

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION

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In re:

Chapter 11 Cases

LEVITT AND SONS, LLC, a Florida
limited liability company, et al.,¹

Case No. 07- 19845-BKC-RBR
Jointly Administered

Debtors.

~~FIRST~~SECOND AMENDED JOINT LIQUIDATING CHAPTER 11 PLAN FOR
DEBTORS

Dated: ~~October 31~~, December 5, 2008

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¹ The last four digits of the taxpayer identification number for each of the Debtors follows in parentheses: (i) Levitt and Sons, LLC (3500); (ii) BankAtlantic Venture Partners 5, LLC (7328), (iii) Bellaggio by Levitt and Sons, LLC (8507); (iv) Levitt GP, LLC (9466), (v) Levitt Construction Corp.-East (6292); (vi) Levitt Construction-East, LLC (2487); (vii) Levitt Industries, LLC (6273), (viii) Levitt Homes Bellaggio Partners, LLC (9490), (ix) Levitt Homes, LLC (1650); (x) Avalon Park by Levitt and Sons, LLC (2188); (xi) Levitt and Sons of Lake County, LLC (8547); (xii) Levitt and Sons of Manatee County, LLC (3563); (xiii) Levitt and Sons of Hernando County, LLC (1563); (xiv) Regency Hills by Levitt and Sons, LLC (9482); (xv) Levitt and Sons at Hunter's Creek, LLC (5870); (xvi) Levitt and Sons of Seminole County, LLC (1888); (xvii) Levitt and Sons of Osceola County, LLC (4596); (xviii) Levitt and Sons of Lee County, LLC (1561); (xix) Cascades by Levitt and Sons, LLC (2022); (xx) Levitt and Sons at Hawks Haven, LLC (4963); (xxi) Magnolia Lakes by Levitt and Sons, LLC (5370); (xxii) Levitt and Sons at Tradition, LLC (9053); (xxiii) Levitt and Sons at World Golf Village, LLC (4959); (xxiv) Levitt and Sons of Flagler County, LLC (0685); (xxv) Lev-Brn, LLC (3445); (xxvi) Summerport by Levitt and Sons, LLC (3494); (xxvii) Levitt and Sons of Georgia, LLC (9568); (xxviii) Levitt and Sons of Cherokee County, LLC (2322); (xxix) Levitt and Sons of Hall County, LLC (4416); (xxx) Levitt and Sons of Paulding County, LLC (1632); (xxxi) Levitt Construction Georgia, LLC (3043); (xxxii) Levitt and Sons of South Carolina, LLC (8109); (xxxiii) Levitt and Sons of Horry County, LLC (3186); (xxxiv) Levitt Construction – South Carolina, LLC (3234); (xxxv) Levitt and Sons of Tennessee, LLC (4793); (xxxvi) Bowden Building Corporation (6090); (xxxvii) Levitt and Sons of Nashville, LLC (0295); and (xxxviii) Levitt and Sons of Shelby County, LLC (1345). The mailing address for the Debtors is 2200 West Cypress Creek Road, Fort Lauderdale, FL 33309.

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INTRODUCTION

Levitt and Sons, LLC (“LAS”), BankAtlantic Venture Partners 5, LLC (“BAVP5”), Bellaggio by Levitt and Sons, LLC (“Bellaggio”), Levitt GP, LLC (“Levitt GP”), Levitt Construction Corp.-East (“GC CORP ”), Levitt Construction-East, LLC (“GC LLC”), Levitt Industries, LLC (“Industries”), Levitt Homes Bellaggio Partners, LLC (“Bellaggio Partners”), Levitt Homes, LLC (“Homes”), Avalon Park by Levitt and Sons, LLC (“Avalon”), Levitt and Sons of Lake County, LLC (“LAS Lake County”), Levitt and Sons of Manatee County, LLC (“LAS Manatee County”), Levitt and Sons of Hernando County, LLC (“LAS Hernando County”), Regency Hills by Levitt and Sons, LLC (“Regency Hills”), Levitt and Sons at Hunter’s Creek, LLC (“LAS Hunter’s Creek”), Levitt and Sons of Seminole County, LLC (“LAS Seminole County”), Levitt and Sons of Osceola County, LLC (“LAS Osceola County”), Levitt and Sons of Lee County, LLC (“LAS Lee County”), Cascades by Levitt and Sons, LLC (“Cascades”), Levitt and Sons at Hawks Haven, LLC (“LAS Hawks Haven”), Magnolia Lakes by Levitt and Sons, LLC (“Magnolia Lakes”), Levitt and Sons at Tradition, LLC (“Tradition Florida”), Levitt and Sons at World Golf Village, LLC (“World Golf Village”), Levitt and Sons of Flagler County, LLC (“LAS Flagler County”), Lev-Brn, LLC (“Lev-Brn”), Summerport by Levitt and Sons, LLC (“Summerport”); Levitt and Sons of Georgia, LLC (“LAS Georgia”), Levitt and Sons of Cherokee County, LLC (“LAS Cherokee County”), Levitt and Sons of Hall County, LLC (“LAS Hall County”), Levitt and Sons of Paulding County, LLC (“LAS Paulding County”), Levitt Construction Georgia, LLC (“Construction Georgia”), Levitt and Sons of South Carolina, LLC (“LAS South Carolina”), Levitt and Sons of Horry County, LLC (“LAS Horry County”), Levitt Construction – South Carolina, LLC (“Construction South Carolina”), Levitt and Sons of Tennessee, LLC (“LAS Tennessee”), Bowden Building Corporation (“Bowden”), Levitt and Sons of Nashville, LLC (“LAS Nashville”), and Levitt and Sons of Shelby County, LLC (“LAS Shelby”), debtors and debtors in possession in the above-captioned Chapter 11 Cases (collectively, the “Debtors”), and the Joint Committee of Unsecured Creditors, jointly propose this ~~First~~Second Amended Joint Liquidating Chapter 11 Plan (as amended from time to time, and including all addenda, exhibits, schedules and other attachments hereto, as any of the same may be amended from time to time, all of which are incorporated herein by reference, the “Plan”), pursuant to the provisions of chapter 11 of the Bankruptcy Code (as defined in Section 1.2 below).

For a discussion of the Debtors’ history, business, operations, assets and liabilities, for a summary and analysis of the Plan, preservation of Causes of Action, risk factors, liquidation analysis, tax implications and alternatives to the Plan, reference should be made to the ~~First~~Second Amended Disclosure Statement in Connection with the Debtors’ ~~First~~Second Amended Joint Liquidating Chapter 11 Plan (the “Disclosure Statement”).

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THIS PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, BANKRUPTCY RULE 3018 AND IN THIS PLAN, THE DEBTORS AND THE COMMITTEE RESERVE THE RIGHT TO

ALTER, AMEND, MODIFY, REVOKE OR WITHDRAW THIS PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION; COMPUTATION OF TIME

1.1. ***Scope of Definitions.*** For purposes of the Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings assigned to them in Article I of the Plan. Any term used herein that is not defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules (as defined below), shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine and the feminine gender shall include the masculine.

1.2. ***Definitions.***

(a) “Admin Cap” means \$1,000,000 in cash paid by Wachovia Bank pursuant to the Wachovia DIP Loan ~~Agreement~~[Documents](#), with \$125,000 of such Admin Cap on deposit in the attorney’s trust account of Berger Singerman, P.A. and \$875,000 of such Admin Cap on deposit in the attorneys’ trust account of Genovese Joblove & Battista, P.A.

(b) “Administrative Claims Bar Date” means the date fixed by the Bankruptcy Court as the last date for filing Administrative Expense Claims; provided, however, that the Administrative Claims Bar Date shall not apply to (a) Professional Claims or other Persons requesting compensation or reimbursement of expenses pursuant to Sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered on or before the Effective Date (including any compensation requested by any professional or any other Person for making a substantial contribution in the Chapter 11 Case), and (b) liabilities incurred by the Debtors in the ordinary course of business after the Administrative Claims Bar Date but before the Effective Date.

(c) “Administrative Expense Claim” means a Claim for costs and expenses of administration allowed under Sections 503, 507(a)(1) or 507(b) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Estate of any Debtor, any actual and necessary expenses of operating the business of any Debtor, all compensation or reimbursement of expenses to the extent allowed pursuant to Sections 330 or 503 of the Bankruptcy Code, including Professional Claims, and any fees or charges assessed against the Estate of any Debtor under Section 1930, chapter 123 of title 28 of the United States Code.

(d) “Affiliate” means any Person that is an “affiliate” of any Debtor within the meaning of Section 101(2) of the Bankruptcy Code.

(e) “Allowed” when used with respect to a Claim, means a Claim: (a) which has been listed on the Schedules of any Debtor as other than disputed, contingent or unliquidated and as to which no proof of Claim or objection has been timely filed; (b) as to which a proof of

Claim has been timely filed and either (i) no objection thereto has been timely filed, or (ii) the Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court; (c) which has been allowed under the provisions of this Plan; (d) which is a Professional Claim for which a fee award has been approved by the Bankruptcy Court; or (e) which is allowed pursuant to any stipulation of amount and nature of Claim executed by the Plan Administrator and the Holder of the Claim on or after the Effective Date. Unless otherwise specified herein or by order of the Bankruptcy Court, an Allowed Claim shall not include interest on such Claim for the period from and after the Petition Date with respect to any Debtor

(f) “Amount Due” means that portion, if any, of the Settlement Holdback that is required to be paid by Woodbridge to the Plan Administrator under the Woodbridge Settlement Agreement: provided, however, that such amount shall not exceed \$500,000.

(g) “AmTrust DIP Loan Agreement” means the Debtor in Possession Loan Agreement between LAS Regency Hills and AmTrust Bank, approved by order of the Bankruptcy Court on an interim basis on December 19, 2007 (C.P. No. 537) and on a final basis on January 11, 2008 (C.P. No. 787).

(h) “Asset Management Agreement” means the agreement, dated January 11, 2008, between the Wachovia Debtors and the Chief Administrator providing for the Chief Administrator's management and supervision of the Wachovia Collateral, which was approved by the Bankruptcy Court on an interim basis by Order dated January 14, 2008 (C.P. No. 837) and on a final basis by Order dated February 13, 2008 (C.P. No. 1366).

(i) “Ballot” means the ballot, the form of which has been approved by the Bankruptcy Court, accompanying the Disclosure Statement provided to each Holder of a Claim entitled to vote to accept or reject this Plan.

(j) “Bankruptcy Code” means title 11 of the United States Code, Sections 101 *et seq.*, as now in effect or as hereafter amended.

(k) “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of Florida, or such other court having jurisdiction over the Chapter 11 Cases.

(l) “Bankruptcy Rules” means (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under Section 2075 of title 28 of the United States Code, (b) the Federal Rules of Civil Procedure, as amended and promulgated under Section 2072 of title 28 of the United States Code, (c) the Local Rules of the United States Bankruptcy Court for the Southern District of Florida, and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto to the extent applicable to these Chapter 11 Cases or proceedings herein, as the case may be.

(m) “Bar Date” means February 11, 2008 as to non-governmental units, and May 7, 2008 as to governmental units, the dates established by the Bankruptcy Court as the last date for filing proofs of claim against the Debtors.

(n) “Business Day” means any day that is not a Saturday, a Sunday or “legal holiday” in Florida as such term is defined in Bankruptcy Rule 9006(a).

(o) “Cash” means cash or cash equivalents, including but not limited to, wire transfers, checks and other readily marketable direct obligations of the United States of America and certificates of deposit issued by banks.

(p) “Causes of Action” means any and all claims, choses in action, causes of action suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payments and claims, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether assertable directly or derivatively, in law, equity or otherwise, which are owned or held by, or have accrued to, any Debtor, whether arising before or after the Petition Date, including, without limitation, those which are: (i) property of any Estate under and pursuant to Section 541 of the Bankruptcy Code; (ii) for subrogation and contribution; (iii) for turnover; (iv) for avoidable transfers and preferences under and pursuant to Sections 542 through 550 and 553 of the Bankruptcy Code and applicable state law; (v) to determine the extent, validity and priority of liens and encumbrances; (vi) for surcharge under Section 506(c) of the Bankruptcy Code; (vii) for subordination under Section 510 of the Bankruptcy Code; (viii) related to federal or state securities laws; (ix) direct or derivative claims or causes of action of any type or kind; (x) for professional malpractice against professionals employed by any Debtor; (xi) against any and all current and/or former officers and directors of any Debtor, including for breach of fiduciary duty; (xii) under and pursuant to any policies of insurance maintained by any Debtor; (xiii) for theft of corporate opportunity; (xiv) for collection on accounts, accounts receivables, loans, notes receivables or other rights to payment; (xv) for the right to seek a determination by the Bankruptcy Court of any tax, fine or penalty relating to a tax, or any addition to a tax, under Section 505 of the Bankruptcy Code; (xvi) which arise under or as a result of any section of the Bankruptcy Code, including Section 362; (xvii) or may be available to any Debtor against any third party(ies) under any legal or equitable theory, whether or not specifically identified or described herein or in the Disclosure Statement and (xviii) to the extent not otherwise set forth above, as described in the Disclosure Statement. The Causes of Action shall not include any Wachovia Debtor Causes of Action.

(q) “Chapter 11 Cases” means, collectively, the chapter 11 cases pending for the Debtors in the Bankruptcy Court and jointly administered under case number 07-19845-BKC-RBR.

(r) “Chief Administrator” means Soneet R. Kapila in his capacity as the chief administrator of the Wachovia Collateral during the pendency of the Chapter 11 Cases in accordance with the Wachovia DIP Loan ~~Agreement~~Documents.

(s) “Claim” has the meaning ascribed in Section 101(5) of the Bankruptcy Code.

(t) “Class” means a category of Holders of Claims or Equity Interests as set forth in Articles IV and V of the Plan.

(u) “Committee” means the joint committee of unsecured creditors appointed in these Chapter 11 Cases, as such Committee may be reconstituted from time to time.

(v) “Confirmation” shall mean the entry of an order of the Bankruptcy Court confirming the Plan in accordance with Section 1129 of the Bankruptcy Code

(w) “Confirmation Date” means the date on which the Bankruptcy Court enters the Confirmation Order on its docket.

(x) “Confirmation Date Assets” means all Property of the applicable Debtor(s) as of the Confirmation Date (excluding assets previously distributed, abandoned, expended or otherwise disposed of by the applicable Debtor prior to the Confirmation Date and not otherwise subject to recovery), including, without limitation, all Causes of Action and other Property existing as of the Petition Date and acquired by any or all of the Debtors during the pendency of these Chapter 11 Cases under the Bankruptcy Code or otherwise.

(y) “Confirmation Hearing” means the hearing before the Bankruptcy Court pursuant to Section 1128 of the Bankruptcy Code to consider confirmation of this Plan.

(z) “Confirmation Order” means the order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code, as such order may be amended, modified or supplemented.

(aa) “Creditor” has the meaning ascribed in Section 101(10) of the Bankruptcy Code and shall refer to any Holder of a Claim against any Debtor or Holder of any Claim against Property of any Debtor as defined in Section 102(2) of the Bankruptcy Code.

(bb) “Debtors in Possession” means the Debtors with the status and rights conferred by Sections 1107 and 1108 of the Bankruptcy Code.

(cc) “Debtors’ Release” shall mean the full and general release of any and all direct claims and Causes of Action of Holders of Claims against any and all present and former officers and/or directors of the Debtors.

(dd) “Deposit Holder” means any Person(s) who asserts a Claim against one or more Debtors based on and related to a contract for the purchase of a home from one of the Debtors, including any contract that was rejected by order of the Bankruptcy Court, under the Plan or otherwise.

(ee) “Deposit Holder Claim” means a General Unsecured Claim of a Deposit Holder, arising out of, based on, or related to any contract of such Holder to purchase a home from one of the Debtors; provided, however, that a Deposit Holder Claim shall not include for purposes of the Plan any Allowed Priority Claim of such Deposit Holder.

(ff) “Deposit Holders’ Committee” means the Joint Home Purchase Deposit Creditors Committee of Creditors Holding Unsecured Claim appointed on January 22, 2008.

(gg) “Deposit Holders’ Fee Reserve” means that certain fund of money in the amount of \$200,000 created and funded under the Plan and the Woodbridge Settlement for the payment of fees and expenses of counsel to the Deposit Holders’ Committee to pursue claims against the Florida Homeowners’ Construction Recovery Fund

(hh) “Deposit Holders’ Fund” means that certain fund of money in the amount of \$750,000 created and funded under the Plan and the Woodbridge Settlement that is available for Distribution to the Holders of Allowed Deposit Holder Claims in accordance with the terms of the Plan.

(ii) “Disclosure Statement” means the disclosure statement for the Plan approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code (including all schedules and exhibits thereto), as such disclosure statement may be amended or modified from time to time.

(jj) “Disputed Claim” means any Claim against a Debtor or property of a Debtor to the extent that: (a) the Allowance of such Claim is the subject of an objection, appeal or motion to estimate that has been timely filed by a party in interest and which objection, appeal or motion has not been determined by a Final Order. In the event that any part of a Claim is disputed, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under this Plan unless the Debtors or the Plan Administrator, as applicable, and the Holder thereof agree otherwise.

(kk) “Disputed Claims Reserve” means a reserve to be established by the Plan Administrator in an amount equal to the aggregate of all Disputed Claims or such other amounts as the parties may agree or the Bankruptcy Court may order.

