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13 Attorneys for Debtor

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FOR THE DISTRICT OF OREGON

In re:

Fountain Village Development, a general partnership,

Debtor.

Case No. 09-39718-rld11

DEBTOR'S SECOND AMENDED DISCLOSURE STATEMENT (September 17, 2010)

I. INTRODUCTION AND SUMMARY OF PLAN

A. INTRODUCTION

On November 20, 2009 (the "Petition Date"), Fountain Village Development ("Debtor") filed a voluntary petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code"). On March 19, 2010, Debtor filed its Plan of Reorganization and Disclosure Statement with the Bankruptcy Court. On June 7, 2010, Debtor filed its First Amended Plan of Reorganization and First Amended Disclosure Statement with the Bankruptcy Court. On August 27, 2010, Debtor filed its Second Amended Plan of Reorganization ("Plan") and Second Amended Disclosure Statement ("Disclosure Statement"). This Disclosure Statement describes various transactions contemplated under

1 the Plan, including the manner in which Claims and Interests will be satisfied. A copy of the
2 Plan is attached hereto as **Exhibit 1**. You are urged to review the Plan and, if appropriate,
3 consult with counsel about the Plan and its impact on your legal rights before voting on the
4 Plan. Capitalized terms used but not defined in this Disclosure Statement shall have the
5 meanings assigned to such terms in the Plan or the Bankruptcy Code.

6 This Disclosure Statement has been prepared by Debtor based upon its
7 knowledge and information in Debtor's books and records. The information contained herein
8 has been prepared in good faith, based upon information available. The information
9 concerning the Plan has not been subject to a verified audit. Debtor believes this Disclosure
10 Statement complies with the requirements of the Bankruptcy Code.

11 The statements contained in this Disclosure Statement are made as of the date
12 hereof, unless another time is specified herein, and the delivery of this Disclosure Statement
13 shall not imply that there has been no change in the facts set forth herein since the date of this
14 Disclosure Statement and the date of the material relied on in preparation of this Disclosure
15 Statement was compiled. The description of the Plan contained in this Disclosure Statement
16 is intended as a summary only and is qualified in its entirety by reference to the Plan itself. If
17 any inconsistency exists between the Plan and this Disclosure Statement, the terms of the
18 Plan are controlling. Each holder of a Claim is encouraged to read, consider and carefully
19 analyze the terms and provisions of the Plan.

20 This Disclosure Statement may not be relied on for any purpose other than to
21 determine how to vote on the Plan. Nothing contained herein shall constitute an admission of
22 any fact or liability by any party, or be admissible in any proceeding involving Debtor or any
23 other party, or be deemed conclusive advice on the tax or other legal effects of the
24 reorganization on the holders of Claims or Interests.

25 This Disclosure Statement is submitted in accordance with Section 1125 of
26 the Bankruptcy Code and Bankruptcy Rule 3016. The Bankruptcy Court has scheduled a

1 hearing on confirmation of the Plan to commence on _____, 2010 at
2 _____. That hearing will be held at the United States Bankruptcy Court for the District
3 of Oregon, Courtroom 3, 1001 SW Fifth Avenue, Portland, Oregon 97204 before the
4 Honorable Randall L. Dunn. The hearing on confirmation may be adjourned from time to
5 time by the Bankruptcy Court without further notice, except for an announcement made at
6 the hearing or any adjournment thereof.

7 A ballot has been enclosed with this Disclosure Statement for use in voting on
8 the Plan. In order to be tabulated for purposes of determining whether the Plan has been
9 accepted or rejected, ballots must be received at the address indicated on the ballot no later
10 than 4:00 p.m. on - _____, 2010.

11 **B. SUMMARY OF PLAN**

12 A copy of the Plan is attached hereto as **Exhibit 1**. The following description
13 of the Plan is intended as a summary only and is qualified in its entirety by reference to the
14 Plan. Debtor urges each holder of a Claim to carefully review the entire Plan, together with
15 this Disclosure Statement, before voting on the Plan.

16 Each Secured Creditor will retain its security interest in and liens on its
17 Collateral with the same priority such security interest and liens had on the Petition Date.
18 Each claim will be a Secured Claim up to the value of the property securing the claim unless
19 the Claimant elects treatment under 11 U.S.C. § 1111(b) or the Debtor and Claimant have
20 agreed upon the Secured Claim amount. The Debtor will either (a) deed certain of the
21 properties securing a Creditor's Claim to that Creditor in full satisfaction of the Secured
22 Claim or (b) keep the property as a Retained Property. Creditors holding General Unsecured
23 Claims will receive Pro Rata distributions of 50% of Excess Cash Flow generated by the
24 Reorganized Company on an annual basis until Unsecured Claims are paid in full or
25 otherwise satisfied pursuant to the Plan. Creditors holding General Unsecured Claims will
26 not receive any interest payments.

1 The Effective Date of the Plan shall be January 1, 2011. On or before the
2 Effective Date, Debtor will convert to an Oregon limited liability company, referred to herein
3 as the Reorganized Company. The General Partners will be the sole initial members of the
4 Reorganized Company. On the Effective Date, all membership interests in the Reorganized
5 Company will be issued to the General Partners. The General Partners will transfer all of
6 their assets, except their primary home, household furnishings, personal effects such as
7 clothing and jewelry, and two vehicles to the Reorganized Company. Additionally, all
8 Retained Property of the Debtor will convert to property of the Reorganized Company and
9 the General Partners guaranty all of the Plan payments.

10 All post-petition and Administrative Expense Claims will be paid on the
11 Effective Date or the date on which such Claim comes Allowed, whichever is later.

12 All unexpired leases and executory contracts will be assumed and assigned to
13 Reorganized Company through the Plan unless such unexpired leases and executory
14 contracts have previously been rejected, are rejected herein, or a motion seeking their
15 assumption or rejection has been Filed before the Confirmation Date.

16 In the event that any Class of Creditors of the Debtor does not accept the Plan,
17 Debtor reserves the right to request that the Bankruptcy Court confirm the Plan in accordance
18 with Section 1129(b) of the Bankruptcy Code or otherwise modify the Plan.

19 Debtor will execute any and all documents necessary to implement the Plan
20 terms.

21 **C. BRIEF EXPLANATION OF CHAPTER 11**

22 Chapter 11 of the Bankruptcy Code is the principal reorganization provision
23 of the Bankruptcy Code. Pursuant to Chapter 11, a debtor attempts to reorganize its business
24 for the benefit of the debtor, its creditors, and other parties in interest.

25 The formulation and confirmation of a plan of reorganization is the principal
26 purpose of a Chapter 11 case. A plan of reorganization sets forth a proposed method for

1 compensating the holders of claims and interests in the debtor. A claim or interest is
2 impaired under a plan of reorganization if the plan provides that the legal, equitable or
3 contractual rights of the holder of such claim or interest are altered. A holder of an impaired
4 claim or interest is entitled to vote to accept or reject the plan. Chapter 11 does not require
5 all holders of claims and interests to vote in favor of a plan in order for the Bankruptcy Court
6 to confirm it. However, the Bankruptcy Court must find that the plan meets a number of
7 statutory tests before it may approve the plan. These tests are designed to protect the
8 interests of holders of claims or interests who do not vote to accept the plan, but who will
9 nonetheless be bound by the plan's provisions if it is confirmed by the Bankruptcy Court.

10 An official committee of unsecured creditors is appointed by the United States
11 Trustee's office in most Chapter 11 cases to, among other things, negotiate the plan of
12 reorganization on behalf of the unsecured creditors of the debtor. A committee of unsecured
13 creditors was not appointed by the United States Trustee in this case.

14 **II. VOTING PROCEDURES AND CONFIRMATION OF A PLAN**

15 **A. BALLOTS AND VOTING DEADLINE**

16 A ballot to be used for voting to accept or reject the Plan is enclosed with each
17 copy of this Disclosure Statement mailed to all Creditors entitled to vote. After carefully
18 reviewing this Disclosure Statement and its exhibits, including the Plan, please indicate your
19 acceptance or rejection of the Plan by voting in favor or against the Plan on the enclosed
20 ballot as directed below.

21 The Bankruptcy Court has directed that, to be counted for voting purposes,
22 ballots for the acceptance or rejection of the Plan must be received no later than 4:00 p.m.
23 Pacific time, on _____, 2010 by Debtor at the following address:

24 Tonkon Torp LLP,
25 Attention: Ava L. Schoen
1600 Pioneer Tower
888 S.W. Fifth Avenue
26 Portland, Oregon 97204-2099

1 or via facsimile transmission to Ava L. Schoen at (503) 972-3843.

2 Holders of each Claim that was scheduled by Debtor or with respect to which
3 a Proof of Claim has been Filed will receive ballots and are permitted to vote based on the
4 amount of the Proof of Claim. If no Proof of Claim has been Filed, then the vote will be
5 based on the amount scheduled by Debtor in its Schedules. Holders of Disputed Claims who
6 have settled their dispute with Debtor are entitled to vote the settled amount of their Claim.
7 The Bankruptcy Code provides that such votes will be counted unless the Claim has been
8 disputed, disallowed, disqualified or suspended prior to computation of the vote on the Plan.
9 The Claim to which an objection has been Filed is not allowed to vote unless and until the
10 Bankruptcy Court rules on the objection. The Bankruptcy Code provides that the Bankruptcy
11 Court may, if requested to do so by the holder of such claim, estimate or temporarily allow a
12 Disputed Claim for the purposes of voting on the Plan.

