.C. § 1141(d)(5) as to Debtor Keith Stone, confirmation of this Joint Plan shall discharge the Debtors from all Claims or other debts, liabilities or obligations of any kind or nature, that arose, in whole or part, before the Effective Date, and all debts of the kind specified in §§ 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of Claim based on such debt is timely filed or deemed filed pursuant to § 501 of the Bankruptcy Code, a Claim based on such debt is allowed pursuant to § 502 of the Bankruptcy Code, or the holder of a Claim based on such debt has accepted this Plan.

11.02 Effect Of Discharge On Other Entities. Pursuant to § 524(e) of the Bankruptcy Code, except as otherwise provided in this Plan, the discharge of a debt of the Debtors, pursuant to this Plan, shall not affect the liability of any other entity on, or the Property of any other entity for, such debt.

11.03 Modification Of Plan Due To Default. If any Creditor holding an Allowed Claim seeks such an Order, the Debtor may seek modification of the Joint Plan prior to entry of the Order based upon good cause for the default and reasonableness of the modification.

ARTICLE XII

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1 **12.01 Description of Executory Contracts.** The Debtors have no executory contracts in
2 the capacity as a lessor. Debtor Clinica Real, LLC does have leases in its capacity as a lessee with
3 the following:

- 4 1) 440310 BC, LLC
- 5 2) Alan Sachs Revocable Trust
- 6 3) Crossroads Village
- 7 4) Pro's Ranch Market LLC
- 8 5) Westview Plaza, LLC

9 The above-listed leases have been assumed pursuant to an Order Granting Debtor's Motion
10 to Approve and Assume Leases pursuant to 11 U.S.C. § 365 dated January 24, 2013.

11 **12.02 Rejected If Not Assumed.** Except for the Clinica Real, LLC's s lease with above
12 referenced in § 12.01, all contracts and leases of the Debtors that constitute executory contracts or
13 unexpired leases as of the date of filing the Chapter 11 petition for relief shall be rejected as of the
14 Effective Date, except for the leases set forth or described in Section 12.01.

15 **12.03 Disputes As To Executory/Unexpired Status.** Notwithstanding § 12.02 above, if
16 on the Effective Date there is a pending dispute as to whether a contract is executory or a lease is
17 unexpired, Debtors' right to assume or reject such contract or lease shall be extended until the date
18 that is thirty (30) days after entry of a Final Order by the Bankruptcy Court determining that the
19 contract is executory or the lease is unexpired.
20

21 **12.04 Expired Contracts Or Leases.** Any contract or lease that expired pursuant to its
22 terms prior to the Effective Date, and that has not been assumed or rejected by Final Order prior to
23 the Effective Date, is hereby specifically rejected.
24
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1 **12.05 Bar To Rejection Damages.** If the rejection or an executory contract or unexpired
2 lease results in damages to the other party or parties to such contract or lease, a Claim for such
3 damages, if not heretofore evidenced by a filed proof of Claim, shall be forever barred and shall not
4 be enforceable unless a proof of Claim is filed with the Bankruptcy Court and served upon the
5 Debtors as follows: (a) if the Claim arises from the rejection of an executory contract or unexpired
6 lease by operation of any provision of this Plan, thirty (30) days after the date of service of notice of
7 the Effective Date; (b) if the Claim arises from the rejection of an executory contract or unexpired
8 lease pursuant to a Final Order of the Bankruptcy Court (other than the Confirmation Order)
9 authorizing rejection of such contract or lease, thirty (30) days after service of notice of the entry of
10 such Final Order; or (c) if the Claim arises from the rejection of an executory contract or unexpired
11 lease that is rejected after withdrawal of the assumption thereof, thirty (30) days after service of
12 notice of the assumption withdrawal. The foregoing applies only to Claims arising from the
13 rejection of an executory contract or unexpired lease; any other Claims held by a party to a rejected
14 contract or lease shall have been evidenced by a proof of Claim filed by earlier applicable bar dates
15 or shall be barred and unenforceable.