(ll) “Distribution” means each distribution of Cash to Holders of Allowed Claims (including to the Disputed Claims Reserve) pursuant to and under the terms of this Plan by the Plan Administrator on each Distribution Date.

(mm) “Distribution Date” means: (i) with respect to the initial Distribution pursuant to the Plan by the Plan Administrator, on the later to occur of (a) thirty (30) days after the Effective Date, or (b) the date when there is sufficient Cash, in the Plan Administrator’s discretion, to efficiently make a meaningful distribution to Holders of Allowed Claims under this Plan, provided that with respect to Disputed Claims, the initial Distribution thereon shall be made to the Disputed Claims Reserve; and (ii) with respect to each subsequent Distribution by the Plan Administrator, the dates determined in the reasonable business judgment of the Plan Administrator; provided, however, that no Distribution shall be made unless Cash exists in excess of any reserves determined to be appropriate by the Plan Administrator, including for Post Confirmation Administrative Claims, and those amounts reserved for Distributions on Disputed Claims in the Disputed Claims Reserve.

(nn) “Effective Date” shall mean the date which is, the earlier of: (i) eleven (11) days after the date the Confirmation Order is entered on the Bankruptcy Courts’ computerized docket by the clerk of the Bankruptcy Court, or the first Business Day thereafter or

(ii) the date on which the Debtors, in collaboration with the Committee, take or cause to be taken such actions or make such Distributions so as to substantially consummate the Plan.

(oo) “Employee Claim” means that certain claim asserted by Woodbridge against certain of the Debtors in the approximate amount of \$4.0 million related to various claims assigned to Woodbridge by former employees of the Debtors.

(pp) “Equity Interest” means any ownership interest or share in any Debtor (including, without limitation all rights to obtain such an interest or share in any Debtor).

(qq) “Estate” means the estate created in the Chapter 11 Cases for each Debtor pursuant to Section 541 of the Bankruptcy Code.

(rr) “File, Filed or Filing” means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

(ss) “Final Order” means an order or judgment of the Bankruptcy Court which has not been reversed, stayed, modified or amended and: (i) as to which the time to appeal or seek reconsideration or rehearing thereof has expired; (ii) in the event of a motion for reconsideration or rehearing is filed, such motion shall have been denied by an order or judgment of the Bankruptcy Court; or (iii) in the event of an appeal is filed and pending, a stay pending appeal has not been entered; provided, however that with respect to an order or judgment of the Bankruptcy Court allowing or disallowing a Claim, such order or judgment shall have become final and non-appealable; and provided further, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment not to be a Final Order.

(tt) “Financial Federal Adequate Protection Order” means the Bankruptcy Court order dated March 5, 2008 (C.P. No. 1667) directing Bowden to provide adequate protection to Financial Federal, N.A.

(uu) “Florida Homeowners Construction Recovery Fund” (sometimes referred to herein as the “Recovery Fund”) means the fund established by the Florida Legislature pursuant to Florida Statutes 489.140 *et seq.*

(vv) ~~(uu)~~ “General Unsecured Claim” means a Claim as of the Petition Date that is not an Administrative Expense Claim, a Secured Claim, a Priority Claim or a Priority Tax Claim, but includes an Undersecured Claim.

(ww) ~~(vv)~~ “Guaranteed Amount” means an amount not less than \$3,000,000 in Cash paid or payable by Wachovia Bank pursuant to the Wachovia DIP Loan Agreement Documents.

(xx) ~~(ww)~~ “Holder” means a Person holding a Claim or any authorized agent who has completed, executed and delivered a Ballot in accordance with the applicable voting instructions.

(yy) ~~(xx)~~ “HomeBanc Collateral” means those certain notes, mortgages and proceeds pledged from LAS to Woodbridge in connection with and as security for the HomeBanc Loan.

(zz) ~~(yy)~~ “HomeBanc Loan” means that certain loan from Woodbridge to LAS in the approximate amount of \$3,300,000 in connection with LAS’s acquisition of certain notes and mortgages related to properties sold by the Debtors that were originally to be financed by Home Banc.

(aaa) ~~(zz)~~ “HomeBanc Secured Claim” shall mean that certain Secured Claim of Woodbridge in respect of the HomeBanc Loan.

(bbb) ~~(aaa)~~ “Impaired” has the meaning ascribed in Section 1124 of the Bankruptcy Code.

(ccc) ~~(bbb)~~ “Insider” has the meaning ascribed in Section 101(31) of the Bankruptcy Code.

(ddd) ~~(ccc)~~ “Intercompany Claim” means any Claim by any Debtor against any another Debtor.

(eee) ~~(ddd)~~ “Intercompany Loan” means that certain claim asserted by Woodbridge against LAS in the approximate amount of \$85.5 million related to certain intercompany loans and advances made by Woodbridge to LAS since 2005.

(fff) ~~(eee)~~ “LAS Available Cash” means with respect to each Distribution to Holders of Allowed Claims against the LAS Consolidated Debtor under the Plan, that portion of the Cash owned by or attributable to the LAS Consolidated Debtor then on deposit with the Plan Administrator, as determined by the Plan Administrator, in the exercise of his reasonable business judgment after accounting for the Disputed Claims Reserve and a reserve for Post Confirmation Administrative Claims in respect of the LAS Consolidated Debtor, to be available for distribution to such Holders of Allowed Claims against the LAS Consolidated Debtor under the Plan. The LAS Available Cash shall include, without limitation, the Admin Cap, the Guaranteed Amount, any amounts payable under the Wachovia DIP Loan ~~Agreement~~ [Documents](#) in excess of the Guaranteed Amount, the Woodbridge Settlement Payment, the Release Fund as applicable, and the proceeds from the prosecution of Causes of Action by and through the LAS Consolidated Debtor.

(ggg) ~~(fff)~~ “LAS Consolidated Debtor” has the meaning set forth in Article II below.

(hhh) ~~(ggg)~~ “LAS GUC Distribution” shall have the meaning set forth in Article IV, Section 4.2 (i)(1) below.

(iii) ~~(hhh)~~ “Lien” means any mortgage, lien, pledge, security interest or other charge or encumbrance or security device of any kind affecting any asset or any property of the Debtors contemplated by Section 101(37) of the Bankruptcy Code.

(jjj) ~~(iii)~~ “Liquidation Analysis” means that certain liquidation analysis for the Debtors’ Estates attached to the Disclosure Statement as Exhibit 4 thereto.

(kkk) ~~(jjj)~~ “Notice Agent” means Kurtzman Carson Consultants, LLC, or such other firm retained pursuant to 28 U.S.C. § 156(c) in connection with the Chapter 11 Cases.

(lll) ~~(kkk)~~ “Person” has the meaning ascribed in Section 101(41) of the Bankruptcy Code.

(mmm) ~~(lll)~~ “Petition Date” means November 9, 2007, the date on which each Debtor commenced its Chapter 11 Case by filing a petition for relief under chapter 11 of the Bankruptcy Code.

(nnn) ~~(mmm)~~ “Plan” means this chapter 11 liquidating plan, either in its present form or as it may be altered, amended, or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

(ooo) ~~(nnn)~~ “Plan Administrator” means James S. Feltman.

(ppp) ~~(ooo)~~ “Post-Confirmation Debtors” means the Debtors from and after the Effective Date.

(qqq) ~~(ppp)~~ “Post-Confirmation Administrative Expense Claim” means a Claim for services rendered or expenses incurred after the Confirmation Date in connection with these Chapter 11 Cases by the Plan Administrator and/or the Post Confirmation Professionals, subject in all events to the occurrence of the Effective Date.

(rrr) ~~(qqq)~~ “Post Confirmation Debtor Assets” means the Confirmation Date Assets excluding, the Wachovia Collateral.

(sss) ~~(rrr)~~ “Post Confirmation Professionals” means those professionals engaged by the Plan Administrator from and after the Effective Date.

(ttt) ~~(sss)~~ “Post Confirmation Wachovia Debtors” means the Wachovia Debtors from and after the Effective Date.

(uuu) ~~(ttt)~~ “Priority Claim” means a Claim to the extent that it is of the kind described in, and entitled to priority under Sections 507(a)(3), (a)(4), (a)(5), (a)(6), (a)(7) or (a)(9) of the Bankruptcy Code, that is not a Priority Tax Claim.

(vvv) ~~(uuu)~~ “Priority Tax Claim” means a Claim of a governmental unit of the kind specified in Section 507(a)(8) of the Bankruptcy Code.

(www) ~~(vvv)~~ “Professional” means any professional employed or to be compensated pursuant to Sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

(xxx) ~~(www)~~ “Professional Claim” means a Claim for compensation and/or reimbursement of expenses pursuant to Section 327, 328, 330, 331 or 503(b) of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Chapter 11 Cases.

(yyv) ~~(xxx)~~ “Property” means all assets and property included within “property of the estate” as set forth in and within the meaning of Section 541 of the Bankruptcy Code.

(zzz) ~~(yyy)~~ “Proponents” means the Debtors and the Committee as proponents of the Plan.

(aaaa) ~~(zzz)~~ “Pro Rata Share” means, with respect to any distribution on account of any Allowed Claim in any Class, the ratio of (a) the amount of such Allowed Claim to (b) the sum of (i) all Allowed Claims in such Class, and (ii) the aggregate maximum allowable amount of all Disputed Claims in such Class for which a reserve must be established under the Plan.

(bbbb) ~~(aaaa)~~ “Regions Bank Sale Order” means that certain Order of the Bankruptcy Court, dated June 20, 2008 (C.P. No. 2696) authorizing (i) the sale of certain real property by the Tennessee Debtors encumbered in part by a first mortgage lien in favor of Regions Bank, N.A., and (ii) settlement between the Tennessee Debtors and Regions Bank, N.A.

(cccc) ~~(bbbb)~~ “Rejection Claim” means a Claim for damages resulting from the rejection of an executory contract by the Debtors pursuant to Section 9.3 of the Plan.

(dddd) ~~(eeee)~~ “Release Fund” means that certain fund of money in the amount of \$4,500,000 created and funded under the Plan and the Woodbridge Settlement available for Distributions to Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor in respect of the Third Party Release and Injunction under and in accordance with the Plan and the Woodbridge Settlement.

(eeee) ~~(dddd)~~ “Released Parties” shall have the meaning in Article XII, Section 12.1 of the Plan.

(ffff) ~~(eeee)~~ “Restrained Parties” shall have the meaning set forth in the Woodbridge Settlement Agreement.

(gggg) ~~(ffff)~~ “Schedules” means each Debtor’s schedules of assets and liabilities and statement of financial affairs filed with the clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

(hhhh) ~~(gggg)~~ “Secondary Liability Claim” means any Claim against a particular Debtor based on a guarantee of a Claim against another Debtor.

(iiii) “Section 502(d) Claims” shall mean those Claims (i) for which the Holder of such Claim elected to opt out of the Release Fund on the Ballot, and (ii) that have been Disallowed by the Court as a result of either the settlement of any claim under Chapter 5 of the Bankruptcy Code or an objection to such Claim based on Section 502(d) of the Bankruptcy Code

where the transfer of money or property that forms the basis of such objection or settlement exceeds \$5,000,000; provided however, that the amount of such Claim for purposes of the Release Fund shall be an amount equal to 10 percent of the Claim that would have been Allowed to such Holder but for such settlement or objection.

(jjjj) ~~(hhh)~~ “Secured Claim” means a Claim that is secured by a Lien on, or security interest in, property of any Debtor, or that has the benefit of rights of setoff under Section 553 of the Bankruptcy Code, but only to the extent of the value of the creditor’s interest in the Debtor’s interest in such property, or to the extent of the amount subject to setoff, which value shall be determined as provided in Section 506 of the Bankruptcy Code.

(kkkk) ~~(iii)~~ “Settlement Causes of Action” shall have the meaning set forth in the Woodbridge Settlement Agreement.

(llll) ~~(jii)~~ “Settlement Holdback” means an amount equal to \$500,000 from the Release Fund that will not be funded on the Effective Date under the Woodbridge Settlement, pending a determination of the amount, if any, that is required to be returned to Woodbridge in connection with the provisions dealing with the Distribution of the Release Fund to the Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

(mmmm) ~~(kkk)~~ “Shared Services” means those certain shared services provided for and paid for by Woodbridge for the benefit of the Debtors, which Shared Services are the basis for the Woodbridge Allowed Administrative Claim pursuant to the Woodbridge Settlement and that certain Order of the Bankruptcy Court (C.P.#222) Granting Debtors’ Motion for Authority to Incur Chapter 11 Administrative Expense Claim, which Administrative Expense Claim.

(nnnn) ~~(iii)~~ “Solicitation and Balloting Order” means that certain Order of the Bankruptcy Court, dated _____, 2008 setting forth the solicitation and balloting procedures for the Plan (C.P. No. _____).

(oooo) ~~(mmm)~~ “Statutory Fees” means the fees due the Office of the United States Trustee pursuant to 28 U.S.C. §~~1930.~~ 1930.

(pppp) ~~(nnn)~~ “Tennessee Available Cash” means with respect to each Distribution to Holders of Allowed Claims against the Tennessee Consolidated Debtor under the Plan, that portion of the Cash owned by or attributable to the Tennessee Consolidated Debtor then on deposit with the Plan Administrator, as determined by the Plan Administrator, in the exercise of his reasonable business judgment after accounting for the Disputed Claims Reserve and a reserve for Post Confirmation Administrative Claims with respect to the Tennessee Consolidated Debtor, to be available for distribution to such Holders of Allowed Claims against the Tennessee Consolidated Debtor under the terms of the Plan. The Tennessee Available Cash shall include, without limitation, the Tennessee Carve Out and the proceeds from the prosecution of Causes of Action by and through the Tennessee Consolidated Debtor.

(qqqq) ~~(ooo)~~ “Tennessee Carve-Out” means (a) \$250,000 in Cash proceeds set aside from the sale of the Vinings and Chapel Hill properties for the Tennessee Debtors in

accordance with the Bankruptcy Court's December 19, 2007 order authorizing such sale (C.P. No. 520)(the "Vinings Carve-Out"); and (b) the Cash proceeds payable to the Tennessee Debtors resulting from the sale of the remaining real property owned by LAS Shelby County and Bowden pursuant to the Regions Bank Sale Order.

(rrrr) ~~(pppp)~~ "Tennessee Consolidated Debtor" has the meaning set forth in Article II below.

(ssss) ~~(qqqq)~~ "Tennessee Debtors" means Levitt and Sons of Tennessee, LLC; Levitt and Sons of Nashville, LLC; Levitt and Sons of Shelby County, LLC; and Bowden Building Corporation

(tttt) ~~(rrrr)~~ "Tennessee GUC Distribution" shall have the meaning set forth in Article V, Section 5.2(f)(1) below.

(uuuu) ~~(ssss)~~ "Third Party Release and Injunction" means that certain third party release and injunction proposed to be granted to Woodbridge and the Woodbridge Parties in respect of the Settlement Causes of Action under and in accordance with the terms of the Woodbridge Settlement and this Plan.

(vvvv) ~~(tttt)~~ "Unclaimed Property" means any distribution of Cash or any other property made to the holder of an Allowed Claim pursuant to this Plan that (a) is returned to the Plan Administrator as undeliverable and no appropriate forwarding address is received within the later of (i) 90 days after the Effective Date and (ii) 90 days after such attempted Distribution by the Plan Administrator is made to such holder or (b) in the case of a distribution made in the form of a check, is not negotiated within 90 days and no request for re-issuance is made. Pursuant to Local Rule 3011-1(B), Unclaimed Property shall be donated to the Bankruptcy Bar Foundation, a not-for-profit, non-religious organization dedicated to, among other things, promoting the pro bono legal representation of the indigent.

(wwwv) ~~(uuuu)~~ "Undersecured Claim" means a Claim secured by a Lien on Property that is worth less than the amount of such Claim as determined by (a) agreement of the Debtors or the Plan Administrator, as applicable, and the Holder of such Claim, or (b) by order of the Bankruptcy Court. Unless otherwise provided in this Plan, Undersecured Claims shall be treated as General Unsecured Claims.

(xxxx) ~~(vvvv)~~ "Unimpaired" means any Claim that is not Impaired within the meaning of Section 1124 of the Bankruptcy Code.

(yyyy) ~~(wwwv)~~ "U.S. Trustee" shall mean the Office of the United States Trustee.

(zzzz) ~~(xxxx)~~ "Voting Deadline" means the date set in an order of the Bankruptcy Court as the deadline for the return of Ballots accepting or rejecting the Plan.

(aaaa) ~~(yyyy)~~ "Wachovia Bank" means Wachovia Bank, N.A., as lender and agent.

~~(zzzzz) “Wachovia Borrowers” means, collectively, Levitt and Sons of Cherokee County, LLC; Levitt and Sons of Hall County, LLC; Levitt and Sons of Paulding County, LLC; Levitt and Sons of Horry County, LLC; Levitt and Sons at World Golf Village, LLC; and Levitt and Sons of Manatee County, LLC.~~

~~(aaaaa)~~ (bbbbbb) “Wachovia Collateral” means all of the Wachovia ~~Borrowers~~ Debtors’ right, title and interest in and to all tangible or intangible property or assets, whether real, personal or mixed that are subject to and encumbered by Wachovia Bank’s (i) pre-petition Liens and security interest, and (ii) post petition Liens and security interest arising under the Wachovia DIP Loan ~~Agreement~~ Documents, excluding, (1) the Admin Cap, (2) the Guaranteed Amount, (3) all Causes of Action, (4) any assets of the Wachovia Debtors, whether owned directly or indirectly, which constitute cash or cash equivalents as of January 14, 2008, (5) the Debtors’ cash on hand as of the Petition Date, (6) stock, membership interest or any other ownership interests in any of the Debtors, and (7) all proceeds from any of the foregoing.