13 If a person holds claims in more than one class entitled to vote on the Plan,
14 such person will be entitled to complete and return a ballot for each Class. If you do not
15 receive a ballot or if a ballot is damaged or lost, please contact:

16 Tonkon Torp LLP
17 Attention: Judy Alexander
18 1600 Pioneer Tower
19 888 S.W. Fifth Avenue
20 Portland, Oregon 97204-2099
21 Telephone number: (503) 802-2134

22 All persons entitled to vote on the Plan may cast their vote for or against the
23 Plan by completing, dating and signing the enclosed ballot and returning it, by First Class
24 Mail or hand delivery, to Debtor at the address indicated above. In order to be counted, all
25 ballots must be executed and received at the above address no later than 4:00 p.m. Pacific
26 time on _____, 2010. Any ballots received after 4:00 p.m. Pacific time
on _____, 2010 will not be included in any calculation to determine whether
the parties entitled to vote on the Plan have voted to accept or reject the Plan.

1 Ballots may be received by Debtor by facsimile transmission to Tonkon Torp
2 LLP, Attention: Ava L. Schoen at (503) 972-3843. Ballots sent by facsimile transmission
3 will be counted if faxed to Ms. Schoen by 4:00 p.m. Pacific time on _____,
4 2010.

5 When a ballot is signed and returned without further instruction regarding
6 acceptance or rejection of the Plan, the signed ballot shall be counted as a vote accepting the
7 Plan. When a ballot is returned indicating acceptance or rejection of the Plan but is unsigned,
8 the unsigned ballot will not be included in any calculation to determine whether parties
9 entitled to vote on the Plan have voted to accept or reject the Plan. When a ballot is returned
10 without indicating the amount of the Claim, the amount shall be as set forth on Debtor's
11 Schedules or any Proof of Claim Filed with respect to such Claim.

12 **B. PARTIES ENTITLED TO VOTE**

13 Pursuant to Section 1126 of the Bankruptcy Code, each class of impaired
14 claims or interests that is not deemed to reject the Plan is entitled to vote to accept or reject
15 the Plan. Any holder of an Allowed Claim that is in an impaired class under the Plan, and
16 whose Class is not deemed to reject the Plan, is entitled to vote. A Class is "impaired" unless
17 the legal, equitable and contractual rights of the holders of claims in that Class are left
18 unaltered by the Plan. Additionally, a Class is "impaired" unless the Plan reinstates the
19 Claims held by members of such Class by (1) curing any defaults, (2) reinstating the maturity
20 of such claim, (3) compensating the holder of such claim for damages that result from the
21 reasonable reliance on any contractual provision of law that allows acceleration of such
22 claim, and (4) otherwise leaving unaltered any legal, equitable or contractual right of which
23 the Claim entitles the holder of such claim. Because of their favorable treatment, classes that
24 are not impaired are conclusively presumed to accept the Plan. Accordingly, it is not
25 necessary to solicit votes from the holders of claims in classes that are not impaired.

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1 Classes of Claims or Interests that will not receive or retain any money or
2 property under a Plan on account of such Claims or Interests are deemed, as a matter of law
3 under Section 1126(g) of the Bankruptcy Code, to have rejected the Plan and are likewise not
4 entitled to vote on the Plan.

5 Class 1 (other Priority Creditors), Class 4.1 (First Independent as to the Yeon
6 building), Class 5 (Wells Fargo), Class 10 (Jacobsen Living Trust), and Class 16 (Wings
7 Airline Services, Inc.) are not impaired and therefore are deemed to have accepted the Plan.
8 All other Classes of Claims (Class 2 through 3, Class 4.2, Class 7, Class 9, and Class 11
9 through 15) are impaired under the Plan, and persons holding Claims in those Classes are
10 entitled to vote to accept or reject the Plan.

11 **C. VOTES REQUIRED FOR CLASS ACCEPTANCE OF THE PLAN**

12 As a condition to confirmation, the Bankruptcy Code requires that each
13 impaired Class of Claims or Interests accepts the Plan, subject to the exceptions described
14 below in the section entitled "Cram Down of the Plan." At least one impaired Class of
15 Claims must accept the Plan in order for the Plan to be confirmed.

16 For a Class of Claims to accept a plan, Section 1126 of the Bankruptcy Code
17 requires acceptance by Creditors that hold at least two-thirds in dollar amount and a majority
18 in number of the Allowed Claims of such Class, in both cases counting only those claims
19 actually voting to accept or reject the plan. The holders of Claims who fail to vote are not
20 counted as either accepting or rejecting the Plan. If the Plan is confirmed, the Plan will be
21 binding with respect to all holders of Claims and Interest in each Class, including Classes and
22 members of Classes that did not vote or that voted to reject the Plan.

23 **D. "CRAM DOWN" OF THE PLAN**

24 If the Plan is not accepted by all of the impaired Classes of Claims, the Plan
25 may still be confirmed by the Bankruptcy Court pursuant to Section 1129(b) of the
26 Bankruptcy Code if the Plan has been accepted by at least one Impaired Class of Claims,

1 without counting the acceptances of any Insiders of Debtor, and the Bankruptcy Court
 2 determines, among other things, that the Plan "does not discriminate unfairly" and is "fair and
 3 equitable" with respect to each non-accepting Impaired Class of Claims or Interest. Debtor
 4 believes that the Plan can be confirmed even if it is not accepted by all impaired Classes of
 5 Claims.

6 **E. CONFIRMATION HEARING**

7 The Bankruptcy Court has scheduled a hearing on confirmation of the Plan to
 8 commence on _____, 2010, at _____. The Confirmation Hearing will
 9 be held at the United States Bankruptcy Court for the District of Oregon, Courtroom No. 3,
 10 1001 SW Fifth Avenue, 8th Floor, Portland, Oregon, before the Honorable Randall L. Dunn,
 11 United States Bankruptcy Judge. At the hearing, the Bankruptcy Court will consider whether
 12 the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is
 13 feasible and whether it is in the best interest of the creditors of Debtor. At that time, Debtor
 14 will submit a report to the Bankruptcy Court concerning the votes for acceptance or rejection
 15 of the Plan by the persons entitled to vote thereon.

16 Section 1128(b) of the Bankruptcy Code provides that any party in interest
 17 may object to confirmation of the Plan. Any objections to confirmation of the Plan must be
 18 made in writing and filed with the Bankruptcy Court and received by counsel for Debtor no
 19 later than _____, 2010, by 4:00 p.m. Pacific time. Unless an objection to
 20 confirmation is timely filed and received, it may not be considered by the Bankruptcy Court.

21 **III. BACKGROUND AND GENERAL INFORMATION**

22 **A. FOUNTAIN VILLAGE DEVELOPMENT**

23 Fountain Village Development is an Oregon general partnership originally
 24 formed in 1966. It has two general partners, John and Janet Beardsley, who are husband and
 25 wife. The Beardsleys have at least a 45-year history of building development,
 26 redevelopment, ownership and management, with a focus in downtown Portland, Oregon.

1 Fountain Village Development owns multiple buildings in Portland and one
2 property in Juneau, Alaska. Several of the Portland properties are connected to assemble a
3 block of buildings side-by-side. The buildings are occupied by residential tenants and
4 commercial tenants, such as restaurants, retail stores, churches, and professional office
5 spaces. Debtor's revenue consists of rental payments from tenants and Debtor's costs consist
6 largely of debt servicing payments, renovation costs, and operation expenses.

7 For several years, the Portland market that Fountain Village Development
8 operates in experienced a dramatic upswing. The tightening of the mortgage credit markets,
9 however, led to dramatic changes. It made it more difficult for Debtor to attract and retain
10 tenants. The loss of revenue impaired Fountain Village Development's cash flow and led to
11 additional costs to maintain and finance the unoccupied units. Additionally, it made it more
12 difficult for Debtor to obtain and renegotiate financing.

13 **B. MANAGEMENT**

14 **1. BEARDSLEY BUILDING MANAGEMENT**

15 Beardsley Building Management manages numerous properties, including
16 those properties owned by Debtor.

17 **2. KEY OFFICERS**

18 John Beardsley. John Beardsley has owned, developed, and operated real
19 estate for over 45 years. Mr. Beardsley oversees Fountain Village Development's overall
20 operations with primary emphasis in acquiring buildings and tenants.

21 Terry Canby, Controller. Terry Canby joined Beardsley Building
22 Management in 2001 and brings over 30 years of experience in financial services and
23 accounting. He is responsible for managing Fountain Village Development's finances and
24 assets. Mr. Canby holds a bachelors degree in business administration from Linfield College.
25 Mr. Canby shall continue to be employed by Beardsley Building Management.

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1 Tom Carrollo, General Manager of Beardsley Building Management. Tom
2 Carrollo joined Beardsley Building Management in 1997. He is the General Manager of
3 Beardsley Building Management, the management entity that manages Debtor's properties.
4 Prior to joining Beardsley Building Management, Mr. Carrollo managed the B&O
5 Commerce Center, a multi-use facility including over 120 various businesses and later played
6 a key role in managing the renovation and modernization of the Historic U.S. National Bank
7 Block. Mr. Carrollo holds a degree from University of Wisconsin-Whitewater.

8 **C. FINANCIAL PERFORMANCE**

9 Attached hereto as **Exhibit 2** are the tabular income statements for Debtor's
10 properties, for the fiscal years ending in the prior three years.¹ Attached hereto as **Exhibit 3**
11 are tabular projected operating results for the properties Debtor intends to retain.

12 **IV. THE BANKRUPTCY CASE**

13 **A. THE FILING**

14 Debtor Filed a voluntary petition for relief under Chapter 11 of the
15 Bankruptcy Code on November 20, 2009.

16 **B. POST-PETITION DEVELOPMENTS**

17 **1. GENERAL DEVELOPMENTS**

18 Immediately after the filing of the Petition, Debtor was able to obtain the use
19 of cash collateral from all of its lenders who have a security interest in Debtor's cash. Debtor
20 has since been operating under the cash collateral order.