17 **12.06 Cure Of Defaults Upon Assumption.** Upon the assumption of any executory
18 contract or unexpired lease (including an executory contract or unexpired lease deemed to be such
19 by assumption herein) including, without limitation, defaults by the Debtors specified in
20 § 365(b)(10) of the Bankruptcy Code and any defaults by the Debtors specified in § 365(b)(2) of the
21 Bankruptcy Code, shall be deemed cured except to the extent written demand for the cure of or
22 demonstration of ability to cure any default has been filed with the Bankruptcy Court and served
23 upon Debtors by the non-Debtor party to such executory contract or unexpired lease within thirty
24 (30) days after the date of service of notice of the Effective Date. In the absence of a timely demand
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1 in accordance with the foregoing, Debtors' obligation to cure or demonstrate the ability to cure shall
2 be deemed waived, released and discharged. If any non-Debtor party to such executory contract or
3 unexpired lease timely serves and files such written demand, and Debtors files an objection in
4 writing to such demand within thirty (30) days thereafter, the Bankruptcy Court shall, by the
5 issuance of a Final Order, determine the amount actually due and owing in respect of such demand
6 or shall approve the settlement of such demand. Debtors shall have thirty (30) days thereafter in
7 which to effect such cure or withdraw ab initio their assumption of such executory contract or
8 unexpired lease whereupon such executory contract or unexpired lease shall be deemed to have
9 been rejected as of the date of the Chapter 11 petition for relief.
10

11 **12.07 Treatment of Claims Arising From Assumption Or Rejection.** All Allowed
12 Claims arising from the assumption of an executory contract or unexpired lease shall be treated as a
13 General Unsecured Claim unless otherwise ordered by Final Order of the Bankruptcy Court. No
14 such Claims are anticipated in this case. In the event no General Unsecured Class exists, but one is
15 needed, the Debtors will create one with a modification.

16 DATED this 14th day of February, 2014.

17 LAW OFFICE OF MARK J. GIUNTA

18 /s/ Mark Giunta 015079

19 Mark J. Giunta
20 Law Office of Mark J. Giunta
245 West Roosevelt Street, Suite A
Phoenix, Arizona 85003

21 Approved by Debtor Clinica Real, LLC:

22 /s/ Keith Stone

23 Keith Stone in his capacity as member and authorized
24 representative of Clinica Real, LLC

25 Approved by Debtor Keith Stone:

/s/ Keith Stone

Keith Stone

1 A Copy of the foregoing was electronically filed
2 This 14th day of February, 2014 with the U.S. Bankruptcy Court.

3 COPY of the foregoing mailed (and/or served via
4 fax* or e-mail** if so marked) this 14th day of February, 2014, to:

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Logan Schutz

APPENDIX A

DEFINITIONS

Defined Terms. For purposes of this Plan, the capitalized terms used in this Plan shall have the meanings as set forth below:

1.01 Administrative Claims/Expenses. Claims and expenses which are allowed pursuant to § 503(b) of the Bankruptcy Code and which are entitled to priority pursuant to § 507(a)(1) of the Bankruptcy Code.

1.02 Affiliate. This term includes any entity (including persons) that directly or indirectly own, control, or hold with power to vote, 20 percent or more of the outstanding voting securities of the debtor. Keith Michael Stone is an Affiliate of Clinica Real, LLC, the Debtor in this Bankruptcy Case.

1.03 Allowed Claim. A Claim (a) with respect to which a Proof of Claim has been filed with the Court within the applicable period of limitation fixed by the Federal Rules Of Bankruptcy Procedure, Rule 3003, or (b) scheduled in the list of Creditors prepared and filed with the Court pursuant to Federal Rules Of Bankruptcy Procedure, Rule 1007(b) and not listed as disputed, contingent or unliquidated as to amount, and in either case, as to which no objection to the allowance thereof has been filed within any applicable period of limitation fixed by Federal Rules Of Bankruptcy Procedure, Rule 3007, the Plan, an order of the Court, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal and as to which no appeal is pending. An Allowed Claim shall not include unmatured or post-petition interest unless otherwise provided hereafter in the Plan.

1.04 Allowed Secured Claim. This term refers to and means a Claim that is both an Allowed Claim and a Secured Claim.

1.05 Allowed Unsecured Claim. This term refers to and means a Claim that is both an Allowed Claim and an Unsecured Claim.

1.06 Ballot. This term refers to and means the ballot for accepting or rejecting the Plan which will be distributed to holders of Claims in Classes that are impaired under this Plan and are entitled to vote on this Plan.

1.07 Bankruptcy Code. The Bankruptcy Code is the Bankruptcy Reform Act Of 1978, sometimes referred to as the Bankruptcy Code Of 1978, as contained in Title 11 U.S.C.A. § 101, et seq., and all amendments thereto.