~~(ccccc)~~ ~~(bbbbbb)~~ “Wachovia Collateral Administrative Expense Claim” means a Claim for services rendered or expenses incurred after the Confirmation Date by the Wachovia Collateral Administrator and/or the Wachovia Collateral Professionals, subject in all events to the occurrence of the Effective Date.

~~(eeeeee)~~ (dddddd) “Wachovia Collateral Administrator” means Soneet R. Kapila.

~~(eeeeee)~~ ~~(dddddd)~~ “Wachovia Collateral Professionals” means the counsel, financial advisors and other professionals engaged by the Wachovia Collateral Administrator from and after the Effective Date to represent him in connection with his duties under the Plan, including, counsel, financial advisors and other professionals engaged by the Chief Administrator, the Debtors, the Committee and/or the Deposit Holders’ Committee during the Chapter 11 Cases.

~~(fffff)~~ ~~(eeeeee)~~ “Wachovia Debtors” means, ~~collectively,~~ Levitt and Sons of Georgia, LLC; ~~Levitt and Sons of~~ Cherokee County, LLC; Levitt and Sons of Horry County, LLC; Levitt and Sons of Hall County, LLC; Levitt and Sons of Paulding County, LLC; ~~Levitt Construction Georgia, LLC; Levitt and Sons of South Carolina, LLC; Levitt and Sons of Horry County, LLC; Levitt Construction—South Carolina, LLC; Levitt and Sons of~~ Levitt and Sons at World Golf Village, LLC; and Levitt and Sons of Manatee County, LLC; and Levitt and Sons of Seminole County, LLC.

~~(fffff)~~ (gggggg) “Wachovia Debtor Causes of Action” means any claims, causes of action or other actions arising after January 14, 2008 and which relate to the management, construction, development and sale of the Wachovia Collateral, including any commercial tort claims related to the ownership, management, construction, development and sale of the Wachovia Debtor Projects, and the proceeds thereof; provided, however that the Wachovia Debtor Causes of Action shall not include any claims or causes of action against the present and former officers and directors of the Wachovia Debtors and any Professionals engaged by the Debtors and the Committee and provided further, shall not include any causes of action under Section 5 of the Bankruptcy Code.

~~(hhhhh)~~ ~~(ggggg)~~ “Wachovia Debtor Projects” means the Seasons at Laurel Canyon in Cherokee County, Georgia; the Seasons at Lake Lanier in Hall County, Georgia; the Seasons at Seven Hills in Paulding County, Georgia; Prince Creek in Horry County, South Carolina; Rio Mar Sarasota in Manatee County, Florida; the Cascades at Sarasota in Manatee County, Florida; and the Cascades at World Golf Village in St. Johns County, Florida.

~~(iiii)~~ ~~(hhhhh)~~ “Wachovia DIP Loan Agreement” means the Debtor in Possession Credit and Security Agreement ~~amongst~~by and among Wachovia Bank and the Wachovia ~~Borrowers~~Debtors which was approved by the Bankruptcy Court on an interim basis by Order dated January 14, 2008 (C.P. No. 836), and on a final basis by the Memorandum Opinion, dated February 13, 2008 (C.P. No. 1335)~~, and the Final DIP Financing Order, dated February 13, 2008 (C.P. No. 1366).~~

~~(jjjj)~~ “Wachovia DIP Loan Documents” means, collectively, the Wachovia DIP Loan Agreement, the Wachovia Term Sheet, the Asset Management Agreement and the Wachovia DIP Loan Order.

~~(kkkk)~~ “Wachovia DIP Loan Order” means, collectively, the Interim DIP Financing Order dated January 14, 2008 (C.P. No. 836), Memorandum Opinion, dated February 13, 2008 (C.P. No. 1335) and the Final DIP Financing Order, dated February 13, 2008 (C.P. No. 1366) approving the Wachovia DIP Loan Agreement on an interim and final basis.

~~(llll)~~ “Wachovia Term Sheet” means that certain Term Sheet for Debtor in Possession Financing by and between Wachovia Bank, the Debtors and the Committee which was filed with the Bankruptcy Court on December 19, 2007(C.P. No. 481).

~~(mmmm)~~ ~~(iiii)~~ “Woodbridge” means Woodbridge Holding Corporation, f/k/a Levitt Corporation.

~~(nnnn)~~ ~~(jjjj)~~ “Woodbridge Claims” ~~means those certain Claims of Woodbridge against the Debtors related to the Intercompany Loan and the Employee Claim.~~shall have the meaning set forth in the Woodbridge Settlement Agreement.

~~(oooo)~~ ~~(kkkk)~~ “Woodbridge ~~Direct~~ Parties” shall have the meaning set forth in the Woodbridge Settlement Agreement.

~~(llll)~~ ~~“Woodbridge Parties” shall have the meaning set forth in the Woodbridge Settlement Agreement.~~

~~(pppp)~~ ~~(mmmm)~~ “Woodbridge Settlement” means that certain settlement and compromise in principle between the Debtors, the Committee and Woodbridge Holdings Corporation, f/k/a Levitt Corporation in respect of claims asserted by and between the Estates and Woodbridge, which settlement and compromise is subject to final documentation.

~~(qqqq)~~ ~~(nnnn)~~ “Woodbridge Settlement Agreement” means that certain Amended and Restated Settlement Agreement, dated as of October 27, 2008, between Woodbridge, the Debtors and the Committee, a copy of which is attached hereto as Exhibit 2 to the Disclosure Statement.

~~(rrrrr)~~ ~~(ooooo)~~ “Woodbridge Settlement Payment” means an amount equal to \$8,000,000, plus interest accrued thereon from and after May 22, 2008.

~~(sssss)~~ ~~(ppppp)~~ “2005 Tax Refund Claim” means that certain claim in the amount of approximately \$11.0 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund of taxes paid by the Debtors in 2005 on income earned by the Debtors in 2005.

~~(ttttt)~~ ~~(qqqqq)~~ “2006 Tax Refund Claim” means that certain claim in the amount of approximately \$7.9 million related to an income tax refund that is expected to be paid to Woodbridge as the parent holding company for the Debtors in connection with losses generated by the Debtors in 2007 that are being carried back to obtain a refund in respect of taxes paid on income earned by the Debtors in 2006.

1.3. *Interpretation.* For purposes of the Plan, (a) any reference herein to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference herein to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented; (c) unless otherwise specified, all references herein to Articles, Sections, Schedules and Exhibits are references to Articles, Sections, Schedules and Exhibits of or to the Plan (d) the words “herein” and “hereto” refer to the Plan in their entirety rather than to a particular portion of the Plan; (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; and (f) the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

1.4. *Computation of Time.* In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006 shall apply.

ARTICLE II

SUBSTANTIVE CONSOLIDATION OF ESTATES

As of the Petition Date, there were thirty-eight separate corporate Debtors. For the reasons set forth herein, the Proponents seek substantive consolidation of the thirty-eight separate corporate Debtors hereunder into the LAS Consolidated Debtor and the Tennessee Consolidated Debtor solely for voting on, Confirmation of and Distributions hereunder. As a result of such substantive consolidation, this Plan treats Claims and Interests in respect of each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. On the Effective Date, the Debtors will be substantively consolidated pursuant hereto and in accordance herewith into the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

In support of such substantive consolidation, the Proponents assert that many of the factors set forth in the applicable decisional law supporting limited substantive consolidation as

proposed hereunder are present in these Chapter 11 Cases. See Eastgroup Props. v. Southern Motel Assocs., Ltd., 935 F.2d 245 (11th Cir. 1991)(movant must demonstrate that (i) there is a substantial identity between entities to be consolidated, and (ii) consolidation is necessary to avoid some harm or to realize some benefit); In re Avery, 377 B.R. 264, 268 (Bankr. D. Alaska 2007) (“A bankruptcy court has discretion to order *nun pro tunc* consolidation. This may enable a trustee to preserve fraudulent transfer and avoidance proceedings with regard to related entities which might otherwise be barred due to statutes of limitation.”); Alexander v. Compton (In re Bonham), 229 F.3d 750, 769-70 (9th Cir. 2000); See also In re Creditors Serv. Corp., 195 B.R. at 689 (“Substantive consolidation may be limited to certain classes of claims, specific property, or may be appropriately conditioned.”); Matter of Steury, 94 B.R. 553, 556 (Bankr. N.D. Ind. 1988).

Moreover, in appropriate circumstances, bankruptcy courts have the power to order limited or partial substantive consolidation, or to place conditions on the substantive consolidation, such as the preservation of avoidance claims by the formerly separate estates. Avery, 377 B.R. at 268 (“A bankruptcy court has discretion to order *nun pro tunc* consolidation. This may enable a trustee to preserve fraudulent transfer and avoidance proceedings with regard to related entities which might otherwise be barred due to statutes of limitation.”); Bonham, 229 F.3d at 763; see also Creditors Serv. Corp., 195 B.R. at 689 (“Substantive consolidation may be limited to certain classes of claims, specific property, or may be appropriately conditioned.”); Steury, 94 B.R. at 556. Pursuant to the terms of the Plan, the Proponents seek to place certain conditions on substantive consolidation, including specifically as they relate to the preservation of substantial fraudulent transfer and other avoidance actions.

The Proponents’ decision to seek substantive consolidation pursuant to the Plan is based on, among other factors, an analysis by the Debtors’ advisors and the Committee’s advisors of the facts and circumstances surrounding the Debtors, including the Debtors’ financial and accounting structure and business operations, their consideration of the cost and delay attendant to the reconstruction the Debtors’ financial records, and the net effect on the dividends payable hereunder if the Proponents were to undertake the reconstruction of the Debtors’ financial records and Intercompany Claim reconciliation. As set forth below, such facts and circumstances overwhelmingly support the substantive consolidation of the Debtors as proposed herein.

The Proponents assert that many of the factors set forth in above supporting limited or partial substantive consolidation as proposed herein are present in these Chapter 11 Cases. A detailed discussion of the facts and circumstances supporting substantive consolidation is contained in Section (I)(F)(2) of the Disclosure Statement.

The entry of the Confirmation Order shall constitute approval by the Bankruptcy Court, pursuant to Sections 105(a) and 1123(c)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, and their respective Estates, solely for purposes of voting, Confirmation of and Distributions hereunder, and for no other purpose, as set forth above.

Specifically, on and after the Effective Date with respect to each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, (a) all assets and liabilities of the Debtors comprising the LAS Consolidated Debtor and the Debtors comprising the Tennessee Consolidated Debtor, respectively, shall be treated as though they were pooled solely for purposes of voting on, Confirmation of and Distributions hereunder, (b) no Distribution shall be made hereunder on account of any Intercompany Claim held (i) by any one of the Debtors comprising the LAS Consolidated Debtor against any of the other Debtors within the LAS Consolidated Debtor, or (ii) by any one of the Debtors comprising the Tennessee Consolidated Debtor against any of the other Debtors within the Tennessee Consolidated Debtor, (c) no Distribution shall be made hereunder on account of any Interest held (i) by any Debtor comprising the LAS Consolidated Debtor in any other Debtor within the LAS Consolidated Debtor, or (ii) by any Debtor comprising the Tennessee Consolidated Debtor in any other Debtor within the Tennessee Consolidated Debtor, (d) all Allowed Secondary Liability Claims shall be entitled to a single recovery, and thus one Distribution (and no multiple recovery) on any such Claims, (e) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the LAS Consolidated Debtor shall be deemed filed against the LAS Consolidated Debtor and shall be one Claim against and one obligation of the LAS Consolidated Debtor, (f) every Claim filed or to be filed in the Chapter 11 Case of any Debtor comprising the Tennessee Consolidated Debtor shall be deemed filed against the Tennessee Consolidated Debtor and, if Allowed, shall be one Claim against and one obligation of the Tennessee Consolidated Debtor, and (g) to the extent a Claim is Allowed against the LAS Consolidated Debtor and a Claim for the same obligation is also Allowed against the Tennessee Consolidated Debtor, then the holder of such Claim shall be entitled to a Distribution from each of the LAS Consolidated Debtor and the Tennessee Consolidated in respect of such Claim, but in no event shall such holder receive more than 100% of such Allowed Claim.

Notwithstanding the foregoing, (i) the treatment proposed by each Debtor to the Holders of Allowed Secured Claims against such Debtor after the Effective Date shall be unaffected by such substantive consolidation, (ii) any Liens that are maintained, recognized, or preserved hereunder shall be unaffected by the substantive consolidation, and (iii) any claims under or with respect to any insurance policy of any Debtor (or any right to the proceeds of any such policy or policies) shall be unaffected by the substantive consolidation.

Notwithstanding the substantive consolidation of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, as provided herein, the substantive consolidation shall be solely for purposes of voting on, Confirmation of or and Distributions hereunder and specifically shall not:

- (a) affect the legal and organizational structure of each such Debtor from and after the Effective Date;
- (b) affect or change any Cause of Action or other claim that any Debtor would possess had any of the Chapter 11 Cases not been substantively consolidated as provided herein or any defenses that any defendant in respect of such Causes of Action would have in connection therewith;

(c) destroy or otherwise affect the separate corporate existence of each Debtor and the ownership interest in each Debtor; or

(d) ~~_____ (d) _____~~ divest any Debtor of any tax attributes; or

(e) affect any Statutory Fees paid by any Debtor to the U.S. Trustee or the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date.

This Plan shall be deemed to be a motion, pursuant to Bankruptcy Rule 9013, by the Debtors for limited and partial substantive consolidation with respect to the Plan as set forth herein. The Proponents reserve the right to supplement the facts and law supporting the request for partial or limited substantive consolidation herein on or before the Confirmation Date. Any objection by an affected Creditor to such consolidation shall be treated as an objection to Confirmation and shall be determined by the Bankruptcy Court at the Confirmation Hearing. Failure to timely object to substantive consolidation may result in consolidation of the Debtors in accordance herewith, without further hearing.

ARTICLE III

PROVISIONS FOR PAYMENT OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS, PRIORITY TAX CLAIMS AND STATUTORY FEES

3.1. **Administrative Expense Claims.** All Administrative Expense Claims against any Debtor shall be treated as follows:

Allowed Administrative Expense Claims shall be paid in full, in Cash, as soon as practicable upon the earlier to occur of: (i) the later of the Effective Date or five (5) Business Days after the date of a Final Order allowing such Administrative Expense Claim; (ii) upon the entry of an order of the Bankruptcy Court awarding a Professional Claim; (iii) for Allowed Administrative Expense Claims that represent liabilities incurred by either the LAS Consolidated Debtor or the Tennessee Consolidated Debtor in the ordinary course of business after the Petition Date with regard to the respective Debtor, the date on which each such Claim becomes due in the ordinary course of such Debtor's business and in accordance with the terms and conditions of any agreement relating thereto; or (iv) upon such other dates and terms as may be agreed upon by the Holder of any such Allowed Administrative Expense Claim and the Plan Administrator.

Notwithstanding anything herein to the contrary, the Allowed Administrative Expense Claims incurred in respect of the Wachovia Collateral under the Wachovia DIP Loan ~~Agreement and Asset Management Agreement~~ Documents, including the Professional Claims of the Chief Administrator and Professionals engaged by the Chief Administrator during the Chapter 11 Cases, shall be paid solely from the DIP loan provided by Wachovia Bank pursuant to the Wachovia DIP Loan ~~Agreement~~ Documents or from the proceeds of the Wachovia Collateral or upon such other terms acceptable to Wachovia Bank and the Wachovia Collateral Administrator may agree, and neither the Debtors, the Debtors' Estates, the LAS Consolidated Debtor, the Tennessee Consolidated Debtor, the Plan Administrator nor their respective assets (other than the Wachovia Collateral) shall have any liability therefor.

With the exception of Professionals seeking the allowance and payment of fees and expenses, all requests for payment of Administrative Expense Claims (or any other means of preserving and obtaining payment of Administrative Expense Claims found to be effective by the Bankruptcy Court) shall be filed by the Administrative Claims Bar Date established by the Bankruptcy Court; and if such requests for payment of Administrative Expense Claims are not so filed, the Holders of such Claims shall be forever barred and shall not be able to assert such Claims in any manner against the Debtors, the Plan Administrator or the Confirmation Date Assets.

3.2. **Priority Tax Claims.** Each Holder of an Allowed Priority Tax Claim shall receive on account of such Claim, Cash equal to the amount of such Allowed Priority Tax Claim, without post-petition interest or penalty, on the later of (i) the Effective Date or as soon as practicable thereafter or (ii) the date that is 10 Business Days after an order of the Bankruptcy Court allowing such Priority Tax Claim becomes a Final Order.

3.3. **Claims for Statutory Fees.** The Debtors shall pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) on the Effective Date, and simultaneously provide to the U.S. Trustee an appropriate affidavit indicating Cash disbursements for all relevant periods; notwithstanding anything contained herein to the contrary, the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall also pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods for each Post Confirmation Debtor within the time periods set forth in 28 U.S.C. §1930(a)(6) until the earlier of the closing of the applicable Chapter 11 Case by the issuance of a Final Decree by the Bankruptcy Court, or upon entry of an order of this Bankruptcy Court dismissing the applicable Chapter 11 Case, or converting the applicable Chapter 11 Case to another chapter under the Bankruptcy Code, and the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall provide to the U.S. Trustee, upon the payment of each post-confirmation payment, a quarterly report and appropriate affidavit indicating income and disbursements for the relevant periods. To date, the Debtors and the Chief Administrator, respectively, have paid all fees due and owing to the Office of the United States Trustee, and each of the Plan Administrator and the Wachovia Collateral Administrator, as applicable, anticipate paying all such fees through confirmation of the Plan and thereafter as provided herein.