21 **2. AGREEMENTS WITH LENDERS**

22 Debtor has reached agreements with several of its lenders subsequent to the
23 Petition Date, as follows:

24 ///

25 _____
26 ¹ To the extent Debtor has not owned a property for three years, the income statement
reflects the date from which Debtor acquired the property.

1 **a. First Independent**

2 Debtor and First Independent have entered into a settlement agreement,
3 pursuant to Bankruptcy Rule 9019 with regards to the Yeon building. That agreement
4 provides that Debtor will execute and deliver to First Independent a non-merger deed in lieu
5 of foreclosure ("Deed in Lieu"); (ii) Debtor and the Beardsleys (the latter being the
6 "Guarantors") will execute an estoppel agreement pertaining to the status of the Yeon
7 building; (iii) Debtor will take all reasonable efforts to market and sell the Yeon building
8 until the building is sold or, if earlier, until the later of August 1, 2010, or if First Independent
9 has agreed to a sale of the Yeon building before August 1, 2010, the closing date of such sale
10 (the "Termination Date"); (iv) the Deed in Lieu will be deemed recorded on the day after the
11 Termination Date unless the Yeon building is sold before that day, or unless there has been a
12 default under the Agreement; (v) upon the earlier of the recording of the Deed in Lieu or the
13 Termination Date, First Independent will convert all obligations evidenced by the January 16,
14 2008 note against Debtor and Guarantors to nonrecourse claims and First Independent will
15 not pursue Debtor or Guarantors for their obligations to First Independent arising out of the
16 obligations evidenced by the note, except that the obligations of the Guarantors may convert
17 to recourse in certain situations as more fully set forth in the agreement; and (vi) until the
18 earlier of the sale of the Yeon building or the Termination Date, Debtor will manage and
19 maintain the Property.

20 Debtor filed a motion with the Bankruptcy Court seeking approval of this
21 settlement agreement. A hearing on the motion was held on May 27, 2010, at which time the
22 Bankruptcy Court ruled that it approved the motion.

23 **b. Jacobsen Living Trust, Wings Airline Services, Inc. and Wells**
24 **Fargo**

25 Debtor has obtained Bankruptcy Court approval, pursuant to a hearing held on
26 May 27, 2010, to enter into an agreement with the Jacobsen Living Trust, Wings Airline

1 Services and others. Pursuant to the Jacobsen Settlement, repayment of the Jacobsen Living
2 Trust claim and Wings Airline Services, Inc. claim shall be assigned to and assumed by AJA.
3 AJA shall execute a replacement note for the full amount of the Jacobsen Living Trust's
4 Class 10 Claim and Wings Airline Services, Inc. Class 16 Claim pursuant to the original
5 repayment terms. The Beardsleys will guaranty the replacement note and the Jacobsen
6 Living Trust's second-position mortgage on the Fountain Village Block will be released and
7 reconveyed to Debtor. Debtor will be released from any liability on the Class 10 and Class
8 16 Claims.

9 Pursuant to the Jacobsen Settlement, Debtor will, on or before the Effective
10 Date, convey, transfer and assign its interests in the Juneau Hangar to AJA subject to Wells
11 Fargo's Class 5 Claim and AJA will assume, pay and perform all obligations arising under, or
12 relating to, the Class 5 Claim as set forth in the loan and security documents evidencing the
13 Class 5 Claim. The legal equitable and contractual rights to which the Class 5 Claim entitles
14 Wells Fargo from and after the Effective Date will be unaltered. For the avoidance of any
15 doubt, this transaction will not constitute a novation and Debtor will remain obligated to pay
16 and perform all obligations arising under this Class 5 Claim as of the Effective Date. If the
17 Debtor does not assign its interest in the Juneau Hangar to AJA and AJA does not assume the
18 Debtor's loan with Wells Fargo, then Wells Fargo's Allowed Secured Claim will be paid in
19 full by Debtor in accordance with the existing loan terms.

20 Debtor believes that this settlement agreement provides a significant benefit to
21 the estate because it will release debt and a lien in the Fountain Village Block.

22 **c. Riverview**

23 Debtor and Riverview have agreed that the value of Riverview's Allowed
24 Secured Claim is \$1,059,400.19. Riverview's Secured Claim will be paid in full in cash in
25 360 installments of principal and interest commencing on March 1, 2010. As of March 1,
26 2010, the initial rate of interest will be 5% per annum. On the fifth anniversary of March 1,

1 2010 and annually thereafter, the interest rate shall be reset to an annual rate equal to the
2 prime rate of interest as published in the Wall Street Journal plus 150 basis points (the "Reset
3 Rate"). Payments will reset to an amount equal to 360 equal, amortizing payments of
4 principal and interest at the Reset Rate.

5 **d. M&T**

6 Debtor and M&T participated in a mediated settlement meeting pursuant to
7 which they agreed that the Loyalty and Hamilton buildings and Oregon Pioneer building will
8 be surrendered to M&T in full satisfaction of its Claims secured by those properties. Debtor
9 and M&T further agreed that Debtor will retain the Patrick and Poppleton buildings, the
10 Blagen Block building, the Postal building, and the Gearhart house pursuant to the payment
11 terms set forth in Exhibit A to the Plan.

12 **3. SALE OF PROPERTY**

13 Pursuant to Court order, Debtor sold 5 NW Fifth to Fairway free and clear of
14 liens in full satisfaction of Fairway's Claim and sold Jazz de Opus to Pishue free and clear of
15 liens in full satisfaction of Pishue's Claim.

16 **4. APPOINTMENT OF EXAMINER**

17 Pursuant to the Bankruptcy Court's March 8, 2010 Order, an Examiner was
18 appointed to investigate (i) transfers from the Debtor to the General Partners in the one year
19 preceding the Petition Date and (ii) the treatment of the Beardsleys in any plan of
20 reorganization proposed by Debtor. Pursuant to the Examiner's findings, in the year prior to
21 the Petition Date, the General Partners took withdrawals or received the benefit of payments
22 totaling approximately \$336,000 in addition to the \$525,800 of withdrawals that were
23 disclosed on Debtor's bankruptcy schedules. A copy of the Examiner's report is attached
24 hereto as Exhibit 5.

25 ///

26 //.

1 **V. ASSETS AND LIABILITIES**

2 **A. ASSETS**

3 Debtor's assets consist primarily of buildings in Portland, Oregon in which
4 Debtor rents units to tenants. A description of each of the projects is as follows:

5 **1. FOUNTAIN VILLAGE BLOCK**

6 Fountain Village Block is comprised of three buildings located at 15-27 SW
7 Second Avenue, 9-13 SW Second Avenue, and 16 SW Third Avenue in Portland, Oregon.
8 The buildings were built in 1900, 1906 and 1908, and include commercial and residential
9 tenants. Collectively, the buildings are approximately 97% occupied. The value of the
10 Fountain Village Block is approximately \$4,900,000 according to an appraisal of the
11 property performed by First Service PGP Valuation as of March 24, 2010. The lender for the
12 Fountain Village Block is First Independent; the Jacobsen Living Trust has a second-position
13 mortgage. First Independent believes that the debt owing on the buildings to it as of the
14 Petition Date was \$2,995,882. The debt secured by the buildings to the Jacobsen Living
15 Trust is approximately \$300,000.

16 **2. NEW MARKET THEATER BLOCK**

17 The New Market Theater Block is comprised of two joined buildings, the
18 New Market Theater Building and the Fountain Village Building, in Portland's downtown
19 core area. The buildings are located at 120 SW Ankeny Street in Portland Oregon and 75-83
20 SW 1st Avenue, in Portland, Oregon, respectively. Both buildings have extensive cast iron
21 columns, arches and many other decorative details.

22 Debtor acquired the New Market Theater Building in 2001. The New Market
23 Theater Building was built in 1872 and has six stories. The building has six full floors of
24 offices with an exterior retail annex that faces towards Ankeny Square, where the Portland
25 Saturday Market is held each weekend. The New Market Theater Building has a historic tax
26 exemption that freezes taxes at its current level until June, 2011.

1 Debtor acquired the Fountain Village Building in 1993. The Fountain Village
2 Building was built in 1880 and has five stories. The ground floor is retail space and the four
3 upper floors house professional offices. Both buildings were completely renovated in the
4 1980s.

5 The New Market Theater Block is at approximately 53% occupancy. The
6 value of the New Market Theater Block is approximately \$5,650,000 according to Telesis.
7 The lender for the New Market Theater Block is Telesis. The debt owing on the buildings is
8 approximately \$7,526,594. Telesis believes that as of March 15, 2010, the debt owing on the
9 buildings is \$7,778,716.87, including post-petition interest, fees, and costs. Debtor may
10 object to the interest, fees, and costs that Telesis seeks.

11 3. YEON BUILDING

12 The Yeon building is located at 520-530 SW Fifth Avenue in Portland,
13 Oregon. It is a registered historic building and is currently used as a retail and professional
14 office building. It was built in 1906 and acquired by Debtor in 2008. The Yeon building is
15 at approximately 57% occupancy. The value of the Yeon Building is approximately
16 \$11,210,000 according to appraisal performed by FirstService PGP Valuation as of February
17 15, 2010. The lender for this building is First Independent. First Independent believes that
18 the debt owing on the Yeon building as of the Petition Date was \$12,245,634.

19 As set out above, Debtor and First Independent have reached an agreement
20 whereby Debtor will issue and First Independent will record a non-recourse deed in lieu of
21 foreclosure in full satisfaction of First Independent's Secured Claim to the extent Debtor
22 cannot sell the building and pay First Independent's Secured Claim.