1.08 Bankruptcy Court or Court. This term refers to and means the United States Bankruptcy Court for the District of Arizona, Phoenix Division, or any other court that exercises jurisdiction over all or part of the Bankruptcy Cases, including the United States District Court for the District of Arizona to the extent that the reference of all or part of the Bankruptcy Cases is withdrawn.

1.09 Bankruptcy Rules. This term refers to and means the Federal Rules of Bankruptcy Procedure promulgated under 28 U.S.C. § 2075 and the local rules of Court, as applicable during the term of the Bankruptcy Cases.

1.10 Bankruptcy Case. This term refers to and means the above-captioned Chapter 11 case filed by Clinica Real, LLC and Keith Michael Stone.

1.11 Bar Date. The last day the Court will allow a Proof of Claim to be filed in this bankruptcy proceeding. The Bar Date is usually the date set for the hearing on approval of the Disclosure Statement and notice of the Bar Date will accompany the notice setting the hearing on approval of the Disclosure Statement, unless another deadline has been set by the Court.

1.12 Business Day. This term refers to and means every day except Saturdays, Sundays, and holidays observed by the Bankruptcy Court.

1.13 Cash Collateral. Cash, negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents whenever acquired in which the estate and an entity other than the estate have an interest and includes the proceeds, products, offspring, rents, or profits of property subject to a security interest as provided in § 552(b) of the Bankruptcy Code, whether existing before or after the commencement of a case under Title 11 of the Bankruptcy Code.

1.14 Chapter 11. Chapter 11 of the Bankruptcy Code; reference to section numbers are references to sections in the Bankruptcy Code 11 U.S.C. § 101, et seq., Public Law 95-598, effective October 1, 1979, as amended, unless otherwise specified.

1.15 Claim. A right to (1) payment from the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed,

legal, equitable, secured or unsecured; or (2) an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.16 Class. One or more creditors grouped together as defined herein. The Plan is intended to deal with all Claims against the Debtor of whatever character, whether or not contingent or liquidated, and whether or not allowed by the Court pursuant to § 502(a) of the Bankruptcy Code. However, only those Claims allowed pursuant to § 502(a) of the Bankruptcy Code will receive payment under the Plan.

1.17 Collateral. Property which is pledged as security for the satisfaction of a debt. Collateral is additional security for performance of principal obligation, or that which is by the side, and not in direct line. Property subject to a security interest, including accounts, contract rights and chattel paper which have been sold.

1.18 Collateral Value. Collateral Value is the fair market value of the any collateral as determined by the Court.

1.19 Confirmation. The formal approval of the Bankruptcy Court of a Plan Of Reorganization.

1.20 Confirmation Date. The date upon which the Confirmation Order is entered by the Court.

1.21 Confirmation Hearing. This term refers to and means the hearing regarding confirmation of the Plan conducted by the Bankruptcy Court pursuant to Bankruptcy Code § 1128, including any adjournment or continuation of that hearing from time to time.

1.22 Confirmation Order. The Final Order of the Court determining that the Plan meets the requirements of Chapter 11 of the Bankruptcy Code and is entitled to Confirmation.

1.23 Creditor. A Creditor or all Creditors of the Debtor holding Allowed Claims for the debts, liabilities, demands or Claims of any character whatsoever, as defined in § 101(4) of the Bankruptcy Code.

1.24 Debtor. The Debtors are Clinica Real, LLC and Keith Michael Stone, also referred in the Plan as “Clinica Real,” “Mr. Stone,” and collectively “the Debtors”.

1.25 Disclosure Statement. The Disclosure Statement is the Joint Disclosure Statement In Support Of Debtor's Plan of Reorganization in its present form, or as it may be amended or supplemented, also referred to as "Disclosure Statement" and "Joint Disclosure Statement".

1.26 Disputed Claim. This term refers to and means every Claim: (a) that is scheduled by the Debtors as disputed, contingent, or unliquidated; and/or (b) that is not an Allowed Claim.

1.27 Effective Date. The date following the Confirmation Date after which no appeal of the Confirmation Order can be taken or fifteen (15) days from the Confirmation Date, whichever is later.

1.28 Estate. This term refers to and means the bankruptcy estate of the Debtor created under Bankruptcy Code § 541.

1.29 Executory Contract. This term refers to and means every unexpired lease and other contract which is subject to being assumed or rejected under Bankruptcy Code § 365.