The Statutory Fees paid by each Debtor to the U.S. Trustee and any fees paid by any Debtor to the Clerk of the Bankruptcy Court from the Petition Date through the Effective Date shall not be affected by the substantive consolidation proposed hereunder. In the event this Plan is approved and the certain of the Debtors are substantively consolidated into the LAS Consolidated Debtor and certain other of the Debtors are substantively consolidated into the Tennessee Consolidated Debtor, then such substantive consolidation shall not be retroactive to the Petition Date for the purpose of payment of Statutory Fees.

ARTICLE IV

CLASSIFICATION, IMPAIRMENT AND TREATMENT OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE LAS CONSOLIDATED DEBTOR

4.1. **Generally.** As to the LAS Consolidated Debtor, all Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are placed in Classes as set forth below. A Claim or Interest is placed in a particular Class only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled or paid prior to the Effective Date, and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

4.2. **Identification and Treatment of Classes – LAS Consolidated Debtor.**

The following are the designations for and treatment of the Classes of Claims against and Equity Interests in the LAS Consolidated Debtor:

a. **Class LAS-1 — Allowed Priority Claims.**

Each Allowed Priority Claim against the LAS Consolidated Debtor shall be paid in full on the later of: (i) as soon as is practicable after the Effective Date; or (ii) as soon as practicable after the date on which the Order allowing such Priority Claim becomes a Final Order. Class LAS-1 is Unimpaired.

b. **Class LAS-2 — Allowed Secured Claims of Woodbridge.**

Each Allowed Secured Claim of Woodbridge shall be satisfied in accordance with the Woodbridge Settlement Agreement upon the approval thereof by the Bankruptcy Court as part of the Confirmation Order and the satisfaction of the terms and conditions contained therein. Specifically, other than the HomeBanc Secured Claim, Woodbridge shall waive any right to receive Distributions on account of its Secured Claims.

With respect to the HomeBanc Secured Claim, pursuant to the Woodbridge Settlement Agreement, the HomeBanc Secured Claim shall be satisfied (i) from the proceeds of the liquidation of the collateral securing such Claim; (ii) from the collateral securing such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as agreed to by the holder of such Claim and the Plan Administrator. Class LAS-2 is Impaired.

c. **Class LAS-3 — Allowed Secured Claims of Bank of America, N.A.**

Each Allowed Secured Claim of Bank of America, N.A. shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized

by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-3 Secured Claim of Bank of America, N.A. is Allowed by a Final Order. Class LAS-3 is Impaired.²

d. **Class LAS - 4 — Allowed Secured Claims of KeyBank, N.A.**

Each Allowed Secured Claim of KeyBank, N.A. shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-4 Secured Claim of KeyBank, N.A. is Allowed by a Final Order. Class LAS-4 is Impaired.

e. **Class LAS-5 — Allowed Secured Claim of AmTrust Bank (Hartwood Reserve).**

The Allowed Secured Claim of AmTrust Bank (Hartwood Reserve) shall be satisfied, at the option of the Plan Administrator, (i) pursuant to, and in accordance with, the AmTrust DIP Loan Agreement; provided, however, that the provisions of the AmTrust DIP Loan Agreement requiring repayment of the Claim on the Effective Date of the Plan shall be modified so as to permit LAS Regency Hill to pay the obligations under the AmTrust DIP Loan Agreement from the proceeds of sales of the collateral securing the Class LAS-5 Allowed Secured Claim from and after the Effective Date, (ii) by payment in full on the Effective Date in exchange for a release and discharge of the collateral securing such Claim, (iii) from the collateral securing such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code, or (iv) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Class LAS-5 is Impaired.

f. **Class LAS-6 — Allowed Secured Claims of Wachovia Bank**

In the event Wachovia Bank accepts the Plan in respect of this Class LAS-6 and in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then each Allowed Secured Claim of Wachovia Bank shall be treated and satisfied pursuant to and in accordance with, and Wachovia Bank shall have all of the rights and benefits under, the Wachovia DIP Loan ~~Agreement and Asset Management Agreement~~[Documents](#), and shall be secured by the applicable Wachovia Collateral as provided in the Wachovia DIP Loan ~~Agreement~~[Documents](#) and this Plan.

² [In connection with confirmation of the Plan, the Proponents reserve the right to reclassify the Allowed Secured Claim of Bank of America, N.A. from Impaired to Unimpaired. This same reservation of rights applies to the Allowed Secured Claims of Wachovia Bank, N.A. and KeyBank, N.A.](#)

In the event Wachovia Bank rejects the Plan in respect of this Class LAS-6 and/or in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then (a) the Allowed Secured Claim of Wachovia Bank shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator, and (b) any and all other provisions herein related to the Wachovia Collateral, the Wachovia DIP Loan ~~Agreement, the Asset Management Agreement~~[Documents](#) and the Wachovia Collateral Administrator, including the rights, powers and duties of the Wachovia Collateral Administrator, shall be deemed void and be of no force and effect, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount. Class LAS-6 is Impaired.

g. **Class LAS-7 — Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank**

In the event Wachovia Bank accepts the Plan in respect of this Class LAS-7 and in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then the Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank shall be treated pursuant to and in accordance with, and Wachovia Bank shall have all of the rights and benefits under, the Wachovia DIP Loan ~~Agreement and Asset Management Agreement~~[Documents](#) and shall be secured by the applicable Wachovia Collateral as provided in the Wachovia DIP Loan ~~Agreement~~[Documents](#) and this Plan.

In the event Wachovia Bank rejects the Plan in respect of this Class LAS-7 and/or in respect of its Allowed General Unsecured Claim in Class LAS-9A, if any, then (i) the Allowed Post Petition DIP Financing Secured Claim of Wachovia Bank shall be satisfied, to the extent the collateral therefore has not been sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator and (ii) any and all other provisions herein related to the Wachovia Collateral, the Wachovia DIP Loan ~~Agreement~~[Documents](#) and the Wachovia Collateral Administrator, including the rights, powers and duties of the Wachovia Collateral Administrator, shall be deemed void and be of no force and effect, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount. Class LAS-7 is Impaired.

h. **Class LAS-8 — Other Secured Claims.**

Each Allowed Other Secured Claim shall be satisfied, to the extent the collateral therefore has not been previously sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing each such Claim in full satisfaction, release and discharge of such Claim in accordance

with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator, or in the case of the Wachovia Collateral, as agreed to by the holder of such Claim and the Wachovia Collateral Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class LAS-8 Other Secured Claim is Allowed by a Final Order. Class LAS 8 is Impaired.

i. **Class LAS-9A — Allowed General Unsecured Claims.**

1. **The LAS GUC Distribution.**

Each Holder of an Allowed General Unsecured Claim against the LAS Consolidated Debtor shall receive Distributions from LAS Available Cash (the “LAS GUC Distribution”) on each Distribution Date in an amount equal to such Holder’s Pro Rata Share of each such LAS GUC Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in this Class LAS-9A and all Allowed Deposit Holder Claims in Class LAS-9B; provided, however, that such denominator shall not include any of the Woodbridge Claims. No LAS GUC Distribution shall be made to Holders of Allowed General Unsecured Claims in this Class LAS-9A in respect of LAS Available Cash unless and until all Allowed Claims senior in priority to Allowed Claims in this Class LAS-9A, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes LAS-1, LAS-2, LAS-3, LAS-4, LAS-5, LAS-6, LAS-7 and LAS-8 have been paid in full, treated, reserved, resolved, included in or accounted for in the LAS GUC Distribution at issue and/or otherwise treated in accordance with the Plan. Notwithstanding anything herein to the contrary, if and to the extent that Wachovia Bank has an Allowed General Unsecured Claim under and pursuant to the Wachovia DIP Loan ~~Agreement~~Documents, then Wachovia Bank shall not participate in any LAS GUC Distribution in this Class LAS-9A in respect of the Admin Cap and the Guaranteed Amount.

2. **The Distribution from the Woodbridge Release Fund.**

In addition to the LAS GUC Distribution, each Holder of an Allowed General Unsecured Claim against the LAS Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Class LAS-9A who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder’s Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor ~~combined~~and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the

Woodbridge Claims. In order to opt-out of, and not be bound by the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in ~~Article VI.E.3.~~ Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class LAS-9A is Impaired.

j. **Class LAS-9B – Allowed Deposit Holder Claims.**

1. **The LAS GUC Distribution.**

Each Holder of an Allowed Deposit Holder Claim against the LAS Consolidated Debtor shall receive the LAS GUC Distributions from LAS Available Cash on each Distribution Date in an amount equal to such Holder's Pro Rata Share of each such LAS GUC Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in Class LAS-9A and all Allowed Deposit Holder Claims in this Class LAS-9B. No LAS GUC Distribution shall be made to Holders of Allowed Deposit Holder Claims in this Class LAS-9B in respect of LAS Available Cash unless and until all Allowed Claims senior in priority to Allowed Claims in this Class LAS-9B, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes LAS-1, LAS-2, LAS-3, LAS-4, LAS-5, LAS-

6, LAS-7 and LAS-8 have been paid in full, treated, reserved, resolved, included in or accounted for in the LAS GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. The Distribution from the Deposit Holders' Fund.

In addition, each Holder of an Allowed Deposit Holder Claim shall receive a single Distribution from the Deposit Holders' Fund hereunder in an amount equal to such Holder's Pro Rata Share of the Deposit Holders' Fund calculated with the denominator being the sum of all Allowed Deposit Holder Claims against the LAS Consolidated Debtor in this Class LAS-9B and all Allowed Deposit Holder Claims in Class Tenn-6B against the Tennessee Consolidated Debtor; provided, however, that in order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each such Holder must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the LAS Available Cash. ~~In addition, counsel for the Deposit Holders' Committee shall pursue any and all recoveries on behalf of all Holders of~~ However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class LAS 9B satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that the Holders of Allowed Deposit Holder Claims in Class LAS 9B would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims ~~from~~ in Class LAS-9B that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the LAS Available Cash.

3. Assignment of Claims Against the Florida Homeowners Construction Recovery Fund To the Plan Administrator

Deposit Holders with Claims against the Recovery Fund may elect to assign their Claims to the Plan Administrator by not checking the box provided on the Ballot that allows Holders of such Claims to opt out of such assignment. If Holders of such Claims do not check the box provided in the Ballot, then they are deemed to assign any and all rights to pursue claims against the Recovery Fund to the Plan Administrator. Based on such an assignment, the Holders of Claims against the Recovery Fund shall be entitled to have the Plan Administrator pursue Claims against the Recovery Fund on their behalf,

with the pursuit of such claims funded solely by the Deposit Holders' Fee Reserve. However, any recoveries achieved by the Plan Administrator against the Recovery Fund shall be distributed to all Deposit Holders, whether or not such Deposit Holder holds a Claim against the Recovery Fund; provided, however, that if a Deposit Holder holding a claim against the Recovery Fund elects not to assign its claim against the Recovery Fund to the Plan Administrator hereunder, then such Deposit Holder shall not receive any portion of the recovery achieved by the Plan Administrator from the Recovery Fund, but may still pursue any claim it may have against the Recovery Fund independently, but without the assistance of the Plan Administrator, or funding of expenses from the Deposit Holders' Fee Reserve.

Counsel for the Deposit Holders' Committee shall pursue any and all recoveries on behalf of all Holders of Allowed Deposit Holder Claims from the Recovery Fund pursuant hereto. The fees and expenses of such counsel shall be paid from the Deposit Holders' Fee Reserve ~~to the extent thereof,~~ which shall be tendered to Ehrenstein Charbonneau Calderin, counsel to the Deposit Holders' Committee, on the Effective Date, and held in escrow pending further order(s) of the Bankruptcy Court. If and to the extent any recoveries are obtained from the ~~Florida Homeowners Construction~~ Recovery Fund on behalf of Holders of Allowed Deposit Holder Claims, then such recoveries shall be paid fifty (50%) per cent to counsel for the Deposit Holders' Committee, to be held in trust pending further order of the Bankruptcy Court, and fifty (50%) per cent to the Plan Administrator as follows: (i) first, to reimburse the Plan Administrator for the Deposit Holders' Fee Reserve; and (ii) second, to reimburse the Plan Administrator for the aggregate amount paid as of such date to all Deposit Holders on account of their Allowed Priority Claims, ~~(ii) second, to the Plan Administrator to be held in reserve on account of any Disputed Priority Claims of Deposit Holders;~~ provided, however, that if any such Priority Claim is thereafter Allowed, then such Allowed Priority Claim shall be paid from ~~such reserve by the Plan Administrator, and (iii) third,~~ Once the Deposit Holders' Fee Reserve and the aggregate of Deposit Holders' Allowed Priority Claims have been reimbursed in full, any and all further recoveries from the Recovery Fund shall be payable solely to counsel for the Deposit Holders' Committee ~~to be held in trust pending further order of the Bankruptcy Court,~~ subject to further order of the Bankruptcy Court. Distributions of recoveries from the Recovery Fund, and any costs or fees associated with the making of such Distributions, shall be made by further order of the Bankruptcy Court.

~~3.4.~~ The Distribution from the Woodbridge Release Fund.

In addition to the above, each Holder of an Allowed Deposit Holder Claim against the LAS Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Class LAS-9B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder's Pro Rata Share of the Release Fund

calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor ~~combined~~ and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in ~~Article VI.E.3.~~ Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class LAS-9B is Impaired.

k. Class LAS-10 — Allowed Equity Interest.

On the Effective Date or as soon thereafter as is practicable, Allowed Equity Interests in respect of the LAS Consolidated Debtor shall be deemed transferred and conveyed to the Plan Administrator who shall hold such Equity Interests nominally for the benefit of the Holders of Allowed General Unsecured Claims and so as to permit the Plan Administrator to implement and execute this Plan.

ARTICLE V

**CLASSIFICATION, IMPAIRMENT AND TREATMENT
OF CLAIMS AGAINST AND EQUITY INTERESTS IN TENNESSEE CONSOLIDATED
DEBTOR**

4.3. ~~5.1.~~ **Generally.** As to the Tennessee Consolidated Debtor, all Claims and Equity Interests, except Administrative Expense Claims and Priority Tax Claims, are placed in Classes as set forth below. A Claim or Interest is placed in a particular Class only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, released, or otherwise settled or paid prior to the Effective Date, and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

4.4. ~~5.2.~~ **Identification and Treatment of Classes – Tennessee Consolidated Debtor**

The following are the designations for and treatment of the Classes of Claims against and Equity Interests against the Tennessee Consolidated Debtor

a. **Class Tenn-1 — Allowed Priority Claims.**

Each Allowed Priority Claim against the Tennessee Consolidated Debtor shall be paid in full on the later of: (i) as soon as is practicable after the Effective Date; or (ii) as soon as practicable after the date on which the Order allowing such Priority Claim becomes a Final Order. Class Tenn-1 is Unimpaired.

b. **Class Tenn-2 — Allowed Secured Claims of Regions Bank, N.A.**

The Allowed Secured Claim of Regions Bank, N.A. shall be treated and satisfied in accordance with the Regions Bank Sale Order. Class Tenn-2 is Impaired.

c. **Class Tenn-3 — Allowed Secured Claim of Wachovia Bank**

The Allowed Secured Claim of Wachovia Bank shall be treated and satisfied in accordance with the Regions Bank Sale Order. Class Tenn-3 is Impaired.

d. **Class Tenn-4 — Allowed Secured Claim of Financial Federal Savings Bank.**

The Allowed Secured Claim of Financial Federal shall be treated and satisfied in accordance with the Regions Bank Sale Order. Class Tenn-4 is Impaired.

e. **Class Tenn-5 — Allowed Other Secured Claims.**

Each Allowed Other Secured Claim shall be satisfied, to the extent the collateral therefore has not been previously sold or abandoned: (i) from the proceeds of the liquidation of the collateral securing each such Claim; (ii) from the collateral securing

each such Claim in full satisfaction, release and discharge of such Claim in accordance with Section 1129(b)(2)(A)(iii) of the Bankruptcy Code; or (iii) as otherwise authorized by the Code or agreed to by the holder of such Claim and the Plan Administrator. Each such satisfaction shall occur on the later of the Effective Date or the date each respective Class Tenn-5 Other Secured Claim is Allowed by a Final Order. Class Tenn-5 is Impaired.

f. **Class Tenn-6A — Allowed General Unsecured Claims.**

1. **The Tennessee GUC Distribution.**

Each Holder of an Allowed General Unsecured Claim against the Tennessee Consolidated Debtor shall receive Distributions from Tennessee Available Cash (the “Tennessee GUC Distribution”) on each Distribution Date in an amount equal to such Holder’s Pro Rata Share of each such Tennessee GUC Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in this Class Tenn-6A and all Allowed Deposit Holder Claims in Class Tenn-6B. No Tennessee GUC Distribution shall be made to Holders of Allowed General Unsecured Claims in this Class Tenn-6A in respect of Tennessee Available Cash unless and until all Allowed Claims senior in priority to the Allowed Claims in this Class Tenn-6A, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes Tenn-1, Tenn-2, Tenn-3, Tenn-4 and Tenn-5 have been paid in full, treated, reserved, resolved, included in or accounted for in the Tennessee GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. **The Distribution from the Woodbridge Release Fund.**

In addition to the Tennessee GUC Distribution, each Holder of an Allowed General Unsecured Claim against the Tennessee Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in this Class Tenn-6A who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder’s Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor ~~combined~~ and the Section 502(d) Claim combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction and return the Ballot pursuant to the

terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in ~~Article VI.E.3.~~ Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class Tenn-6A is Impaired.

g. Class Tenn-6B – Allowed Deposit Holder Claims.