23 4. PATRICK AND POPPLETON BUILDINGS

24 The Patrick and Poppleton buildings are located at 816-818 and 824-828 SW
25 First Avenue in Portland, Oregon. They were built in 1880 and acquired by Debtor in 2007.
26 The buildings are rented to retail and office tenants. The buildings are at approximately

1 41.5% occupancy. Debtor expects to enter into a new lease shortly that will bring the
2 occupancy to approximately 60%. The value of the Patrick and Poppleton Buildings is
3 approximately \$2,140,000 according to M&T. The debt owing on the buildings is
4 approximately \$2,054,000. The lender for the buildings is M&T.

5 **5. LOYALTY AND HAMILTON BUILDINGS**

6 The Loyalty and Hamilton Buildings are located at 523-529 W 3rd Avenue in
7 Portland, Oregon and 317 SW Alder Street in Portland, Oregon, respectively. The Hamilton
8 Building was built in 1893 and has six above-ground floors; the Loyalty Building was built
9 in 1929 and has twelve above-ground floors. Major renovations were completed in 1977 and
10 1990, respectively. The buildings are rented to retail and commercial tenants and are at
11 approximately 74% occupancy. The Hamilton Building has a historic tax exemption that
12 freezes its taxes at their current level until June, 2011. The value of the Loyalty and
13 Hamilton Buildings is approximately \$8,620,000 based on an appraisal performed by
14 FirstService PGP Valuation as of February 15, 2010. The debt owing on the buildings is
15 approximately \$8,724,000. The lender for this building is M&T. As set out above, Debtor
16 will surrender the Loyalty and Hamilton buildings to M&T in full satisfaction of its Secured
17 Claim.

18 **6. BLAGEN BUILDING**

19 The Blagen Block Building is located at 30-34 NW 1st Avenue in the
20 downtown core area of Portland, Oregon. It was built in 1888 and renovated in the 1970s
21 with periodic updates since then. It was acquired by Debtor in 1999. The building includes
22 four above-ground floors (and an unfinished basement level) divided into suites that are
23 leased to commercial tenants. The building is at approximately 64% occupancy. It has a
24 historic tax exemption that freezes its taxes at their current level until June, 2015. The value
25 of the Blagen Block Building is approximately \$4,115,000. The debt owing on the building
26

1 is approximately \$4,493,189. M&T issued a mortgage and construction loan on the Blagen
2 Block building.

3 **7. OREGON PIONEER BUILDING**

4 Oregon Pioneer is located at 409 SW Third Avenue in Portland, Oregon. It
5 was built in 1910 and was acquired by Debtor in 2007. The second through sixth floors of
6 the building are finished as office space. The first floor consists of multiple retail suites,
7 including the restaurant, Hubers. Oregon Pioneer's occupancy is approximately 52.5%. The
8 building has a historic tax exemption that freezes its taxes at their current level until June,
9 2011. The value of the Oregon Pioneer Building is approximately \$6,430,000 according to
10 an appraisal performed by FirstService PGP Valuation as of February 15, 2010. The debt
11 owing on the building is approximately \$6,094,000. M&T issued a construction loan on the
12 Oregon Pioneer building. As set out above, Debtor will surrender the Oregon Pioneer
13 building to M&T in full satisfaction of its claim.

14 **8. POSTAL BUILDING**

15 The Postal Building is located at 502-516 SW Third Avenue in Portland,
16 Oregon. The building was built in 1900 and acquired by Debtor in 2007. The Postal
17 Building is an historic building with tenants including restaurants, professional offices, and
18 retail spaces; it is at approximately 84% occupancy. The building has an historic tax
19 exemption that freezes its taxes at their current level until June, 2011. The value of the
20 Postal Building is approximately \$5,165,000. The debt owing on the buildings is
21 approximately \$6,965,464. The lender for the Postal Building is M&T.

22 Debtor has filed an adversary proceeding (adversary proceeding #10-03018-
23 rld) against Weiner Investment Co. and Clear Channel Outdoor, Inc., seeking declaratory
24 relief and trespass damages in connection with the billboard advertising situated on the
25 eastern side of the Postal Building, located at SW Third and SW Washington Streets. The
26 Debtor's goal in this proceeding is to establish its ownership and right to control the use of

1 this wall, which is currently claimed by Weiner Investment Co. pursuant to an 1888 party
2 wall agreement. The case is now proceeding in discovery.

3 **9. 11 NW FIFTH**

4 The building referred to as 11 NW Fifth is located at 11 NW Fifth Avenue in
5 Portland, Oregon. The building was built in 1912 and Debtor purchased it in 2005, at which
6 time Debtor completely renovated the interior and exterior. The above-grade area of the
7 building is leased to the Salvation Army, which operates the building as a women's shelter.
8 The value of 11 NW Fifth is approximately \$1,125,000. The lender for this building is
9 Riverview. Debtor and Riverview have agreed that the value of Riverview's Allowed
10 Secured Claim is \$1,059,400.19. Riverview's Allowed Secured Claim will be paid in full as
11 set forth in section IV(B)(2)(c) above.

12 **10. 5 NW FIFTH**

13 The building referred to as 5 NW Fifth was sold to Fairway pursuant to a
14 Court order authorizing the sale free and clear of liens. 522 N. Thompson

15 The building referred to as 522 N. Thompson is located at 522 N. Thompson
16 in an industrial-zoned area of Portland, Oregon. This building has been used as a warehouse
17 and for light industrial work. It includes a recessed covered loading dock and one exterior
18 loading dock. The value of 522 N. Thompson is approximately \$1,400,000 based on an
19 arms-length offer for the property. The lender for this building is HMS. According to HMS,
20 the debt owing on the building is approximately \$834,731. Evergreen holds a second-
21 position mortgage on this building.

22 **11. JAZZ DE OPUS**

23 Jazz de Opus is located at 27-33 NW Second Avenue in Portland, Oregon. It
24 was transferred to Pishue pursuant to Court order free and clear of liens.

25 ///

26 ///

1 **12. ALASKA HANGAR**

2 The Alaska hangar is an airplane hangar located within the boundaries of the
3 Juneau International Airport in Juneau, Alaska. The Alaska hangar has two tenants. The
4 value of the Alaska Hanger is approximately \$3,400,000. The debt owing on the hangar is
5 approximately \$2,501,000. The lender for the hangar is Wells Fargo.

6 As set forth above, Debtor has entered into the Jacobsen Settlement whereby
7 the Secured Claim of Wells Fargo will be assumed by AJA, which will execute a
8 replacement note for the full amount of Wells Fargo's Secured Claim.

9 **13. GEARHART HOUSE**

10 The Gearhart house is a private home located at 1768 Ocean Drive in
11 Gearhart, Oregon. The value of the Gearhart House is approximately \$1,025,000. The
12 lender for the house is M&T. M&T believes that the debt owing on the house is
13 approximately \$800,000.

14 **B. SECURED LIABILITIES**

15 **1. FIRST INDEPENDENT BANK**

16 Debtor currently has the Fountain Village Block (composed of three
17 buildings) and the Yeon building financed with First Independent. First Independent has a
18 Claim for approximately \$2,993,000 and \$12,139,000, respectively, secured by real estate.
19 As set forth below, Debtor and First Independent have reached an agreement with respect to
20 the Yeon building and the Fountain Village Block.

21 **2. TELESIS COMMUNITY CREDIT UNION**

22 Debtor currently has the New Market Theater Block, composed of two
23 buildings, financed with Telesis. Telesis has a Claim for approximately \$7,526,594 secured
24 by real estate. According to Telesis, as of March 15, 2010, the claim is \$7,778,716.87. A
25 hearing on Telesis' motion for relief from the automatic stay as to the New Market Theater
26 Block is scheduled to take place at the same time as the confirmation hearing.

1 **3. M&T REAL ESTATE TRUST**

2 Debtor currently has multiple properties financed with M&T, including the
3 Patrick and Poppleton Buildings, the Loyalty and Hamilton Buildings, the Postal Building,
4 and the Gearhart house. Additionally, Debtor has a mortgage and construction loan from
5 M&T on the Blagen Block Building, and a construction loan on the Oregon Pioneer
6 Building. Collectively, M&T has a Claim for approximately \$28,340,000 secured by real
7 estate. As set out above, Debtor and M&T have reached agreements with respect to the
8 treatment of M&T's Secured Claims.

9 **4. RIVERVIEW COMMUNITY BANK**

10 Debtor currently has the building located at 11 NW Fifth financed with
11 Riverview. Riverview and Debtor have agreed that Riverview has an Allowed Secured
12 Claim for approximately \$1,059,400.19.

13 **5. WELLS FARGO BANK**

14 **6. DEBTOR CURRENTLY HAS AN AIRPLANE HANGAR
15 LOCATED IN JUNEAU, ALASKA FINANCED WITH WELLS
16 FARGO. WELLS FARGO HAS A SECURED CLAIM FOR
 APPROXIMATELY \$2,501,000. HMS INVESTMENT INC**

17 Debtor currently has the building located at 522 N. Thompson St. financed
18 with HMS. HMS has a Secured Claim for approximately \$834,731.

19 **7. JACOBSEN LIVING TRUST**

20 The Jacobsen Living Trust has a second-position mortgage on the Fountain
21 Village Block, which is comprised of three buildings. Jacobsen Living Trust has a Claim for
22 approximately \$300,000 secured by real estate. As set out above, Debtor and Jacobsen
23 Living Trust have obtained Bankruptcy Court approval to enter into a settlement agreement.

24 ///

25 ///

26 ///

1 **8. EVERGREEN PORTLAND, LLC**

2 Evergreen has a second-position mortgages on one of Debtor's properties.
3 Evergreen has an Allowed Claim for \$2,571,686 secured by real estate, a substantial portion
4 of which is unsecured.

5 **9. TAXES**

6 Debtor has unpaid property taxes totaling approximately \$682,784, excluding
7 any interest owing thereon. In addition there may be tax implications to the surrender of
8 certain of the properties to M&T, First Independent, Pishue, and Fairway.