1.30 Final Order. A Final Order is an order of the Court which, not having been reversed, modified or amended and not being stayed and the time to appeal from which or to seek review or rehearing of which having expired, and no such appeal, review, certiorari or rehearing is pending, has become conclusive of all matters adjudicated thereby and in full force and effect.

1.31 Impaired/Impaired Class Under § 1124 of the Bankruptcy Code, a Class Of Claims is impaired under a Plan unless, with respect to each Claim of such Class: (i) it is paid in full on the Effective Date of the Plan; (ii) the Plan leaves unaltered the legal, equitable and contractual rights to which such Claim entitles the holder to such Claim; or (iii) all defaults are cured, the original maturity of the Claim is reinstated and the Claim is otherwise treated as provided in clause (ii) above.

1.32 Interests. This term refers to and means the rights of the members of the Debtor.

1.33 Interpretation. The headings in this Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender.

1.34 IRS. This term refers to and means the Internal Revenue Service.

1.35 Personal Property. This term refers to and means all personal property owned by Debtors.

1.36 Plan. This term refers to and means this Joint Plan of Reorganization Proposed By the Debtors and every modification thereof, if any, filed by the Debtor, also referred to as “Plan” and “Joint Plan”.

1.37 Plan Confirmation. Entry by the Court of an order confirming the Plan at or after a hearing held pursuant to § 1128 of the Bankruptcy Code.

1.38 Preserved Lien(s). Any liens required under § 1124(2) of the Bankruptcy Code.

1.39 Priority Claim(s). Any Claim or Claims entitled to priority pursuant to § 507(a) of the Bankruptcy Code other than a Tax Claim or a Claim for Administrative Expenses.

1.40 Professional Charges. This term refers to and means all professional fees and costs by professional persons approved by the Bankruptcy Court to serve the Debtor or the Committee which have accrued during the pendency of the Debtor’s Bankruptcy Cases up to and including the Confirmation Date.

1.41 Property: All real and personal Property (individually or as a whole) of the estate of the Debtor as previously or hereafter determined by Final Order of a court of competent jurisdiction and/or as defined in § 541 of the Bankruptcy Code, including, but not limited to, any and all Claims or causes of action in favor of the Debtor against third parties (except as otherwise provided herein).

1.42 Property Broker. This term refers to and means the independent person engaged to market and sell the property or any portion thereof.

1.43 Proponent. This term refers to and means the Debtor who is proposing this Plan of Reorganization.

1.44 Pro Rata. This term refers to and means proportionally, so that the ratio of the consideration distributed on account of an Allowed Claim in the Class (or sub-class) and consideration distributed on account of all Allowed Claims in the Class (or sub-class) is the same as the ratio of the Allowed Claims in the Class (or sub-class).

1.45 Real Property. This term refers any of the real property of the Debtor as oppose to personal property.

1.46 Reorganized Debtor. The Debtors, after Confirmation of the Plan, and its successors and assigns.

1.47 Secured Claim(s). Any Claims, other than a Tax Claim, secured by Property of the Debtor under a duly perfected security interest, to the extent of the value of the Collateral (security), as determined in accordance with § 506 of the Bankruptcy Code.

1.48 Secured Creditor(s). All Creditors other than taxing entities, who hold a lien, security interest or other encumbrance which has been properly perfected as required by law with respect to Property owned by the Debtor.

1.49 Tax Claim(s). Any Claim for taxes entitled to priority pursuant to § 507(a)(7) of the Bankruptcy Code.

1.50 Term Of The Plan. That period after the Effective Date during which payments are being made to Creditors in Classes 5.

1.51 Unsecured Claim(s): All Claims not secured by collateral of the estate.

1.52 Unsecured Creditor(s). All Creditors of Debtor holding Unsecured Claims of any character whatsoever, except Claims entitled to priority pursuant to § 507 of the Bankruptcy Code.

1.53 Unsecured Deficiency Claimant(s). Claims resulting from the excess of the Secured Claims over the Collateral Value, as determined pursuant to § 506 of the Bankruptcy Code or unless otherwise agreed to by the Secured Creditors.

1.54 Undefined Terms. Terms and phrase, whether capitalized or not, that are used and not defined herein, but are defined by the Bankruptcy Code, have the meanings ascribed to them in the Bankruptcy Code.