1. The Tennessee GUC Distribution.

Each Holder of an Allowed Deposit Holder Claim against the Tennessee Consolidated Debtor shall receive the Tennessee GUC Distributions from Tennessee Available Cash on each Distribution Date in an amount equal to such Holder's Pro Rata Share of such aggregate Distribution being made hereunder, calculated with denominator being the sum of all Allowed General Unsecured Claims in Class Tenn-6A and all Allowed Deposit Holder Claims in this Class Tenn-6B. No Tennessee GUC Distribution shall be made to Holders of Allowed Deposit Holder Claims in this Class Tenn-6B in respect of Tennessee Available Cash unless and until all Allowed Claims senior in priority to the Allowed Claims in this Class Tenn-6B, including, without limitation, all Allowed Administrative Expense Claims, all Allowed Post-Confirmation Administrative Expense Claims, all Allowed Priority Tax Claims and all Allowed Claims in Classes Tenn-1, Tenn-2, Tenn-3, Tenn-4 and Tenn-5 have been paid in full, treated, reserved, resolved, included in or accounted for in the Tennessee GUC Distribution at issue and/or otherwise treated in accordance with the Plan.

2. The Distribution from the Deposit Holders' Fund.

In addition, each Holder of an Allowed Deposit Holder Claim shall receive a single Distribution from the Deposit Holders' Fund hereunder in an amount equal to such Holder's Pro Rata Share of the Deposit Holders' Fund calculated with the denominator being the sum of all Allowed Deposit Holder Claims against the LAS Consolidated Debtor in Class LAS-9B and all Allowed Deposit Holder Claims in this Class Tenn-6B against the Tennessee Consolidated Debtor; provided, however, that in order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each such Holder must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the ~~LAS~~-Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class Tenn-6B satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that the Holders of Allowed Deposit Holder Claims in Class Tenn-6B would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in Class Tenn-6B that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the Available Cash.

3. The Distribution from the Woodbridge Release Fund.

In addition to the above, each Holder of an Allowed Deposit Holder Claim against the Tennessee Consolidated Debtor shall have the option of receiving an additional Distribution hereunder from the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement by agreeing, through the procedure described below, to the Third Party Release and Injunction.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in this Class Tenn-6B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor ~~combined~~and the Section 502(d) Claims combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check

the appropriate box on the Ballot indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as set forth below in ~~Article VI.E.3.~~ Section 6.17. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE WOODBRIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

Class Tenn-6B is Impaired.

h. **Class Tenn-7 — Allowed Equity Interests.**

On the Effective Date, Allowed Equity Interests in respect of the Tennessee Consolidated Debtor shall be deemed transferred and conveyed to the Plan Administrator who shall hold the Equity Interest nominally for the benefit of the Holders of Allowed General Unsecured Claims of the Tennessee Consolidated Debtor and so as to permit the Plan Administrator to implement and execute the Plan.

~~ARTICLE VI~~

MEANS OF IMPLEMENTING THE PLAN

6.1 **Generally.** Pursuant to the Confirmation Order, (i) each of the Debtors (other than the Tennessee Debtors) shall be substantively consolidated with and into the LAS Consolidated Debtor solely for purposes of voting on, Confirmation of and Distributions hereunder, and (ii) each of the Tennessee Debtors shall be substantively consolidated with and into the Tennessee Consolidated Debtor solely for purposes of voting on, Confirmation of and Distributions hereunder.

On the Effective Date of the Plan, (i) all of the Post Confirmation Debtor Assets shall vest in and be retained by the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, as applicable, under the sole and exclusive control of the Plan Administrator solely for the benefit of all Holders of Allowed Claims against and Allowed Interests in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, hereunder pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, and (ii) title to the Wachovia Collateral shall vest in and be retained by the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator in accordance with and under the terms of the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement Documents~~, subject to the terms set forth herein.

NOTWITHSTANDING ANYTHING HEREIN OR IN THE DISCLOSURE STATEMENT TO THE CONTRARY, ANY AND ALL PROVISIONS OF THE PLAN DEALING WITH OR RELATED TO THE WACHOVIA COLLATERAL ADMINISTRATOR SHALL BE EFFECTIVE AND APPLICABLE IF AND ONLY IF WACHOVIA BANK ACCEPTS THE PLAN IN RESPECT OF ITS CLASS LAS-6 ALLOWED SECURED CLAIM, CLASS LAS-7 ALLOWED POST PETITION DIP FINANCING SECURED CLAIM AND CLASS LAS-9A ALLOWED GENERAL UNSECURED CLAIM, IF ANY. OTHERWISE, ANY AND ALL PROVISIONS HEREIN DEALING WITH AND RELATED TO THE WACHOVIA COLLATERAL ADMINISTRATOR SHALL BE NULL AND VOID AND HAVE NO FORCE AND EFFECT, SUBJECT, IN ALL RESPECTS, TO WACHOVIA BANK'S OBLIGATION TO FUND THE ADMIN CAP AND THE GUARANTEED AMOUNT. THE GUARANTEED AMOUNT SHALL NOT BE USED TO SATISFY ANY ADMINISTRATIVE EXPENSE CLAIMS OR PRIORITY CLAIMS. INSTEAD, THE GUARANTEED AMOUNT SHALL ONLY BE USED TO FUND DISTRIBUTIONS TO HOLDERS OF CLAIMS IN LAS-9A AND LAS-9B EXCLUDING ANY GENERAL UNSECURED CLAIM HELD BY WACHOVIA BANK.

THE VESTING AND RETENTION OF THE POST CONFIRMATION DEBTOR ASSETS HEREUNDER SHALL BE FREE AND CLEAR OF ANY AND ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY PRESERVED AND PROVIDED FOR HEREIN AND THE CONFIRMATION ORDER.

THE VESTING AND RETENTION OF THE WACHOVIA COLLATERAL HEREUNDER SHALL BE FREE AND CLEAR OF ANY AND ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS OF ANY KIND WHATSOEVER, EXCEPT AS EXPRESSLY PRESERVED AND PROVIDED FOR HEREIN AND THE CONFIRMATION ORDER.

Notwithstanding anything herein to the contrary, confirmation of the Plan shall divest the Debtors of any and all right, title and/or interest in the Post Confirmation Debtor Assets and the Wachovia Collateral, such that the Debtors shall not have any rights or authority in respect of any Post Confirmation Debtor Assets or the Wachovia Collateral.

The Plan contemplates the liquidation of all Post Confirmation Debtor Assets and the Wachovia Collateral for the benefit of the Holders of Allowed Claims and Allowed Interests as

set forth above. A portion of the Post Confirmation Debtor Assets has already been reduced to Cash and will be vested in the Post Confirmation Debtors under the control of the Plan Administrator as of the Effective Date and will be available for Distribution to Holders of Allowed Claims and Allowed Interests, all in accordance with the Plan. A portion of the Wachovia Collateral has already been reduced to Cash by the Chief Administrator under the terms of the Wachovia DIP Loan ~~Agreement and Asset Management Agreement~~Documents and, together with any monies funded or to be funded by Wachovia Bank under the Wachovia DIP Loan ~~Agreement~~Documents, will be vested in the applicable Post Confirmation Wachovia Debtor under the sole and exclusive control of the Wachovia Collateral Administrator as of the Effective Date. The Post Confirmation Debtors, through the Plan Administrator, will liquidate and monetize the Post Confirmation Debtor Assets in an orderly fashion. The Post Confirmation Debtors, through the Plan Administrator, are and shall also be authorized to investigate, prosecute, enforce, pursue and settle, and continue to investigate, prosecute, enforce, pursue and settle, the Causes of Action from and after the Effective Date solely for the benefit of all Holders of Allowed Claims and Allowed Interests hereunder pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise.

The Wachovia Collateral Administrator, shall carry out all of the duties and powers of the Chief Administrator under the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~Documents in respect of the Wachovia Collateral. The Wachovia Collateral Administrator shall be authorized to investigate, prosecute, enforce, pursue and settle, and continue to investigate, prosecute, enforce, pursue and settle, solely the Wachovia Debtor Causes of Action from and after the Effective Date pursuant to and in accordance with the terms of Section 1123(b)(3)(B) of the Bankruptcy Code or otherwise, but in all events subject to the Wachovia DIP Loan ~~Agreement~~Documents. The Wachovia Collateral Administrator shall not be authorized to investigate or pursue any Causes of Action other than Wachovia Debtor Causes of Action.— For avoidance of doubt and notwithstanding anything herein to the contrary, the Wachovia Debtor Causes of Action shall specifically not include any Causes of Action under Chapter 5 of the Bankruptcy Code, including in respect of the Post Confirmation Wachovia Debtors.

The Post Confirmation Debtors, through the Plan Administrator, will not continue or engage in the conduct of any trade or business, except to the extent necessary to accomplish the liquidation and distribution of Post Confirmation Debtor Assets.

From and after the Effective Date (i) the Post Confirmation Debtors, through the Plan Administrator, shall expeditiously (a) seek to collect, liquidate, sell and/or reduce to Cash the Post Confirmation Debtor Assets, and (b) prosecute and continue to prosecute the Causes of Action through trial, judgment, appeal and/or settlement and collection thereof, and (ii) the Wachovia Collateral Administrator shall (a) comply with the terms of the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~Documents in respect of the Wachovia Collateral, and (b) prosecute and continue to prosecute the Wachovia Debtor Causes of Action through trial, judgment, appeal and/or settlement and collection thereof.

The Plan will be funded with, among other things, (a) Cash on hand on the Effective Date in the Post Confirmation Debtors, (b) the Admin Cap, (c) the Guaranteed Amount, (d) the Tennessee Carve Out, (e) the proceeds, if any, in excess of the Guaranteed Amount pursuant to

the Wachovia DIP Loan ~~Agreement~~[Documents](#), (c) the Woodbridge Settlement Payment, (d) the Release Fund created by Woodbridge under the Woodbridge Settlement Agreement, (e) the Deposit Holders' Fund and the Deposit Holders' Fee Reserve, and (d) funds added to Cash after the Effective Date from, among other things, the liquidation of the Post Confirmation Debtor Assets, and the prosecution of the Causes of Action.:-

On the Effective Date, the Plan Administrator shall be authorized to pay from Cash on hand in the LAS Consolidated Debtor and the Tennessee Consolidated Debtor all Allowed Administrative Expense Claims, all Allowed Priority Claims, all Allowed Priority Tax Claims and the fees of the Office of the United States Trustee in respect of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively, all in accordance with the terms of the Plan. On the Effective Date, the Wachovia Collateral Administrator shall pay and transfer to the Plan Administrator the Guaranteed Amount and thereafter any amounts due to the Debtors above the Guaranteed Amount, all under and in accordance with the Wachovia DIP Loan ~~Agreement~~[Documents](#). The Wachovia Collateral Administrator shall not make any Distributions to Holders of Allowed Claims or Allowed Interests hereunder, other than to Wachovia Bank, the Wachovia Collateral Administrator, the Wachovia Collateral Professionals and the Holders of Allowed Administrative Expense Claims incurred in respect of the Wachovia Collateral, all in accordance with the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~[Documents](#). In making Distributions hereunder, the Plan Administrator will comply with all withholding and reporting requirements imposed by federal, state or local taxing authorities. All Distributions pursuant to the Plan will be subject to all applicable withholding and reporting requirements.

4.2. ~~6.2.~~ ***Powers and Obligations of Plan Administrator.*** The Plan Administrator shall be appointed the sole manager, director, president and/or chief executive officer, as applicable, of the Post Confirmation Debtors. Upon the Effective Date and without further action by the Bankruptcy Court, the pre-Confirmation members, managers, directors and/or officers of the Debtors shall be deemed to have resigned and/or shall be deemed to have been terminated without cause, and all employment contracts of employees of the Debtors not previously assumed or rejected shall be deemed to be rejected; provided, however, that any such contracts entered into by the Chief Administrator in respect of the Wachovia Debtors shall remain in full force and effect and shall be assumed by the Wachovia Debtors on the Effective Date subject to the payment of any cure obligations in connection therewith pursuant to and with the proceeds from the Wachovia DIP Loan ~~Agreement~~[Documents](#). As of the Effective Date, the Plan Administrator shall act in a fiduciary capacity for the holders of all Allowed Claims and Allowed Interests hereunder and shall have only those rights, powers and duties conferred to him by the Plan, as well as the rights and powers of a trustee under sections 542 through 552 of the Bankruptcy Code and the duties of a trustee under sections 704(1),(2),(4),(5),(7) and (9) of the Bankruptcy Code. The Plan Administrator shall administer the Plan subject to the foregoing duties and powers, which shall include the following:

(a) To prosecute, compromise or settle objections to Claims and/or Interests (disputed or otherwise) and to make or direct that Distributions be made to Holders of Allowed Claims;

- (b) To make decisions regarding the retention or engagement of Professionals and to pay all reasonable fees and expenses incurred after the Effective Date;
- (c) To make or direct Distributions to Holders of Allowed Claims and to otherwise implement and administer the Plan;
- (d) To pursue, litigate or settle all Causes of Action;
- (e) To file with the Bankruptcy Court the reports and other documents and to pay any and all fees required by the Plan or otherwise required to close the Chapter 11 Cases, including the preparation and filing of a motion for a final decree;
- (f) To set off amounts owed to any Debtor against any and all amounts otherwise due to be distributed to the holder of an Allowed Claim hereunder; and
- (g) To take all other actions not inconsistent with the provisions of the Plan deemed necessary or desirable in connection with administering the Plan.

The Plan Administrator will not need to obtain Bankruptcy Court approval to implement the terms of the Plan or to take actions authorized by the Plan, except for: (i) the sale or liquidation of Post Confirmation Debtor Assets; (ii) the settlement of any Cause of Action; (iii) resolving and/or settlement of Disputed Claims; and (iv) the granting of releases pursuant to settlements entered into on behalf of the Post Confirmation Debtors.

4.3. ~~6.3-~~Engagement of Post Confirmation Professionals and Compensation to Plan Administrator and Post Confirmation Professionals. The Plan Administrator shall be compensated from Cash in accordance with the provisions of Section 326 of the Bankruptcy Code applicable to a chapter 7 trustee. The Plan Administrator may engage counsel, financial advisors and other professionals, including counsel, financial advisors and other professionals engaged by the Debtors, the Committee and/or the Deposit Holders' Committee during the Chapter 11 Cases, to represent him in connection with his duties hereunder (the "Post Confirmation Professionals"); provided, however, that Post Confirmation Professionals shall not be precluded from representing the Plan Administrator to the extent that certain of their Administrative Expense Claims remain unpaid from the Debtors' Estates. Any fees and expenses of such Post Confirmation Professionals shall constitute Post Confirmation Administrative Expense Claims.

The Plan Administrator and the Post Confirmation Professionals shall be paid 90% of their fees and 100% of their costs on a monthly basis so long as the Plan Administrator is current with filing the required reports with the Office of the United States Trustee and payment of fees to the Office of the United States Trustee. Post Confirmation Professionals shall keep separate time records with respect to the fees and expenses incurred for each of the LAS Consolidated Debtor and the Tennessee Consolidated Debtor. Post Confirmation Professionals shall file fee applications no less frequently than every ~~60~~120 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the amounts paid on a monthly basis. A Post Confirmation Professional who fails to file an application seeking approval of compensation and expenses previously paid when such application is due every ~~60~~120 days shall preclude such Post Confirmation Professional from being paid monthly as provided herein until

an interim fee application has been filed and heard by the Bankruptcy Court. Upon the filing of each such application, the Post Confirmation Professionals shall be entitled to request the payment of some or all of any pending holdbacks in fees. The Bankruptcy Court shall retain jurisdiction to allow or disallow all Post-Confirmation Administrative Expense Claims of the Plan Administrator and the Post Confirmation Professionals. The invoices for services rendered and out-of-pocket expenses incurred which are to be submitted shall be sufficiently detailed to identify the hours worked, the rates charged and the work performed.

The Plan Administrator may employ such staff and obtain such equipment and premises as are reasonably necessary to carry out their respective functions and duties, store the books and records of the Debtors, and compensate such staff and pay for such equipment and premises from the Post Confirmation Debtor Assets; provided, however, that the Plan Administrator shall make a reasonable allocation of the costs and expenses as between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor.

4.4. ~~6.4.~~ **Bond.** The Plan Administrator shall post a bond in favor of the Post Confirmation Debtors in an amount equal to 110% of the book value of the Post Confirmation Debtor Assets; provided, however, that the book value of the Causes of Action for purposes of the bond shall be zero. The cost of such bond is payable from the Post Confirmation Debtor Assets. After making each successive Distribution provided for hereunder, the Plan Administrator shall have the right to seek a refund of the bond premium based upon the diminution of the Post Confirmation Debtor Assets resulting from each such Distribution.