9 **C. UNSECURED CREDITORS**

10 Debtor owes approximately \$1,257,426 to unsecured creditors. This amount
11 includes more than \$500,000 in tenant key and security deposits currently held by Debtor,
12 which may or may not ultimately be owed to tenants. In addition, Debtor anticipates that
13 Secured Creditors will have deficiency claims totaling approximately \$6,600,000 resulting in
14 unsecured debt totaling almost \$8,000,000.

15 **D. ADMINISTRATIVE EXPENSES**

16 Debtor has retained Tonkon Torp LLP as their counsel in this case. Debtor
17 has have also retained First Service PGP Valuation to perform appraisal services and CB
18 Richard Ellis to perform leasing services. In addition, Debtor is responsible for payment of
19 the Examiner's fees and expenses. Debtor anticipates that it will incur approximately
20 \$250,000 in professional fees and expenses through confirmation of the Plan.

21 **VI. DESCRIPTION OF PLAN OF REORGANIZATION**

22 **A. UNCLASSIFIED CLAIMS**

23 Administrative Expense Claims and Priority Tax Claims are not classified.
24 An Administrative Expense Claim is a Claim against Debtor constituting an expense of
25 administration of the Bankruptcy Case allowed under Section 503(b) of the Bankruptcy Code
26 including, without limitation, the actual and necessary costs and expenses of preserving the

1 estate and operating Debtor's businesses during the Case, any indebtedness or obligations
2 incurred by Debtor during the pendency of the Case in connection with the rendition of
3 services to Debtor, and compensation for legal and other professional services and
4 reimbursement of expenses and statutory fees payable to the United States Trustee.

5 A "Priority Tax Claim" is a Claim of a governmental unit of the kind entitled
6 to priority under Section 507(a)(8) of the Bankruptcy Code or that would otherwise be
7 entitled to priority but for the Secured status of the Claim.

8 Pursuant to the Plan of Reorganization, Administrative Expense Claims will
9 be paid in full on the latter of the Effective Date or the date on which any such
10 Administrative Expense Claim becomes an Allowed Claim. However, the Administrative
11 Expense Claims representing liabilities incurred in the ordinary course of business (including
12 amounts owed to vendors and suppliers that have sold products or furnished services to
13 Debtor after the Petition Date) will be paid in accordance with the written terms and
14 conditions of the particular transactions and any other agreements relating thereto. Allowed
15 Unsecured Priority Tax Claims (except for property tax claims) will be paid as provided in
16 Section 1129(a)(9)(C) and (D) over a period ending five years from the Petition Date.

17 **B. CLASSIFIED CLAIMS**

18 The following summary of distributions under the Plan to Classified Claims
19 does not purport to be complete and is subject to, and is qualified in its entirety by reference
20 to, the Plan attached hereto as **Exhibit 1**.

21 1. Class 1 (Other Priority Claims). Class 1 is unimpaired. Each holder of
22 an Allowed Class 1 Claim will be paid in full in Cash the amount of its Allowed Class 1
23 Claim, including all interest, costs, fees and charges provided for under any agreement under
24 which such Claim arose or is otherwise allowed by law, on the latter of (a) the Effective Date
25 or (b) the date on which such Claim becomes Allowed, unless such holder shall agree or has
26 agreed to a different treatment of such Claim (including any different treatment that may be

1 provided for in any documentation, agreement, contract, statute, law or regulation creating
2 and governing such Claim.

3 2. Class 2 through 11 (Secured Claims of Lenders) and Class 16
4 (Unsecured Claim of Wings Airline Services, Inc.). Class 2 through 3, Class 4.2, Class 7,
5 Class 9, and Class 11 through 15 are impaired under the Plan. Class 4.1, Class 5, Class 10,
6 and Class 16 are not impaired. The Secured Claims of Debtor's lenders are secured by a
7 security interest in certain of Debtor's real estate assets. The Class 2 through 11 and Class 16
8 Claims shall be paid or satisfied as described in detail in the attached Plan, and as
9 summarized below:

10 With respect to Telesis, Telesis will have an Allowed Secured Claim of
11 \$5,650,000, which is the current appraised value of the property securing Telesis' claim.
12 Telesis will be repaid pursuant to the schedule set out in the Plan.

13 With respect to HMS and First Independent (with regards to the Fountain
14 Village Block), the Plan proposes that the Debtor will retain the properties and pay the
15 lenders their Allowed Secured Claims pursuant to a schedule set out in the Plan.

16 Evergreen has a second-position mortgage on the property known as 522 N.
17 Thompson. Debtor believes that it is unlikely that Evergreen is fully secured under 11
18 U.S.C. § 506, in which case Evergreen's claims will be treated as an Unsecured Claim, at
19 least in part. Debtor believes that this Secured Claim is secured in part because the appraised
20 value of 522 N. Thompson exceeds the first-position lien claim of HMS. Accordingly,
21 Debtor believes that Evergreen does not have a fully secured claim. Debtor believes that
22 Evergreen's unsecured claim will exceed \$2,000,000. Debtor further believes that other
23 lenders will have deficiency claims as well, so a portion of those lenders' Claims will be
24 treated as Unsecured Claims.

25 In some cases, the Debtor has reached agreement with respect to treatment of
26 a lender's Claim. Debtor has reached agreement on the terms of the treatment of Riverview

1 whereby Riverview will have an Allowed Secured Claim for \$1,059,400.19, which will be
2 paid back in full with interest pursuant to an agreed upon payoff schedule as set out in the
3 Plan.

4 Debtor has reached an agreement with First Independent with regards to the
5 Yeon building, which agreement has been approved by Court order, to provide First
6 Independent with a deed in lieu of foreclosure in full and final release and satisfaction of any
7 and all claims against Debtor and any guarantors, to the extent Debtor cannot sell the
8 Collateral securing First Independent's Claim. Debtor has also reached an agreement with
9 First Independent with regards to the Fountain Village Block. The Plan proposes that the
10 Debtor will retain the Fountain Village Block and pay First Independent its Allowed Secured
11 Claim pursuant to a schedule set out in the Plan.

12 Debtor has reached an agreement with , Wings Airline Services, Inc. and the
13 Jacobsen Living Trust, as set forth herein. Pursuant to that agreement, Debtor will convey,
14 transfer and assign its interest in the Juneau Hangar to AJA subject to Wells Fargo's claim
15 and AJA will assume, pay and perform all of the obligations arising under or relating to
16 Wells Fargo's Class 5 Claim. The Jacobsen Living Trust claim and Wings Airlines Services,
17 Inc. claim shall be assigned to and assumed by AJA. AJA shall execute a replacement note
18 for the full amount of the Jacobsen Living Trust's Class 10 Claim and Wings Airlines
19 Services, Inc. Class 16 Claim pursuant to the original repayment terms. The Beardsleys will
20 guaranty the replacement note and the Jacobsen Living Trust's second-position mortgage on
21 the Fountain Village Block will be released and reconveyed to Debtor. Debtor will be
22 released from any liability on the Class 10 and Class 16 Claims.

23 Debtor has reached an agreement with M&T pursuant to which Debtor will
24 retain the Patrick and Poppleton buildings, the Blagen Block building, the Postal building,
25 and the Gearhart house, and M&T will be repaid pursuant to the settlement agreement
26 attached as Exhibit A to the Plan. Debtor will surrender the Hamilton and Loyalty buildings

1 and Oregon Pioneer building to M&T in full satisfaction of M&T's claims secured by those
2 properties. M&T will have an unsecured deficiency claim in the approximate amount of
3 \$2,200,000.

4 The liquidation analysis attached hereto as **Exhibit 4** sets forth the Debtor's
5 estimate as to the values of the properties and any potential deficiency claims related thereto.

6 3. Class 12 (Property Tax Lien Claims). Class 12 is impaired. The
7 holder of Class 12 Claims will retain their security interest with the same priority to which it
8 is entitled by law. The Allowed Class 12 Claimant shall be paid the full amount of their
9 Secured Claims as permitted by 11 USC § 1129(a)(9)(D) in full within five (5) years after the
10 Petition Date.

11 4. Class 13 (Statutory Lien Claims). Class 13 is impaired. Each holder
12 of a Class 13 Claim will retain its security interest with the same priority to which it is
13 entitled by law. The Allowed Class 13 Claimants shall be paid the full amount of their
14 Secured Claims in full within five (5) years after the Petition Date. Debtor believes that it
15 owes approximately \$126,000 in Statutory Lien Claims.

16 5. Class 14 (General Unsecured Claims). Class 14 is impaired. Each
17 holder of a Class 14 Claim shall be paid Pro Rata from the Unsecured Creditors' Proceeds
18 generated by Reorganized Company on an annual basis beginning on February 15, 2012,
19 provided that Unsecured Claims will be satisfied if 25% of the Unsecured Claims are paid by
20 February 15, 2013, or if 50% of Unsecured Claims are paid by February 15, 2016, or if 75%
21 of the Unsecured Claims are paid by February 15, 2018. If Unsecured Creditors have not
22 been paid 75% of Unsecured Claims by February 15, 2018, Reorganized Company will
23 liquidate assets as quickly as reasonably possible to pay Unsecured Claims in full. At this
24 time, Debtor is not aware of any Avoidance Actions it intends to pursue. General Unsecured
25 Claims total approximately \$1,257,426 owing to unsecured creditors. This amount includes
26 more than \$500,000 in tenant key and security deposits currently held by Debtor, which may

1 or may not ultimately be owed to tenants. In addition, General Unsecured Claims include
2 any Deficiency Claims of Secured Creditors, which are estimated to approximate \$6,600,000.

3 6. Class 15 (Interests). Class 15 is impaired. The holders of Class 15
4 Claims are the holders of all ownership interests in Debtor. Class 15 Interests will be
5 exchanged for interests in the Reorganized Company.

6 **C. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

7 The Bankruptcy Code gives Debtor the right, after commencement of its
8 Chapter 11 Case, subject to the approval of the Bankruptcy Court, to assume or reject
9 executory contracts and unexpired leases. Generally, an "executory contract" is a contract
10 under which material performance (other than the payment of money) is still due by each
11 party. The Plan provides for the assumption by the Debtor of all executory contracts and
12 unexpired leases.

13 If an executory contract or unexpired lease is or has been rejected, the
14 Creditor may file a Proof of Claim for damages resulting from such rejection. The Plan
15 provides that a Proof of Claim with respect to any such Claim must be Filed no later than 30
16 days after approval of the Bankruptcy Court of the rejection of the relevant executory
17 contract or unexpired lease or 30 days after the Effective Date, whichever is sooner. Any
18 such Claim shall constitute an Unsecured Claim to the extent that such Claim is finally
19 treated as an Allowed Claim. To the extent the Debtor rejects an unexpired lease of
20 nonresidential real property, the Claim for damages resulting from such rejection will be
21 limited to the amount allowed under the Bankruptcy Code.

22 Upon assumption of an executory contract or unexpired lease, Debtor must
23 cure or provide adequate assurance of prompt cure of any monetary defaults. The Plan
24 provides that Reorganized Company will cure all defaults in the ordinary course of business
25 and will cure any monetary defaults promptly. All assumed executory contracts and leases
26 will be automatically assigned to the Reorganized Company as of the Effective Date

1 **D. EFFECT OF CONFIRMATION**

2 **1. TRANSFER OF BEARDSLEYS' ASSETS**

3 This Plan provides that John and Janet Beardsley, the general partners of
4 Debtor, will transfer all of their assets, except their primary home, household furnishings,
5 personal effects including clothing and jewelry, and two vehicles to the Reorganized
6 Company. The Beardsleys' assets include the following:

7 **a. Historic U.S. National Bank Block LLC**

8 The Beardsleys are the sole members of Historic U.S. National Bank Block
9 LLC ("HUSNBB"). John Beardsley is the managing member of HUSNBB. HUSNBB was
10 formed in 1999 for the purpose of acquiring and renovating three commercial office
11 buildings located in downtown Portland, Oregon. HUSNBB's revenue consists of rental
12 payments from tenants; HUSNBB's costs consist largely of debt servicing payments,
13 renovation costs, and operational expenses. HUSNBB filed for Chapter 11 bankruptcy
14 protection on October 9, 2009 (case no. 09-38304-rld11). HUSNBB filed its first amended
15 plan and disclosure statement on June 2, 2010. A confirmation hearing in the HUSNBB
16 bankruptcy case was held on August 4, 2010, at which time the court confirmed HUSNBB's
17 plan. Debtor believes that HUSNBB's current appraised value is \$27,900,000 and is subject
18 to approximately \$23,000,000 of pre-petition debt. Debtor is aware of other appraisals of
19 HUSNBB in the amounts of \$21,600,000, \$16,000,000, and \$26,750,000.

20 **b. Janair LLC**

21 Janair LLC ("Janair") is an Oregon limited liability corporation. John and
22 Janet Beardsley each own 50% of the membership interests in Janair. The Beardsleys'
23 membership interests in Janair are valued at \$2,624,881. Janair holds an 80% interest in
24 SeaPort Air Group, LLC, which, in turn, is the 100% owner of common stock of Alaska
25 Juneau Aeronautics, Inc. ("AJA") dba Wings of Alaska and SeaPort Airlines.

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c. 67449 N. Laguna Drive, Cathedral City, California

The Beardsleys own a residential house located at 67449 N. Laguna Drive in Cathedral City, California. The house is valued at approximately \$450,000 and has a debt balance of approximately \$361,774. Chase Bank is the secured lender.

d. 84742 White Fir Lane, Joseph, Oregon

The Beardsleys own a residential house located at 84742 White Fir Lane in Joseph, Oregon. The house is valued at approximately \$475,000 and has a debt balance of approximately \$297,791. Chase Bank is the secured lender.

e. 406 NW 6th Street, Corvallis, Oregon

The Beardsleys own a residential house located at 406 NW 6th Street in Corvallis, Oregon. The house is valued at approximately \$350,000 and is currently vacant.

f. 13642 SW 61st, Portland, Oregon

The Beardsleys own a residential house located at 13642 SW 61st in Portland, Oregon. The house is used as a rental home and currently has a tenant. The house is valued at approximately \$250,000, with a debt balance of approximately \$174,778. Chase Bank is the secured lender on the house.

g. Palm Springs, California Lot

The Beardsleys own an undeveloped lot in Palm Springs, California. The lot is valued at approximately \$350,000. Palm Desert National has a first-position secured mortgage on the lot for approximately \$199,363 and M&T Bank has a second-position secured mortgage on the lot for approximately \$289,205. The Court entered an order granting M&T relief from the automatic stay as to the Palm Springs lot; Debtor did not oppose M&T's motion for such order because the Palm Springs lot is not property of Debtor's estate. To Debtor's knowledge, the Beardsleys still own the Palm Springs lot.

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h. Lake Oswego, Oregon Lots

The Beardsleys own two undeveloped lots in the residential Mount Park neighborhood of Lake Oswego, Oregon. The lots are valued at approximately \$400,000 and have a debt balance of approximately \$245,634. Riverview Bank is the secured lender on the lots.

i. Vehicles

The Beardsleys own 11 vehicles. Nine of the vehicles will be transferred by the Beardsleys to the Reorganized Company.

j. Stock

The Beardsleys own 276 shares of AT&T stock; 24 shares of US Bank stock; and 47,215 shares of PreCash Inc. stock. The value of the shares fluctuates.

2. DISCHARGE

The treatment of, and consideration received by, holders of Allowed Claims and Allowed Interests pursuant to the Plan of Reorganization will be in full satisfaction, release and discharge of their respective Claims against or interests in Debtor. The Confirmation Order shall discharge Debtor from any liability that arose before the Effective Date as provided in Sections 524 and 1141 of the Bankruptcy Code, and any debt and liability of a kind specified in Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (a) a Proof of Claim based on such debt or liability is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based on such debt or liability is Allowed; or (c) the holder of the Claim based on such debt or liability has accepted the Plan.

3. REVESTING, OPERATION OF BUSINESS

All property of the estate shall revert in Reorganized Company on the Effective Date free and clear of all rights, claims, liens, charges, encumbrances and interests, except as otherwise provided in the Plan.

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1 **4. INJUNCTION**

2 Except as otherwise expressly provided in the Plan, all persons who have held,
3 hold or may hold Claims, or who may have held, hold or may hold any Interest, are
4 permanently enjoined from and after the Effective Date from (a) commencing or continuing
5 in any manner any action or other proceedings of any kind with respect to any Claims or
6 Interests against Reorganized Company; (b) enforcing, attaching, collecting or recovering by
7 any manner or any means any judgment, award, decree or order against Reorganized
8 Company; (c) creating, perfecting or enforcing any encumbrances of any kind against
9 Reorganized Company with respect to any such Claim except as specifically set forth in the
10 Plan; (d) asserting any setoff, right of subrogation or recoupment of any kind against any
11 obligation due to Debtor, Reorganized Company or its property; and (e) proceeding in any
12 manner in any place whatsoever that does not conform to, does not comply with, or is
13 inconsistent with the provisions of the Plan or the order confirming the Plan.

14 Any and all Creditors holding a Claim against Debtor shall be temporarily
15 enjoined from attempting to collect its Claim from John Beardsley and/or Janet Beardsley or
16 any of their property until such time as all required Plan payments have been made or there is
17 a default under the Plan that is not cured within 15 business days after receipt of notice to
18 Debtor and the Beardsleys.

19 **5. MODIFICATION OF THE PLAN; REVOCATION OR**
20 **WITHDRAWAL OF THE PLAN**

21 Subject to Section 1127 of the Bankruptcy Code, Debtor reserves the right to
22 alter, amend or modify the Plan before its substantial consummation so long as the treatments
23 of holders of Claims and Interests under the Plan are not adversely affected.

24 **6. RETENTION OF JURISDICTION**

25 Notwithstanding the entry of the Confirmation Order or the Effective Date
26 having occurred, the Bankruptcy Court shall retain exclusive jurisdiction over all matters

1 arising out of or relating to the Chapter 11 Case, including, but not limited to, the following
2 matters: (a) to hear and determine any pending applications for the rejection of executory
3 contracts or unexpired leases, and the allowance of Claims resulting therefrom; (b) to
4 determine any adversary proceedings, applications, contested matters or other litigation
5 matters pending on the Effective Date or Filed prior to the closing of the case; (c) to ensure
6 that distributions to holders of Allowed Claims are accomplished; (d) to hear and determine
7 objections to or requests for estimations of Claims, including any objections to the
8 classification of any Claim, and to allow, disallow and/or estimate any Claim in whole or in
9 part; (e) to enter and implement such orders as may be appropriate in the event the
10 Confirmation Order is for any reason stayed, revoked, modified or vacated; (f) to issue any
11 appropriate orders in aid of execution of the Plan or to enforce the Confirmation Order and/or
12 the discharge, or the effect of such discharge, provided to Debtor; (g) to hear and determine
13 any applications to modify the Plan, to cure any defect or omission or to reconcile any
14 inconsistency in the Plan or in any order of the Bankruptcy Court, including, without
15 limitation, the Confirmation Order; (h) to hear and determine all applications for
16 compensation and reimbursement of expenses of professionals or members of the Creditors
17 Committee under the Bankruptcy Code; (i) to hear and determine disputes arising in
18 connection with the interpretation, implementation or enforcement of the Plan; (j) to hear and
19 determine other issues presented or arising under the Plan; (k) to hear and determine any
20 other matters related hereto and not inconsistent with Chapter 11 of the Bankruptcy Code;
21 and (l) to enter a final decree closing the Chapter 11 Case.