4.5. ~~6.5.~~ **Resignation, Death or Removal of the Plan Administrator.** The Plan Administrator may resign at any time; provided, however, that he shall file a motion with the Bankruptcy Court in connection therewith and request that a successor or replacement be appointed in accordance herewith, which motion shall be on notice to the top twenty (20) unsecured creditors holding Allowed Claims and the Office of the United States Trustee. The Office of the United States Trustee or any party in interest, by motion filed with the Bankruptcy Court, or the Bankruptcy Court on its own order to show cause, may seek to remove the Plan Administrator for cause, including under Section 324 of the Bankruptcy Code, for the violation of any material provision of the Plan, or in the event the Plan Administrator becomes incapable of acting hereunder as a result of physical or mental disability and such physical or mental disability continues for a period in excess of thirty (30) days (except in the case of death, in which instance, the procedures for replacement will begin immediately). In the event of a resignation or removal, the Plan Administrator, unless he is incapable of doing so, shall continue to perform his duties hereunder until such a time as a successor is approved by a Final Order of the Bankruptcy Court. In the event the Plan Administrator resigns or is removed, the successor shall be elected in the manner prescribed by Section 1104(b) of the Bankruptcy Code.

Notwithstanding anything herein to the contrary, the Office of the United States Trustee shall not have any responsibility or obligation to oversee or supervise the Plan Administrator or the Wachovia Collateral Administrator or the Professionals engaged by either of them.

4.6. ~~6.6.~~ **Dissolution of Corporate Entities.** As soon as practicable after the Effective Date and except to the extent the Plan Administrator deems it necessary to prosecute

Causes of Action hereunder, the Plan Administrator is authorized, but not directed, to take all actions necessary or appropriate to effect the dissolution of each of the Debtors, other than the Wachovia Debtors (as to which the Plan Administrator may take such action only in conjunction with the Wachovia Collateral Administrator) under the appropriate state laws or take such other actions as the Plan Administrator (and in the case of the Wachovia Debtors, the Plan Administrator and the Wachovia Collateral Administrator) deems appropriate to provide for the revocation of the corporate charter for each of these Debtors. The Post Confirmation Debtors shall not be required to pay any outstanding or delinquent franchise taxes in order to effectuate the dissolution. Unless dissolved earlier by the Plan Administrator pursuant hereto, upon the Distribution of all Post Confirmation Debtor Assets (and the Wachovia Collateral with respect to the Wachovia Debtors) pursuant to the Plan, the Debtors will be dissolved for all purposes effective as of the final Distribution Date without the necessity for any other or further actions to be taken by or on behalf of the Plan Administrator or payments to be made in connection therewith; provided, however, that the Plan Administrator shall be authorized to file with the official public office for keeping corporate records in the Debtors' respective states of incorporation or organization a certificate of dissolution or equivalent document. Such a certificate of dissolution may be executed by the Plan Administrator without need for any action or approval by the shareholder, manager or the board of directors of the Debtors.

4.7. ~~6.7.~~ **Corporate Action.** Upon entry of the Confirmation Order, the transfers and dissolutions contemplated by this Article shall be deemed authorized and approved in all respects. On the Effective Date, the matters provided hereunder involving the corporate structures of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to applicable state laws without any requirement of further action by any member, director or stockholder of the Debtors. On the Effective Date, the Plan Administrator and the Wachovia Collateral Administrator, respectively, shall be authorized and directed to take all necessary and appropriate actions to effectuate the transactions contemplated by the Plan and the Disclosure Statement.

4.8. ~~6.8.~~ **Investments by Plan Administrator.** All Cash collected by the Plan Administrator, and pending Distribution, shall be held in accounts or otherwise invested in accordance with section 345 of the Bankruptcy Code or as otherwise permitted by Final Order of the Bankruptcy Court. The distributable Cash will be held by the Plan Administrator until it is distributed to any Holder of an Allowed Claim against these Debtors pursuant to the Plan.

4.9. ~~6.9.~~ **Indemnity.** The Post Confirmation Debtors shall indemnify and hold the Plan Administrator and the Post Confirmation Professionals harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's gross negligence or willful misconduct. Any fees and expenses actually and reasonably incurred by the Plan Administrator in connection with the defense or settlement of any action or suit against the Plan Administrator in connection with his duties and responsibilities hereunder not covered by any applicable insurance policy, shall be paid by the Post Confirmation Debtor Assets, if any, except that no indemnification shall be made in respect of any claim, issue or matter as to which the Plan Administrator or Post Confirmation Professionals shall have been adjudged by a court of competent jurisdiction to be liable for bad faith, gross negligence, self dealing, breach of fiduciary duty or willful misconduct.

~~4.10. 6.10.~~ **Appointment of Wachovia Collateral Administrator.** On the Effective Date, the Wachovia Collateral Administrator shall be appointed in respect of the Post Confirmation Wachovia Debtors and the Wachovia Collateral to carry out the powers and duties of the Chief Administrator under and in accordance with the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~Documents, which powers and duties are specifically incorporated herein by reference; provided, however, that this provision, as with all other provisions of the Plan dealing with and related to the Wachovia Collateral Administrator shall be null and void and of no force and effect if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, subject, in all respects, to Wachovia Bank's obligation to fund the Admin Cap and the Guaranteed Amount.

~~4.11. 6.11.~~ **Powers and Obligations of Wachovia Collateral Administrator.** As of the Effective Date, the Wachovia Collateral Administrator shall act in a fiduciary capacity under and in accordance with the Wachovia DIP Loan ~~Agreement~~Documents. To implement the terms and provisions of the Plan, the Wachovia Collateral Administrator shall have the powers and duties of the Chief Administrator under and in accordance with, the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~Documents, which shall also include the following:

(a) To determine which houses to complete within the Wachovia Collateral, and to develop and coordinate a timeline and budget for completion of each house that is to be completed for submission to and approval by Wachovia Bank;

(b) To coordinate the delivery to Wachovia Bank (or its legal and financial advisors) of all such supporting information as may be requested in connection with, or as a condition to, the approval of any construction budget or any subsequent disbursement request thereunder in connection with the Wachovia Collateral;

(c) To award construction contracts for and on behalf of the Post Confirmation Wachovia Debtors to such general contractors or other parties as the Wachovia Collateral Administrator may deem appropriate to facilitate the completion of approved houses within the Wachovia Collateral in accordance with the approved timeline and budget for each house;

(d) To retain the services of a professional third party construction manager to provide such coordination and supervision of construction activities in respect to the Wachovia Collateral as it may deem appropriate;

(e) To make all disbursement requests under the Wachovia DIP Loan ~~Agreement~~Documents in accordance with the approved budgets, to receive payment of all disbursements under the DIP Loan, and to remit payments to general contractors, subcontractors, materialmen, or other payees for obligations incurred subsequent to the Effective Date pursuant to such procedures as established by the Chief Administrator or as may be established by the Wachovia Collateral Administrator;

(f) To coordinate the marketing efforts with respect to the sale of the Wachovia Collateral, and to retain such third party sales professionals to list, market, and sell the Wachovia Collateral as the Wachovia Collateral Administrator may deem appropriate;

(g) To develop and implement appropriate closing procedures with respect to the sale of houses in the Wachovia Collateral to end users in the ordinary course of business;

(h) To retain such third party security, maintenance, or property management services as may be necessary or desirable in connection with the management of the Wachovia Collateral;

(i) To execute and deliver any documents on behalf of the Post Confirmation Wachovia Debtors related specifically to the Wachovia Collateral;

(j) To execute and deliver all deeds or other instruments of conveyance as may be necessary in connection with the consummation of any sale of Wachovia Collateral, and all certificates, affidavits and other documents required in connection therewith;

(k) To file such pleadings with the Bankruptcy Court as may be necessary from time to time in connection with carrying out his duties and powers hereunder, the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~[Documents](#), including in connection with the sale of Wachovia Collateral under Section 363 of the Bankruptcy Code free and clear of all Liens and encumbrances, and to object to any Administrative Expense Claims or Secured Claims asserted against or in respect of the Wachovia Collateral;

(l) To make decisions regarding the retention or engagement of the Wachovia Collateral Professionals and to pay all reasonable fees and expenses incurred by the Wachovia Collateral Professionals after the Effective Date in accordance with the Plan;

(m) To undertake any such actions necessary or appropriate to ensure the successful management and development of the Wachovia Collateral and to ensure the preservation and maximization of the value of the Wachovia Collateral;

(n) To make or direct Distributions to Wachovia Bank, the Wachovia Collateral Administrator, the Wachovia Collateral Professionals and the Holders of Allowed Administrative Expense Claims and Allowed Secured Claims, if any, incurred in respect of or against the Wachovia Collateral or under the Wachovia DIP Loan ~~Agreement~~[Documents](#);

(o) To take any and all actions necessary to implement and administer the Plan with respect to the Wachovia Collateral;

(p) To sell any of the Wachovia Collateral to any Person in accordance with the Plan and pursuant to Section 363 of the Bankruptcy Code free and clear of all Liens and encumbrances; and

(q) To pursue the Wachovia Debtor Causes of Action, to settle the Wachovia Debtor Causes of Action and/or to assign the right to pursue the Wachovia Debtor Causes of Action to any Person.

4.12. ~~6.12.~~ ***Engagement of Wachovia Collateral Professionals and Compensation to Wachovia Collateral Administrator and Wachovia Collateral Professionals.*** The Wachovia Collateral Administrator shall be compensated from the Wachovia Collateral in accordance with the Plan, and the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~ Documents. The Wachovia Collateral Administrator may engage counsel, financial advisors and other professionals, including counsel, financial advisors and other professionals engaged by the Chief Administrator, the Debtors, the Committee and/or the Deposit Holders' Committee during the Chapter 11 Cases, to represent him in connection with his duties hereunder (the "Wachovia Collateral Professionals"); provided, however, that Wachovia Collateral Professionals shall not be precluded from representing the Wachovia Collateral Administrator to the extent that certain of their Administrative Expense Claims remain unpaid from the Debtors' Estates. Any fees and expenses of such Wachovia Collateral Professionals shall constitute Post Confirmation Administrative Expense Claims against the Wachovia Collateral only. Professionals previously employed by the Chief Administrator which are to be employed by the Wachovia Collateral Administrator do not have to be re-employed by the Wachovia Collateral Administrator. The Chief Administrator shall provide notice at least five (5) days prior to the Confirmation Hearing of those Professionals which will continue to be employed by the Wachovia Collateral Administrator as of the Effective Date. Collateral Professionals shall maintain new time and expense records as if first employed on the Effective Date. The Wachovia Collateral Administrator and the Wachovia Collateral Professionals shall be paid 90% of their fees and 100% of their costs on a monthly basis so long as the Wachovia Collateral Administrator is current with filing the required reports with the Office of the United States Trustee and payment of fees to the Office of the United States Trustee. Wachovia Collateral Professionals shall file fee applications no less frequently than every ~~60~~120 days seeking approval of fees and expenses to be awarded by the Bankruptcy Court, including approval of the amounts paid on a monthly basis. A Wachovia Collateral Professional who fails to file an application seeking approval of compensation and expenses previously paid when such application is due every ~~60~~120 days shall preclude such Wachovia Collateral Professional from being paid monthly as provided herein until an interim fee application has been filed and heard by the Bankruptcy Court. Upon the filing of each such application, the Post Confirmation Professionals shall be entitled to request the payment of some or all of any pending holdbacks in fees. The Bankruptcy Court shall retain jurisdiction to allow or disallow all Post-Confirmation Administrative Expense Claims of the Wachovia Collateral Administrator and the Wachovia Collateral Professionals. The invoices for services rendered and out-of-pocket expenses incurred which are to be submitted shall be sufficiently detailed to identify the hours worked, the rates charged and the work performed.

The Wachovia Collateral Administrator may employ such staff and obtain such equipment and premises as are reasonably necessary to carry out his functions and duties, store the books and records of the Post Confirmation Wachovia Debtors, and compensate such staff and pay for such equipment and premises from the Wachovia Collateral or the Wachovia DIP Loan ~~Agreement~~ Documents.

4.13. ~~6.13.~~ ***Wachovia Collateral Bond.*** The Wachovia Collateral Administrator shall not be required to post a bond in favor of the Post Confirmation Wachovia Debtors or the Wachovia Collateral.

4.14. ~~6.14.~~ **Resignation, Death or Removal of the Wachovia Collateral Administrator.**

The Wachovia Collateral Administrator may resign at any time; provided, however, that he shall file a motion with the Bankruptcy Court in connection therewith and request that a successor or replacement be appointed in accordance herewith, which motion shall be on notice to Wachovia Bank and the top twenty (20) unsecured creditors holding Allowed Claims and the Office of the United States Trustee. The Office of the United States Trustee or any party in interest, by motion filed with the Bankruptcy Court, or the Bankruptcy Court on its own order to show cause, may seek to remove the Plan Administrator for cause, including under Section 324 of the Bankruptcy Code, for the violation of any material provision of the Plan, or in the event the Wachovia Collateral Administrator becomes incapable of acting hereunder as a result of physical or mental disability and such physical or mental disability continues for a period in excess of thirty (30) days (except in the case of death, in which instance, the procedures for replacement will begin immediately). In the event of a resignation or removal, the Wachovia Collateral Administrator, unless he is incapable of doing so, shall continue to perform his duties hereunder until such a time as a successor is approved by a Final Order of the Bankruptcy Court. In the event the Wachovia Collateral Administrator resigns or is removed, the successor shall be elected in the manner prescribed by Section 1104(b) of the Bankruptcy Code, subject to the consent of Wachovia Bank.

4.15. ~~6.15.~~ **Protections.** The Wachovia Collateral Administrator and the Wachovia Collateral Professionals shall have the same protections and indemnities provided to the Chief Administrator and Professionals engaged by the Chief Administrator in the Chapter 11 Cases under the Wachovia DIP Loan ~~Agreement and the Asset Management Agreement~~ Documents. The Post Confirmation Wachovia Debtors shall indemnify and hold the Wachovia Collateral Administrator and the Wachovia Collateral Professionals harmless from and against any damages, costs, claims and other liabilities incurred in connection with their respective duties and responsibilities hereunder, other than those damages, costs, claims and other liabilities that result from such party's bad faith, gross negligence, self dealing, breach of fiduciary duty or willful misconduct; provided, however, in all such circumstances, any such damages, costs, claims or other liabilities, including the fees and expenses incurred in defending or otherwise dealing with such matters, not covered by any applicable insurance policy shall be paid solely from and in accordance with the Wachovia DIP Loan ~~Agreement~~ Documents. Notwithstanding anything herein to the contrary, no assets of the Post Confirmation Debtors, other than the Wachovia Collateral, shall be subject to the indemnification claims contained herein in respect of the Wachovia Collateral Administrator and the Wachovia Collateral Professionals.

Notwithstanding anything herein to the contrary, the Post Confirmation Debtors shall have all of the rights, benefits and protections provided to the Debtors under and pursuant to the Wachovia DIP Loan ~~Agreement~~ Documents. In addition, in no event shall any of the obligations, claims or liabilities of any kind incurred by, through or on behalf of the Wachovia Collateral Administrator, any Professional engaged by the Wachovia Collateral Administrator and/or in respect of the Wachovia Collateral be or become an obligation, claim or liability of the Post Confirmation Debtors or be paid from the Post Confirmation Debtor Assets. Rather, all such obligations, claims and/or liabilities of any kind shall be paid from and through the Wachovia DIP Loan ~~Agreement~~ Documents and the Wachovia Collateral.

4.16. ~~6.16.~~ **Release of Liens and Preservation of Section 506(c) Claims** Except as otherwise provided herein, the Wachovia DIP Loan ~~Agreement~~Documents or in any contract, instrument or other agreement or document created in connection with the Plan, on the Effective Date, all mortgages, deeds of trust, Liens or other security interests against the Post Confirmation Debtor Assets ~~and Wachovia Collateral~~ shall be released, and the Post Confirmation Debtors shall own and hold good and marketable title to such Post Confirmation Debtor Assets ~~and Wachovia Collateral~~. All Liens on or claims against the Cash shall be extinguished as of the Effective Date. Notwithstanding confirmation of the Plan and the occurrence of the Effective Date, the Plan Administrator shall have the right on behalf of each of the Post Confirmation Debtors and their Estates to assert claims for, or seek the recovery of, the cost of maintaining and preserving any collateral or property including under Section 506(c) of the Bankruptcy Code.

4.17. ~~6.17.~~ **Settlement with Woodbridge**

Pursuant to the terms hereof, the Proponents seek approval of the Woodbridge Settlement Agreement, the terms and conditions of which are set forth in that certain Amended and Restated Settlement Agreement, dated as of October 27, 2008 (the “Woodbridge Settlement Agreement”), a copy of which is attached as Exhibit 2 to the Disclosure Statement.³ Details regarding the facts and circumstances of the underlying claims and the negotiation process of the Woodbridge Settlement Agreement are set forth more particularly in Section VI(E)(1) of the Disclosure Statement.

(a) The Terms of the Woodbridge Settlement.