22 **7. UNITED STATES TRUSTEE FEES**

23 Reorganized Company shall be responsible for timely payment of fees
24 incurred pursuant to 28 U.S.C. § 1930(a)(6) until the case is closed, converted or dismissed.
25 After confirmation, Reorganized Company shall serve on the United States Trustee a
26 monthly financial report for each month, or portion thereof, that the case remains open. The

1 monthly financial report shall include a statement of all disbursements made during the
2 course of the month, whether or not pursuant to the Plan.

3 **VII. LIQUIDATION ANALYSIS**

4 A Plan of Reorganization cannot be confirmed unless the Bankruptcy Court
5 finds that the Plan is in the "best interest of creditors" or holders of claims against, and
6 interests in, the debtor subject to such plan. The best interest test is satisfied if the plan
7 provides each dissenting or non-voting member of each impaired Class with a recovery not
8 less than the recovery such member would receive if the debtor was liquidated in a
9 hypothetical case under Chapter 7 of the Bankruptcy Code by a Chapter 7 Trustee. Debtor
10 believes that the holders of impaired Claims will receive more than they would receive under
11 a Chapter 7 liquidation. In applying the "best interest" test, the Bankruptcy Court would
12 ascertain the hypothetical recovery in a Chapter 7 proceeding to secured Creditors, priority
13 claimants, general Unsecured Creditors and equity interest holders. The hypothetical
14 Chapter 7 recoveries would then be compared with the distribution offered to each Class of
15 Claims or Interests under the Plan to determine that the Plan satisfied the "best interest" test
16 set forth in the Bankruptcy Code.

17 A copy of the Debtor's tabular liquidation analysis is attached hereto as
18 **Exhibit 4**. The real property values used throughout the Plan, Disclosure Statement and
19 liquidation analysis are estimated based on the results of third-party appraisals performed by
20 professional appraisers retained by Debtor and/or the secured lender for the property in
21 question. The liquidation table shows that upon a liquidation of the Debtor, there would be
22 approximately 25% of claim amounts available for distribution to Unsecured Creditors.
23 Liquidation of the assets of the Debtor will also generate significant taxable gain because
24 Debtor's basis in the properties is significantly lower than the secured debt or the fair market
25 value.

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1 **VIII. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN**

2 CIRCULAR 230 DISCLAIMER: TO ENSURE COMPLIANCE WITH
3 REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, WE INFORM
4 YOU THAT (A) ANY U.S. FEDERAL TAX ADVICE CONTAINED IN THIS
5 COMMUNICATION (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR
6 WRITTEN TO BE USED OR RELIED UPON, AND CANNOT BE USED OR RELIED
7 UPON, FOR THE PURPOSE OF (1) AVOIDING TAX-RELATED PENALTIES UNDER
8 THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR (2) PROMOTING,
9 MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY TRANSACTION
10 OR TAX MATTER(S) ADDRESSED HEREIN, AND (B) THIS DISCUSSION WAS
11 WRITTEN IN CONNECTION WITH DEBTOR SOLICITING ACCEPTANCES OF THE
12 PLAN THROUGH THIS DISCLOSURE STATEMENT.

13 **A. GENERAL TAX CONSIDERATIONS**

14 The following discussion is a summary of certain material federal income tax
15 consequences expected to result from the consummation of the Plan. This discussion is for
16 general information purposes only, and should not be relied upon for purposes of determining
17 the specific tax consequences of the Plan with respect to a particular holder of an Allowed
18 Claim or equity interest. This discussion does not purport to be a complete analysis or listing
19 of all potential tax considerations. This discussion does not address aspects of federal
20 income taxation that may be relevant to a particular holder of an Allowed Claim subject to
21 special treatment under federal income tax laws (such as foreign taxpayers, broker-dealers,
22 banks, thrifts, insurance companies, financial institutions, regulated investment companies,
23 real estate investment trusts and pension plans, and other tax-exempt investors), and does not
24 discuss any aspects of state, local or foreign tax laws. Furthermore, this summary does not
25 address federal taxes other than income taxes.

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1 This discussion is based on existing provisions of the Internal Revenue Code
2 of 1986, as amended (the "IRC"), existing and proposed Treasury Regulations promulgated
3 thereunder, and current administrative rulings and court decisions. Legislative, judicial or
4 administrative changes or interpretations enacted or promulgated after the date hereof could
5 alter or modify the discussion set forth below with respect to the federal income tax
6 consequences of the Plan. Any such changes or interpretations may be retroactive and could
7 significantly affect the federal income tax consequences of the Plan. No ruling has been
8 requested or obtained from the Internal Revenue Service (the "IRS") with respect to any tax
9 aspects of the Plan and no opinion of counsel has been sought or obtained with respect
10 thereto. This discussion is not binding on the IRS or the courts and no assurance can be
11 given that the IRS will not assert, or that a court will not sustain, a different position than any
12 position discussed herein. No representations or assurances are being made to the holders of
13 Allowed Claims or equity interests with respect to the federal income tax consequences
14 described herein.

15 Accordingly, the following summary of certain federal income tax
16 consequences of the Plan is for informational purposes only and is not a substitute for careful
17 tax planning or advice based upon the individual circumstances pertaining to a particular
18 holder of an Allowed Claim or an equity interest. Each holder of an Allowed Claim or an
19 equity interest is strongly urged to consult with its own tax advisors regarding the federal,
20 state, local, foreign, and other tax consequences of the Plan.

21 Any discussion of federal tax issues set forth in this Disclosure Statement was
22 written solely in connection with the confirmation of the Plan to which the transactions
23 described in this Disclosure Statement are ancillary. Such discussion is not intended or
24 written to be legal or tax advice to any person and is not intended or written to be used, and
25 cannot be used, by any person for the purpose of avoiding any federal tax penalties that may
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1 be imposed on such person. Each holder of an Allowed Claim or equity interest should seek
2 advice based on its particular circumstances from an independent tax advisor.

3 **B. FEDERAL INCOME TAX CONSEQUENCES TO THE HOLDERS OF**
4 **AN ALLOWED CLAIM**

5 **1. GENERAL UNSECURED CREDITOR CLAIMS**

6 In accordance with the Plan, the debt owed by Debtor to each holder of a
7 General Unsecured Creditor Claim will be adjusted so that each General Unsecured Creditor
8 will be entitled to a Pro Rata share of 50% of the Excess Cash Flow generated by the
9 Reorganized Company for seven years. If this adjustment is considered significant, each
10 such holder will recognize taxable gain or loss equal to the difference between the fair
11 market value of the obligation as adjusted and the holder's adjusted basis in the original debt.
12 It may be difficult to place a value on the obligation as adjusted, but gain may nevertheless
13 be recognized. The character and amount of such taxable gain or loss will be determined
14 based on factors specific to each holder of a Claim, including but not limited to (i) whether
15 the Claim (or a portion thereof) is attributable to principal or interest, (ii) the origin of the
16 Claim, (iii) whether the holder of the Claim reports income on the accrual or cash basis
17 method, and (iv) whether the holder of the Claim has taken a bad debt deduction or otherwise
18 recognized a loss with respect to the Claim.

19 **C. IMPORTANCE OF OBTAINING PROFESSIONAL TAX**
20 **ASSISTANCE**

21 THE FOREGOING DISCUSSION IS INTENDED ONLY AS A
22 SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE
23 PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX
24 PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES
25 ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY
26 CASES UNCERTAIN AND MAY VARY DEPENDING ON THE PARTICULAR

1 SITUATION OF A HOLDER OF AN ALLOWED CLAIM, OR ANY EQUITY INTEREST
2 HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH HOLDER OF
3 AN ALLOWED CLAIM AND EACH EQUITY INTEREST HOLDER IS URGED TO
4 CONSULT ITS TAX ADVISOR ABOUT THE FEDERAL, STATE, LOCAL, AND
5 APPLICABLE FOREIGN, INCOME AND OTHER TAX CONSEQUENCES OF THE
6 PLAN.

7 **IX. ACCEPTANCE AND CONFIRMATION OF THE PLAN**

8 **A. CONFIRMATION HEARING**

9 The Bankruptcy Court has scheduled a hearing on confirmation of the Plan on
10 _____, 2010 at _____. The hearing will be held at the United States
11 Bankruptcy Court for the District of Oregon, Courtroom No. 3, 1001 SW Fifth Avenue,
12 Portland, Oregon 97204, before the Honorable Randall L. Dunn, United States Bankruptcy
13 Judge. At that hearing, the Bankruptcy Court will consider whether the Plan satisfies the
14 various requirements of the Bankruptcy Code, including whether it is feasible and whether it
15 is in the best interest of Creditors and Interest holders of Debtor. Debtor will submit a report
16 to the Bankruptcy Court at that time concerning the votes for acceptance or rejection of the
17 Plan by the parties entitled to vote thereon. Any objection to confirmation of the Plan must
18 be timely filed as stated in Section II.E above.

19 **B. REQUIREMENTS OF CONFIRMATION**

20 At the hearing on confirmation, the Bankruptcy Court will determine whether
21 the provisions of Section 1129 of the Bankruptcy Code have been satisfied. If all of the
22 provisions of Section 1129 are met, the Bankruptcy Court may enter an order confirming the
23 Plan. Debtor believes the Plan satisfies all of the requirements of Chapter 11 of the
24 Bankruptcy Code, that it has complied or will have complied with all of the requirements of
25 Chapter 11, and that it has been proposed and is made in good faith.