Pursuant to the Woodbridge Settlement Agreement,²⁴ Woodbridge, the Debtors and the Committee have agreed, among other things, (i) that Woodbridge will pay an amount equal to \$8,000,000 to the Debtors’ Estates upon the satisfaction of all of terms and conditions contained therein, including the entry of the Confirmation Order which includes approval of the Woodbridge Settlement (the “Settlement Payment”), (ii) that Woodbridge would have (a) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$85.5 million in respect of the Intercompany Loan, and (b) an Allowed General Unsecured Claim in Class LAS-9A in the amount of \$4.0 million in respect of the Employee Claim (collectively, the “Woodbridge Claims”), but would waive any right to receive a Distribution in respect of such Woodbridge

³ On July 30, 2008, the Debtors filed with the Bankruptcy Court a certain Notice of Filing Settlement Agreement Between the Debtors, the Joint Committee of Unsecured Creditors and Woodbridge Holdings Corporation (C.P. # 3120). Attached to such Notice is a certain settlement agreement, dated June 27, 2008, between the Debtors, the Committee and Woodbridge. As a result of certain objections filed in respect of such settlement agreement, the Debtors, the Committee and Woodbridge have terminated such settlement agreement and have negotiated a revised settlement and compromise, which revised settlement and compromise is reflected in the Woodbridge Settlement Agreement attached to the Disclosure Statement as Exhibit 2.

²⁴ Notwithstanding the recitation in this Disclosure Statement of the material terms of the Woodbridge Settlement, this is a summary only and all parties in interest are urged to read the Woodbridge Settlement Agreement in its entirety. In the event of any conflicts or inconsistencies between the summary contained in this Disclosure Statement and the Woodbridge Settlement Agreement, then the terms contained in the Woodbridge Settlement Agreement shall control as they related to Woodbridge and the treatment afforded to Woodbridge thereunder.

Claims, (iii) that Woodbridge would have an Allowed Secured Claim for the HomeBanc Loan, (iv) that in full satisfaction of its Administrative Expense Claim for Shared Services, Woodbridge would have an Allowed Administrative Expense Claim against the LAS Consolidated Debtor in the amount of \$650,000, (v) that except for the Woodbridge Claim, the Allowed Secured Claim for the HomeBanc Loan and the Allowed Administrative Claim in the amount of \$650,000, Woodbridge would waive any and all other claims asserted by Woodbridge against the Debtors' Estates, (vi) that Woodbridge, on the one hand, and the Debtors, the Debtors' Estates and the Committee, on the other hand, would exchange mutual general releases of all claims, except for the obligations of each party under the Woodbridge Settlement Agreement, (vii) that Woodbridge would fund an amount equal to \$4,500,000 to the Plan Administrator to be held by the Plan Administrator in a segregated account (the "Release Fund") to be disbursed as set forth below in connection with the Third Party Release and Injunction, as defined below, (viii) Woodbridge would transfer, gift and carve out the Distribution due Woodbridge in respect of its Allowed Administrative Expense Claim to the Deposit Holders' Fund, which is an amount equal to \$650,000, and (ix) Woodbridge would pay an additional \$300,000 to be used to fund the balance of the Deposit Holders' Fund and to fund the Deposit Holders' Fee Reserve.

(b) The Third Party Release and Injunction in Connection with the Release Fund.

Pursuant to the Woodbridge Settlement Agreement, Woodbridge requires the issuance by the Bankruptcy Court of a third party release and injunction (the Third Party Release and Injunction") in favor of the Woodbridge Parties (as defined in the Woodbridge Settlement Agreement) that would permanently and forever stay, restrain and enjoin the Restrained Parties (as defined in the Woodbridge Settlement Agreement) from instituting, commencing, pursuing prosecuting or furthering any action or proceeding or employing any process against the Woodbridge Parties or collecting, recovering or receiving payment of or on, or otherwise affecting the property or assets of, the Woodbridge Parties with respect to the Settlement Causes of Action, as defined in the Woodbridge Settlement Agreement; provided, however, that the Third Party Release and Injunction specifically shall not and does not include any claim or cause of action arising under a written contract executed by and under which any Woodbridge Party is directly liable. Pursuant to the Woodbridge Settlement Agreement, the Third Party Release and Injunction shall be contained in the Confirmation Order and shall become effective on the Effective Date of the Plan.

Specifically, pursuant to the Woodbridge Settlement Agreement, any and all Holders of Allowed Claims in Classes LAS-9A and 9B and Classes Tenn-6A and 6B who agree, or are deemed to agree, to and are bound by the Third Party Release and Injunction shall receive an additional Distribution hereunder equal to such Holder's Pro Rata Share of the Release Fund calculated with the denominator being the sum of all Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor ~~combined~~ combined and the Section 502(d) Claim combined; provided, however, that such denominator shall not include any of the Woodbridge Claims. In order to opt-out of, and not be bound by, the Third Party Release and Injunction, any such Holder must specifically check the appropriate box on the Ballot

indicating affirmatively that such Holder does not want to receive an additional Distribution hereunder and does not want to be bound by the Third Party Release and Injunction, and return the Ballot pursuant to the terms hereof and the Court's Solicitation and Balloting Order. If such Holder elects not to be bound by the Third Party Release and Injunction as provided herein by checking the applicable box on the Ballot, then such Holder shall not be entitled to, and shall not, receive a Distribution from the Release Fund as provided above. Rather, such Distribution that would otherwise have been made to such Holder shall instead be returned to Woodbridge as provided below. In addition, notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge as set forth in the Woodbridge Settlement Agreement.

If a Holder elects not to be bound by the Third Party Release and Injunction, any right or claim that such Holder has or may have against Woodbridge is preserved and not barred or enjoined by the Third Party Release and Injunction.

IF ANY SUCH HOLDER EITHER DOES NOT RETURN A BALLOT ON THE PLAN OR RETURNS THE BALLOT AND DOES NOT AFFIRMATIVELY OPT-OUT OF THE THIRD PARTY RELEASE AND INJUNCTION BY CHECKING THE RESPECTIVE BOX ON THE BALLOT, THEN EACH SUCH HOLDER SHALL BE DEEMED TO BE A RESTRAINED PARTY UNDER THE ~~WOODBIDGE~~ WOODBIDGE SETTLEMENT AGREEMENT AND SHALL BE DEEMED TO HAVE CONSENTED TO THE THIRD PARTY RELEASE AND INJUNCTION CONTAINED IN THE WOODBRIDGE SETTLEMENT AGREEMENT, AS INCORPORATED INTO THE PLAN, AND EACH SUCH HOLDER SHALL BE ENTITLED TO ITS PRO-RATA ADDITIONAL DISTRIBUTION FROM THE RELEASE FUND.

The Woodbridge Settlement will be consummated on the Effective Date of the Plan. In connection therewith, Woodbridge shall, among the other requirements of the Woodbridge Settlement Agreement, fund (i) the Settlement Payment to the Plan Administrator, and (ii) (a) fund an amount equal to \$4,000,000 of the Release Fund to the Plan Administrator, and (b) retain the balance of the Release Fund of \$500,000 (the "Settlement Holdback") pending a determination of the amount, if any, that is required to be returned to Woodbridge in connection with the provisions dealing with the Distribution of the Release Fund to the Holders of Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor as set forth above. As set forth above, if and to the extent any Holder of an Allowed General Unsecured Claims and Allowed Deposit Holder Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor elects not to receive an additional Distribution from the Release Fund and opts out of the Third Party Release and Injunction, then such Holders Pro Rata Share of the Release Fund is to be returned to Woodbridge. ~~At~~ Notwithstanding any provision to the contrary herein, Distributions from the Release Fund hereunder on account of Section 502(d) Claims shall be returned and transferred to Woodbridge. On or before December 31, 2009 or at such time as all of the

General Unsecured Claims and Deposit Holder Claims asserted against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor have been either Allowed or Disallowed by Final Order or otherwise, whichever first occurs, then the Plan Administrator shall determine that portion of the Release Fund that is required to be returned to Woodbridge under the Woodbridge Settlement (the "Amount Due") and shall file such determination with the Bankruptcy Court (the "Release Fund Notice"). If the Amount Due is greater ~~then~~than the Settlement Holdback, then the Plan Administrator shall pay to Woodbridge from the Release Fund the difference between the Amount Due and the Settlement Holdback. If the Amount Due is less than the Settlement Holdback, then Woodbridge shall pay to the Plan Administrator the difference between the Settlement Holdback and the Amount Due up to a maximum of \$500,000. The payments required to be made hereunder by the Plan Administrator or Woodbridge, as applicable, shall be made within 10 business days after the Plan Administrator files the Release Fund Notice; provided, however, that Woodbridge shall have the right to object to the determination of the Amount Due by filing an objection with the Bankruptcy Court prior to the expiration of such 10 day period. If Woodbridge files such an objection, then the deadline to make the payment required hereunder shall be extended until 10 business days after the Bankruptcy Court enters a Final Order on such objection.

(c) The Deposit Holders' Fund and Deposit Holders' Fee Reserve.

In addition, pursuant to the Woodbridge Settlement Agreement, Woodbridge is (i) transferring, carving out and gifting to the Deposit Holders' Fund the Distribution due to it from the LAS Consolidated Debtor in respect of its Allowed Administrative Expense Claim, which amount is equal to \$650,000, and (ii) funding an additional \$300,000 to fund the balance of the Deposit Holders' Fund and to fund the Deposit Holders' Fee Reserve. In order to be eligible to receive the one time Distribution from the Deposit Holders' Fund as set forth herein, each Holder of an Allowed Deposit Claim against the LAS Consolidated Debtor or the Tennessee Consolidated Debtor must (a) vote to accept the Plan by completing and submitting a Ballot, (b) agree to be bound by the Debtors' Release by not checking the applicable box on the Ballot opting out of the Debtors' Release, and (c) agree to be bound by the Third Party Release and Injunction in favor of Woodbridge and the Woodbridge Parties by not checking the applicable box on the Ballot opting out of the Third Party Release and Injunction.

In the event that a Holder of an Allowed Deposit Holder Claim does not satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then such Holder shall not receive its Pro Rata Share of the Deposit Holders' Fund. Rather, the Distribution from the Deposit Holders' Fund that would have otherwise been made to such Holder shall be transferred from the Deposit Holders' Fund to the Plan Administrator to be included in the LAS Available Cash. However, if sixty-eight (68%) per cent or more Holders of Allowed Deposit Holder Claims in Class LAS-9B and Class Tenn-6B, as applicable, satisfy all of the conditions precedent set forth in subclauses (a), (b) and (c) above, then the Distributions that Holders of the Allowed Deposit Holder Claims in Class LAS-9B or Tenn-6B, respectively, would have been entitled to receive but for those Holders' failure to comply with conditions precedent set forth in subclauses (a), (b) and (c) above shall be distributed to those Allowed Deposit Holder Claims in LAS-9B and Tenn-6B, respectively.

that satisfy the conditions precedent set forth in subclauses (a), (b) and (c) above, and not transferred to the Plan Administrator to be included in the LAS Available Cash.

4.18. ~~6.18.~~ Settlement and Compromise Between LAS Consolidated Debtor and the Tennessee Consolidated Debtor. As set forth above, pursuant to the substantive consolidation of the LAS Consolidated Debtor, all Intercompany Claims between and among the Debtors that comprise the LAS Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof. In addition, all Intercompany Claims between and among the Debtors that comprise the Tennessee Consolidated Debtor will be extinguished on the Effective Date of the Plan with no Distributions being made in respect thereof.

However, pursuant to the books and records of the Debtors, there exists an Intercompany Claim owed by the Debtors that comprise the Tennessee Consolidated Debtor to the Debtors that comprise the LAS Consolidated Debtor in the amount of approximately \$15,803,500 (the precise amount due from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor may be greater than or less than such amount). Without the benefit of the settlement and compromise set forth herein between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, the LAS Consolidated Debtor would be entitled to an Allowed Claim against the Tennessee Consolidated Debtor in the amount of such Intercompany Claim and would be entitled to share in the Distributions from the Tennessee Consolidated Debtor in respect thereof. Based on the amount of such Intercompany Claim, the Distribution otherwise proposed to be made to the Holders of Allowed General Unsecured Claims in Class Tenn-6A and the Holders of Allowed Deposit Holder Claims in Class Tenn-6BClass would be substantially diluted and reduced.

In addition, the Woodbridge Settlement Payment being made under the Woodbridge Settlement is not and cannot be specifically allocated or directed to any one or more Debtors. Rather, as described in more detail above, the Woodbridge Settlement Payment is being made in consideration of, among other things, Woodbridge and the Woodbridge Parties receiving a full, general release from the Debtors and the Debtors' Estates of any Causes of Action. Notwithstanding the inability of the Debtors to efficiently and effectively allocate the Woodbridge Settlement Payment among themselves, each Debtor arguably has a claim to some portion of the Woodbridge Settlement Payment. Therefore, it is conceivable that the Debtors that comprise the Tennessee Consolidated Debtor would receive a portion of the Woodbridge Settlement Payment if it was allocable, thereby allowing such portion to be distributed to the Holders of Allowed Claims against the Tennessee Consolidated Debtor. However, the Debtors and the Committee do not believe that the Woodbridge Settlement Payment can be allocated by and among each of the Debtors or even by and between the Tennessee Consolidated Debtor and the LAS Consolidated Debtor on any rational basis.

(a) The Terms of the Settlement and Compromise.

As a result of the above, the Plan provides for a settlement and compromise between and the LAS Consolidated Debtor and the Tennessee Consolidated Debtor whereby the LAS Consolidated Debtor will waive the Intercompany Claim owed to it by the Tennessee Consolidated Debtor in exchange for and in consideration of the Tennessee Consolidated Debtor waiving any right or interest in and to any portion of the Woodbridge Settlement Payment. The

Proponents believe that such settlement and compromise is in the best interests of all of the Debtors as it (i) saves significant professional fees and expenses in connection with the (A) determination of the precise amount owing from the Tennessee Consolidated Debtor to the LAS Consolidated Debtor and (B) assertion and objections to the Intercompany Claims between the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, (ii) saves significant professional fees and expenses in litigation over the proper method of allocation of the Woodbridge Settlement Payment between and among the Debtors, and (iii) provides for the efficient and effective means of making Distributions to Holders of Allowed Claims without undue delay. However, if the Debtors are required to litigate the issues surrounding the Intercompany Claim and the allocation of the Woodbridge Settlement Payment by and among the Debtors, then the Distributions to all Holders of Allowed Claims will be diminished as a result of the professional fees and expenses that will necessarily have to be incurred in connection therewith, with no attendant benefit resulting therefrom.

ARTICLE VII

PROVISIONS GOVERNING DISTRIBUTION

4.19. ~~7.1.~~ **Distributions.** Any Distribution pursuant to the Plan, to the extent posted in the United States mail, shall be deemed made when deposited by the Plan Administrator, or an agent authorized by the Plan Administrator, into the United States mail. Payments of Cash shall be made by check drawn on a U.S. bank or by wire transfer from a U.S. bank.

4.20. ~~7.2.~~ **Delivery of Distributions.** Distributions and deliveries to Holders of Allowed Claims shall be made at the addresses set forth on the proofs of claim filed by such Holders (or at the last known addresses of such Holders if no proof of claim is filed; or if the Debtors or the Plan Administrator has been notified in writing of a change of address, at such address). Nothing set forth herein will be deemed a waiver of the Debtors' statutory or common law setoff rights.

4.21. ~~7.3.~~ **Unclaimed Property.** If any Distribution remains unclaimed for a period of 90 days after it has been delivered (or attempted to be delivered) in accordance with the Plan to the Holder entitled thereto, such Unclaimed Property shall be forfeited by such Holder whereupon all right, title and interest in and to the Unclaimed Property. Pursuant to Local Rule 3011-1(B), Unclaimed Property shall be donated to the Bankruptcy Bar Foundation, a not-for-profit, non-religious organization dedicated to, among other things, promoting the pro bono legal representation of the indigent. The Plan Administrator shall not attempt to make further distribution to the Holders of such Unclaimed Property.

4.22. ~~7.4.~~ **No Interest Unless Otherwise Provided.** No interest shall be paid on any Claim unless, and only to the extent permitted, by applicable bankruptcy law.

4.23. ~~7.5.~~ **De Minimis Distributions.** No Distribution of less than fifty dollars (\$50) shall be made to any Holder of an Allowed Claim. Such undistributed amount will be retained by the Plan Administrator to be distributed pro rata at the time of final distributions to Holders of Claims in accordance with the Plan.

4.24. ~~7.6.~~ **Manner of Payment.** At the option of the Plan Administrator, any Cash payment to be made by any Person pursuant to the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

4.25. ~~7.7.~~ **Timing of Distributions.** The timing of Distributions shall be in accordance with the provisions of Articles II through V of the Plan.

4.26. ~~7.8.~~ **Fractional Cents.** When any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole cent (rounding down in the case of .50 or less and rounding up in the case of more than .50).

4.27. ~~7.9.~~ **Taxpayer Identification Number.** The Plan Administrator may require any holder with an Allowed Claim or holder of an Allowed Interest entitled to a Distribution hereunder to furnish its, his or her employer or taxpayer identification number (the "TIN") assigned by the Internal Revenue Service. Any Distribution hereunder may be conditioned on the receipt of such TIN. If any such holder entitled to a Distribution hereunder fails to provide a requested TIN within forty-five (45) days after the request thereof, then such failure shall be deemed to be a waiver of such holder's interest in any future Distributions, including the right to receive any future Distributions.

ARTICLE VIII

PROCEDURES FOR RESOLVING AND TREATING DISPUTED AND CONTINGENT CLAIMS

4.28. ~~8.1.~~ **Prosecution of Objections.** The Plan Administrator shall file objections on or before the 180th day after the Effective Date, or prior to such deadline established by separate order of the Court.

4.29. ~~8.2.~~ **Administration of Disputed Claims.** Notwithstanding any other provision of the Plan, no Distribution shall be made with respect to any Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim. In determining the amount of Distributions to be made hereunder to Holders of Allowed Claims, the appropriate Distributions required by the Plan shall be made according to estimates and subject to the provisions of the Plan. To protect the interests of Holders of Disputed Claims, the Plan Administrator shall establish a Disputed Claims Reserve for each Disputed Claim. The Plan Administrator shall fund the Disputed Claims Reserve with Cash in an amount that represents the Pro Rata Share of the Cash that would otherwise be distributed to the Holders of each Disputed Claim if such Claim was Allowed in the amount set forth on the Holder's proof of Claim or as estimated by the Bankruptcy Court. As soon as practicable after a Disputed Claim becomes an Allowed Claim, the Holder of such Allowed Claim shall receive from its Disputed Claims Reserve a Distribution in an amount equal to the Distribution that such Holder would have received had such Disputed Claim been an Allowed Claim on the Effective Date. Distributions to each Holder of a Disputed Claim, to the extent that such Claim becomes an Allowed Claim, shall be made, without interest, in accordance with the Class of Claims to which such Claim belongs. If and when a Disputed Claim or any portion thereof becomes a Disallowed Claim, the Pro Rata Share of the

Distributions to which each Holder of an Allowed Claim in the Class of Claims to which such Claim belongs is entitled, shall increase commensurately. Accordingly, the Plan Administrator shall have the right to make subsequent Distributions in accordance with the provisions of the Plan.

4.30. ~~8.3.~~ **Objections to Impaired Claims.** Certain Claims and all Equity Interests are Impaired hereunder and not entitled to any Distribution hereunder. As a result, the Debtors do not intend to object to any such Claims or Equity Interests since the allowance or disallowance of such Claims or Equity Interests will have no impact on the Debtors or their Estates. However, the Debtors (and after the Effective Date, the Plan Administrator) reserve the right to file objections to such Claims and Equity Interests at any time they deem appropriate, if ever, until the closing of these Chapter 11 Cases.

4.31. ~~8.4.~~ **Disallowance of Claims.** Under Section 502(d) of the Bankruptcy Code, any Claim asserted by a Creditor shall be disallowed in its entirety if such Creditor has received a transfer that is voidable under the Bankruptcy Code and has failed to repay such transfer.

~~ARTICLE IX~~

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

4.32. ~~9.1.~~ **General Treatment: Rejected if not Previously Assumed.** Except for those executory contracts and unexpired leases (a) that are the subject of prior orders of the Bankruptcy Court approving their assumption or rejection, or (b) that are the subject of a motion pending as of the Confirmation Date, all executory contracts and unexpired leases are deemed rejected as of the Confirmation Date, but subject to the occurrence of the Effective Date. Provided that Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any prepetition contract for the purchase of any portion of the Wachovia Collateral that has not been previously rejected by order of the Bankruptcy Court shall not be deemed rejected hereunder. Moreover, if and only if Wachovia Bank accepts the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, any contract entered into by the Chief Administrator for the Wachovia Collateral after the Petition Date shall not be deemed rejected hereunder. If, however, Wachovia Bank rejects the Plan in respect of its Class LAS-6 Allowed Secured Claim, Class LAS-7 Allowed Post Petition DIP Financing Secured Claim and Class LAS-9A Allowed General Unsecured Claim, if any, then any liability arising out of such post petition contract with the Chief Administrator shall be limited to the Wachovia Collateral and/or Wachovia.

4.33. ~~9.2.~~ **Bar to Rejection Damages Arising as a Result of the Confirmation Order.** If any executory contract or an unexpired lease is rejected by the Debtors in the Confirmation Order, then any Rejection Claim for damages resulting from the rejection of such contract or lease shall be forever barred and shall not be enforceable against the Debtors, the Post Confirmation Debtors or any of them or their properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and

served upon the applicable Plan Administrator by the date which is 30 days after the date of the Confirmation Order.

4.34. ~~9.3.~~ ***Rejection Claims.*** Any Rejection Claim arising from the rejection of an unexpired lease or executory contract not barred by the Plan shall be treated as a General Unsecured Claim. Nothing contained herein shall be deemed an admission by the Debtors or any of them that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors or the Plan Administrator of any objections to such Claim if asserted.

~~ARTICLE X~~

CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN

4.35. ~~10.1.~~ ***Conditions to Effectiveness of Plan.*** The Effective Date of the Plan shall not occur unless and until the following conditions shall have been satisfied or waived by the Proponents: (a) the Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Proponents, which Confirmation Order shall, among other things, approve the (i) substantive consolidation as set forth herein, and (ii) Woodbridge Settlement pursuant to the terms of the Woodbridge Settlement Agreement; (b) the Bankruptcy Court shall have approved the information contained in the Disclosure Statement as adequate pursuant to section 1125 of the Bankruptcy Code; (c) all documents, instruments and agreements provided for hereunder or necessary to implement the Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the parties benefited thereby, in form and substance satisfactory to the Proponents; (d) there is sufficient LAS Available Cash and Tennessee Available Cash to pay all Allowed Administrative Claims Allowed Priority Claims and Allowed Priority Tax Claims against the LAS Consolidated Debtor and the Tennessee Consolidated Debtor, respectively; and (e) no order of a court restraining the Debtors from consummating the Plan shall have been entered and shall remain in effect.

4.36. ~~10.2.~~ ***Notice of Confirmation of the Plan.*** Notice of entry of the Confirmation Order shall be provided as required by Bankruptcy Rule 3020(c)(2).

~~ARTICLE XI~~

RETENTION OF JURISDICTION

4.37. ~~11.1.~~ ***Retention of Jurisdiction.*** Pursuant to Sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Cases and the Plan, for the purposes of Sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

a. to hear and to determine any and all objections to or applications concerning the allowance of Claims or Equity Interests or the allowance, classification, priority, compromise, estimation, or payment of any Claim or Equity Interest;

b. to hear and determine any and all fee applications and any other applications for allowance and/or payment of other fees or expenses to be paid or reimbursed

from the Debtors' Estates, the Post Confirmation Debtors and the Wachovia Collateral under the Bankruptcy Code, and any and all objections thereto;

c. to hear and determine pending applications for the rejection, assumption, or assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect of the assumption or rejection of any executory contract or lease;

d. to hear and determine any and all motions for the use, sale or lease of property pursuant to Section 363 of the Bankruptcy Code and all issues related thereto, which transactions completed after the Confirmation Date shall be deemed to have been made pursuant to the Plan and therefore, exempt from recording and other taxes under Section 1146 of the Bankruptcy Code;

e. to hear and determine any and all adversary proceedings, applications, or contested matters, including Causes of Action, [Wachovia Debtor Causes of Action](#) and any remands from any appeals;

f. to hear and to determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan, any documents related to the Plan, including Exhibits to the Plan, if any, or in connection with the enforcement of any remedies made available hereunder;

g. to liquidate any disputed, contingent, or unliquidated Claims or to estimate any Disputed Claims;

h. to ensure that distributions to Holders of Allowed Claims are accomplished as provided herein;

i. to enter, enforce and to implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

j. to enable the Plan Administrator to prosecute any and all Causes of Action, including proceedings which may be brought to set aside Liens or encumbrances and to recover any transfers, assets, properties or damages to which the Post-Confirmation Debtors may be entitled under applicable provisions of the Plan, the Bankruptcy Code or any federal, state or local laws, including controversies, disputes and conflicts between the Debtors and any other party, including but not limited to any objections to Claims, motions for subordination on any grounds and claims preserved hereunder and pursuant to the Confirmation Order;

k. [to hear and determine the Wachovia Debtor Causes of Action and claims asserted by the Wachovia Collateral Administrator;](#)

l. [to consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission or to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;](#)

~~4.m.~~ to enter, enforce and implement such orders (including orders entered prior to the Confirmation Date) as may be necessary or appropriate to execute, interpret, implement, consummate or enforce the terms and conditions of the Plan and the transactions contemplated hereunder;

~~4.n.~~ to enter and to implement such orders (including orders entered prior to the Confirmation Date) as may be necessary or appropriate to execute, interpret, implement or enforce the terms and conditions of the Plan;

~~4.o.~~ to hear and to determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan; and

~~4.p.~~ to enter a final decree closing any and all of the Chapter 11 Cases.

~~4.38.~~ ~~11.2.~~ **Abstention and Other Courts.** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Cases, this section of the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

ARTICLE XII

LIMITATION OF LIABILITY, RELEASES AND INJUNCTION

~~4.39.~~ ~~12.1.~~ **Exculpation and Limitation of Liability.** Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, the Debtors, the Committee, the Deposit Holders' Committee, the Chief Administrator and their respective officers, directors, members, employees, representatives, counsel, financial advisors or other agents, and their respective successors and assigns (the "Released Parties"), shall be deemed to have released any claims of any type or nature that any of them have or may have against the other, and by all Holders of Claims or Equity Interests, of and from any Claims, obligations, rights, causes of action and liabilities for any act or omission occurring after the Petition Date in connection with, or arising out of, the Chapter 11 Cases, including, without limiting the generality of the foregoing, all sales of assets of the Debtors' Estates, the negotiation of the terms of the Plan and the Disclosure Statement, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed hereunder, except for acts or omissions which constitute bad faith, willful misconduct, self dealing, breach of fiduciary duty or gross negligence, and all such Persons, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities hereunder and under the Bankruptcy Code. Notwithstanding anything herein to the contrary, the exculpation and limitation of liability provided for herein shall not apply to any acts of omissions that occurred prior to the Petition Date.

~~4.40.~~ ~~12.2.~~ **Injunction.** As of the Confirmation Date, except as otherwise provided herein or the Confirmation Order, all Persons that have held, currently hold or

may hold a Claim, Equity Interest or other debt or liability that is treated pursuant to the terms of the Plan are enjoined from taking any of the following actions on account of any such Claims, Equity Interests, debts or liabilities, other than actions brought to enforce any rights or obligations hereunder, against the Debtors, the Debtors' Estate, the Chief Administrator, the Post Confirmation Debtors, the Wachovia Collateral Administrator, the Plan Administrator, the Post Confirmation Debtor Assets, Estate property or the Wachovia Collateral: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff or right of recoupment of any kind against any debt, liability or obligation; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. Notwithstanding the above, none of the Debtors is entitled to and shall not receive a discharge under section 1141(d) of the Bankruptcy Code. In addition, the Plan does not release or waive any Causes of Action or Wachovia Debtor Causes of Action. Notwithstanding anything herein to the contrary, the injunction provided for in this subclause (ii) shall not and does not apply to (a) any assets of the Debtors' Estates that have been sold by the Debtors before or after the Petition Date or abandoned by the Debtors after the Petition Date, and (b) enjoin any actions against any Persons not specifically listed herein.

~~ARTICLE XIII~~

MISCELLANEOUS PROVISIONS

4.41. ~~13.1.~~ ***Severability.*** Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the Proponents may modify the Plan in accordance with the Plan, as applicable, so that such provision shall not be applicable to the Holder of any Claim or Equity Interest; provided, however, the Woodbridge Settlement contained herein may not be severed or modified in the Confirmation Order.

4.42. ~~13.2.~~ ***Setoff and Recoupment.*** Any one of the Debtors may, but shall not be required to, set off against or recoup from any Claim and the payments or other distributions to be made pursuant to this Plan in respect of such Claim, Claims of any nature whatsoever that the Debtors or any one of them may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or any one of them of any such Claim that the Debtors or any one of them may have against such Holder.

4.43. ~~13.3.~~ ***Binding Effect.*** Upon the entry of the Confirmation Order, all provisions of the Plan shall be binding upon, and shall inure to the benefit of, the Debtors, the Post Confirmation Debtors, the Plan Administrator, the Wachovia Collateral Administrator, the Holders of Claims and Equity Interests, and such Persons' respective successors and assigns.

4.44. ~~13.4.~~ ***Governing Law.*** Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, or a specific choice of

law provision is provided, the laws of the State of Florida shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, without regard to conflicts of law.

4.45. ~~13.5-~~ **Timing of Distributions.** Any Distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

4.46. ~~13.6-~~ **Dissolution of Committee.** Upon the Effective Date, the Committee and the Deposit Holders' Committee shall be deemed dissolved, except with respect to any appeal of an order in the Chapter 11 Cases and applications for Professional Claim. Further, the members of the ~~Creditors'~~ Committee and the Deposit Holders' Committee shall be released and discharged from all rights, duties and liabilities arising from, or related to, the Chapter 11 Cases.

4.47. ~~13.7-~~ **Tax Liability.** The Debtors and the Plan Administrator are hereby authorized to request an expedited determination under Section 505(b) of the Bankruptcy Code of the tax liability of any Debtor for all taxable periods ending after the Petition Date through, and including, the Effective Date.

4.48. ~~13.8-~~ **Revocation or Withdrawal of Plan.** The Proponents, jointly but not severally, reserve the right to revoke or withdraw the Plan prior to the ~~Effective Date~~ entry of the Confirmation Order. If the Plan is withdrawn or revoked, then the result shall be the same as if the Confirmation Order had not been entered and the Effective Date had not occurred. ~~The Confirmation Order shall be null and void and of no effect if the Plan is terminated after Confirmation Date but before the Effective Date.~~ If the Plan is revoked or withdrawn prior to the entry of the Confirmation Date Order, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against any Debtor(s) or any other Person or to prejudice in any manner the rights of the such entity or any Person in any further proceedings involving such entity.

4.49. ~~13.9-~~ **Nonmaterial Modifications.** The Proponents may, with the approval of the Bankruptcy Court and without notice to Holders of Claims and Equity Interests, correct any nonmaterial defect, omission, or inconsistency herein in such manner and to such extent as may be necessary or desirable.

4.50. ~~13.10-~~ **Material Modifications.** Modifications of the Plan may be proposed in writing by the Proponents, jointly but not severally, at any time prior to Confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Proponents shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after Confirmation and before substantial consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification.

4.51. ~~13.11-~~ **No Res Judicata Effect.** Notwithstanding anything to the contrary herein or in the Disclosure Statement, the provisions of the Disclosure Statement and the Plan that

permit the Plan Administrator or Wachovia Collateral Administrator to enter into settlements and compromises of any Causes of Action or Wachovia Debtor Causes of Action, shall not have, and are not intended to have, any res judicata or collateral estoppel effect with respect to any Causes of Action or Wachovia Debtor Causes of Action, as the case may be, that are not otherwise treated hereunder and shall not be deemed a bar to asserting such Causes of Action or Wachovia Debtor Causes of Action, regardless of whether or to what extent such Causes of Action or Wachovia Debtor Causes of Action are specifically described herein or Disclosure Statement relating hereto. Unless any of the Causes of Action and Wachovia Debtor Causes of Action are expressly waived, relinquished, exculpated, released, compromised or settled herein or by Final Order of the Bankruptcy Court, all such Causes of Action and Wachovia Debtor Causes of Action are expressly reserved and preserved for later adjudication and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to such Causes of Action or Wachovia Debtor Causes of Action upon or after Confirmation or consummation of the Plan.

Furthermore, notwithstanding any provision or interpretation to the contrary, nothing herein or the Confirmation Order, including the entry thereof, shall be deemed to constitute a release, waiver, impediment, relinquishment or bar, in whole or in part, of or to any recovery rights or any other claim, right or cause of action possessed by the Debtors prior to the Effective Date.

4.52. ~~13.12.~~ ***Cramdown.*** This section shall constitute the Proponents' request, pursuant to Section 1129(b)(1) of the Bankruptcy Code, that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of Section 1129(a)(8) of the Bankruptcy Code may not be met.

4.53. ~~13.13.~~ **Notices.** Any notice required or permitted to be provided hereunder shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery or (c) prepaid overnight delivery service and addressed as follows:

(1) Berger Singerman, P.A.
200 South Biscayne Boulevard, Suite 1000
Miami, Florida 33131
Attention: Paul Steven Singerman, Esquire
Jordi Gusó, Esquire
Leslie Gern Cloyd, Esquire

(2) Lawrence E. Young
Chief Restructuring Officer
Levitt and Sons, LLC
c/o Alix Partners
2100 McKinney Avenue, Suite 800
Dallas, TX 75201

and

(3) Genovese Joblove and Battista, P.A.
Bank of America Tower
100 SE 2nd Street
44th Floor
Miami, FL 33131
Attention: Paul J. Battista, Esquire
Heather L. Harmon, Esquire

13.14. **Successors and Assigns.** The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such Person.

Dated: ~~October 31,~~December 5, 2008

LEVITT AND SONS, LLC, et al.

/s/ John A. Dischner
By: John A. Dischner, Executive Vice President of Each of the
Debtors

JOINT COMMITTEE OF UNSECURED CREDITORS FOR
LEVITT AND SONS, LLC, et al.

/s/ Alfred D. Strack
By: Alfred D. Strack, Chairperson for the Joint Committee Of
Unsecured Creditors

Document comparison done by Workshare DeltaView on Friday, December 05, 2008
4:22:47 PM

Input:	
Document 1	file://C:/Documents and Settings/kgoins/My Documents/Levitt/First Amended Plan.doc
Document 2	file://C:/Documents and Settings/kgoins/My Documents/Levitt/Second Amended Plan.doc
Rendering set	standard

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	173
Deletions	248
Moved from	6
Moved to	6
Style change	0
Format changed	0
Total changes	433