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1 **C. FEASIBILITY**

2 Debtor believes that confirmation of the Plan is not likely to be followed by
3 the liquidation of Reorganized Company or a need for a further financial reorganization of
4 Reorganized Company. The projections of Debtor's post-confirmation business, attached
5 hereto as **Exhibit 3**, show sufficient earnings and cash flow from operations to support and
6 meet the ongoing financial needs of Reorganized Company. The projections indicate that the
7 Plan as proposed by Debtor is feasible and that Reorganized Company will be financially
8 viable after confirmation of the Plan.

9 **D. RISK FACTORS**

10 There are a number of risks associated with Debtor's proposed Plan. Each
11 Creditor should carefully consider those risks in evaluating its vote on Debtor's Plan. All of
12 the risks associated with Debtor's Plan are too numerous to identify, however, a few of those
13 risks are set forth below.

14 **1. GENERAL FINANCIAL MARKET CONDITIONS**

15 The recent disruption with numerous major financial institutions and the
16 resulting crisis in the financial markets has rippled through the economy, and has impacted
17 the real estate industry in particular. While the ultimate effects of this crisis on the owners
18 and operators of buildings, such as Debtor, are as yet unclear, it is possible that this financial
19 market will prevent even qualified borrowers from being able to obtain mortgages on
20 affordable terms, if at all. A continued freeze of the credit markets could have a significant
21 adverse impact on the Debtor.

22 **2. PROJECTED FINANCIAL RESULTS**

23 The Debtor's projected financial results reflect management's best estimate of
24 the Reorganized Company's future financial performance based on currently known facts and
25 hypothetical assumptions about, among other matters, the timing, confirmation and
26 consummation of the Plan in accordance with its terms, the anticipated future performance of

1 the Reorganized Company, real estate, and general business and economic conditions. Many
2 of these factors are beyond the control of the Reorganized Company. As a consequence, the
3 actual financial results may differ significantly from the projections. Specifically, the
4 Reorganized Company may not be able to meet the projected financial results or achieve the
5 revenue or cash flow that it has assumed in projecting future business prospects.

6 **3. CLAIM AMOUNTS**

7 The claims estimates set forth in this Disclosure Statement are based on
8 various assumptions. The actual Allowed Claim amounts may differ significantly from these
9 estimates should Debtor's underlying assumptions prove to be incorrect. Such differences
10 may materially and adversely affect the percentage recovery to holders of such Claims under
11 the Plan.

12 **E. CRAM DOWN**

13 As discussed previously, a Court may confirm a Plan, even if it is not accepted
14 by all impaired classes, if the Plan has been accepted by at least one impaired class of claims
15 and the Plan meets the cram down requirements set forth in Section 1129(b) of the
16 Bankruptcy Code. In the event that any impaired Class of Claims does not accept the Plan,
17 Debtor hereby requests that the Bankruptcy Court confirm the Plan in accordance with
18 Section 1129(b) of the Bankruptcy Code or otherwise permit Debtor to modify the Plan.

19 Debtor believes the Plan does not violate the absolute priority rule of the
20 Bankruptcy Code. 11 U.S.C. § 1129(b)(2)(B)(ii), commonly referred to as the absolute
21 priority rule, provides that with respect to a class of unsecured claims, the holder of any
22 claim or interest that is junior to the claims of such class will not receive or retain under the
23 plan on account of such junior claim or interest any property unless the plan provides that
24 each holder of a claim receives or retains on account of such claim property of a value, as of
25 the Effective Date of the plan, equal to the Allowed amount of such claim.

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1 **F. ALTERNATIVES TO CONFIRMATION OF THE PLAN**

2 If a Plan is not confirmed, Debtor or another party in interest may attempt to
3 formulate or propose a different Plan or Plans of Reorganization. Such Plans might involve a
4 reorganization and continuation of Debtor's business, a sale of Debtor's businesses as a going
5 concern, an orderly liquidation of Debtor's assets or any combination thereof. If no Plan of
6 Reorganization is determined by the Bankruptcy Court to be confirmable, the Chapter 11
7 case may be converted to a liquidation proceeding under Chapter 7 of the Bankruptcy Code.

8 In a liquidation, a Chapter 7 Trustee would be appointed with the purpose of
9 liquidating the assets of Debtor. Typically, in a liquidation, assets are sold for less than their
10 going concern value and, accordingly, the return to Creditors and Interest holders is less than
11 the return in a reorganization, which derives the value to be distributed in a Plan from the
12 business as a going concern. Proceeds from liquidation would be distributed to Creditors and
13 Interest holders of Debtor in accordance with the priorities set forth in the Bankruptcy Code.
14 Debtor believes there is no currently available alternative that would offer holders of Claims
15 and Interests in Debtor greater than the Plan and urges all parties entitled to vote on the Plan
16 to vote to accept the Plan.

17 **X. CONCLUSION**

18 Please read this Disclosure Statement and the Plan carefully. After reviewing
19 all the information and making an informed decision, please vote by using the enclosed
20 ballot.

21 DATED this 17th day September, 2010.

22 Respectfully submitted,
23 FOUNTAIN VILLAGE DEVELOPMENT

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25 By /s/ John Beardsley
26 John Beardsley, General Partner

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Presented by:

TONKON TORP LLP

By /s/ Ava L. Schoen
Albert N. Kennedy, OSB No. 821429
Ava L. Schoen, OSB No. 044072
Attorneys for Debtor

CERTIFICATE OF SERVICE

I hereby certify that I served the foregoing **DEBTOR'S SECOND AMENDED DISCLOSURE STATEMENT (September 17, 2010)** on the parties indicated as "ECF" on the attached List of Interested Parties by electronic means through the Court's Case Management/Electronic Case File system on the date set forth below.

In addition, I served the foregoing on the parties indicated as "Non-ECF" on the attached List of Interested Parties:

by mailing a copy thereof in a sealed, first-class postage prepaid envelope, addressed to each attorney's last-known address and depositing in the U.S. mail at Portland, Oregon on the date set forth below;

by causing a copy thereof to be hand-delivered to said attorneys at each attorney's last-known office address on the date set forth below;

by sending a copy thereof via overnight courier in a sealed, prepaid envelope, addressed to each attorney's last-known address on the date set forth below; or

by faxing a copy thereof to each attorney at his last-known facsimile number on the date set forth below.

DATED: September 17, 2010, 2010.

TONKON TORP LLP

By /s/ Ava L. Schoen
Albert N. Kennedy, OSB No. 821429
Ava L. Schoen, OSB No. 044072
Attorneys for Debtor

030230/00055/2441270v1

LIST OF INTERESTED PARTIES

In re: Fountain Village Development, a general partnership
US Bankruptcy Court for the District of Oregon, Case No. 09-39718-rld11

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Attorney for City of Portland

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*Attorney for M&T Real Estate
(in addition to above ECF notice)*

TOP 20:

Wumbler dba Service Master
Attn: Mike Uwelling
POB 230341
Tigard, OR 97281
Ph: (503) 624-6148
Fax: (503) 598-9819

Salvation Army
West Women's & Children's Shelter
Attn: Jayne Hennessee – Shannon
Singleton
PO Box 2398
Portland, OR 97208
Ph: (503) 227-0810
Fax: (503) 224-0158
Email: jaynehenessee
vsw.salvationarmy.gov

Michael Narver
21035 NE Sunnycrest Road
Newberg, OR 97132
Ph: (503) 538-6567
Fax: None

Building Property Mgmt License
Program aka Clean & Safe
Attn: Mike Kuykendall
111 SW Columbia Street, #600
Portland, OR 97201
Ph: (503) 552-6766
Fax: (503) 323-9186

HSM Pacific Realty Inc
Attn: Brock Switzer
0612 SW Idaho Street, #2
Portland, OR 97239
Ph: (503) 245-1400
Fax: (503) 245-7032

Norris & Stevens Inc.
Attn: Robert Stutte
621 SW Morrison, #800
Portland, OR 97204
Ph: (503) 273-0355
Fax: (503) 228-2136

Thyssen Elevator
Attn: Crystal Sisco
14626 NE Airport Way
Portland, OR 97230
Ph: (503) 255-0079
Fax: (866) 720-5824

AND 1
Attn: Accounts Payable
101 Enterprise, #100
Aliso Viejo, CA 92656
Ph: (866) 866-1232
Fax: (949) 756-1534

Travelers-Heffernan Ins.
Attn: Susan Brodahl
5100 SW Macadam Avenue
Suite 440
Portland, OR 97239
Ph: (503) 226-1320
Fax: (503) 226-1478

NW Natural Gas
Attn: Accounts Receivable
POB 6017
Portland, OR 97228-6017
Ph: (503) 721-2512
Fax: (503) 721-2516

Thetus Corp
Attn: Danielle Forsyth – Tippi
Taylor
34 NW 1st Avenue, #210
Portland, OR 97209
Ph: (503) 294-0900
Fax: (503) 595-5828
Email: ttaylor@thetus.com

Coates Kokes
Attn: Lindsay Frank -
Jeanie Coates
34 NW 1st Avenue, #300
Portland, OR 97209
Ph: (503) 241-1124
Fax: (503) 241-1326
Email: lindsay@coateskokes.com

NAI Norris Beggs & Simpson
Attn: JJ Unger
121 SW Morrison, #200
Portland, OR 97204
Ph: (503) 273-0341
Fax: (503) 467-7441
Email: junger@nbsrealtors.com

Doss Consulting, Inc.
dba LeBijoux Ferguson
Attn: Walter Doss
210 NW Couch Street
Portland, OR 97209
Ph: (503) 243-4646
Fax: None

Portland Water Bureau
Attn: Accounts Receivable
POB 4216
Portland, OR 97208-4216
Ph: (503) 823-7770
Fax: (503) 823-4970

Macadam Forbes
Attn: Mike Vandenberg
1800 SW First Avenue, #100
Portland, OR 97201
Ph: (503) 227-2500
Fax: (503) 274-8216