

1 Michael St. James, CSB No. 95653
ST. JAMES LAW, P.C.
2 155 Montgomery Street, Suite 1004
San Francisco, California 94104
3 (415) 391-7566 Telephone
(415) 391-7568 Facsimile
4 michael@stjames-law.com

5 Scott McNutt, CSB
6 Marianne Dickson, CSB
MCNUTT LAW GROUP, LLP
7 188 The Embarcadero, Suite 800
San Francisco, CA 94105
8 (415) 995-8475 Telephone
(415) 995-8487 Facsimile
9 mdickson@ml-sf.com

10 Counsel for Debtor

11
12 **UNITED STATES BANKRUPTCY COURT**
13 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

14 San Francisco Division

15 In re
16 MONTGOMERY REALTY GROUP,
17 INC.

Case No. 09-31879 DM

Chapter 11

18 Debtor
19

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21 **RESTATED AMENDED PLAN OF REORGANIZATION**

22 *Restated on July 22, 2010*
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1 This Plan of Reorganization (the “Plan”) is proposed by Montgomery Realty Group, Inc. (the
2 “Debtor”) for the resolution of all claims against it and the real property located at 710 Sansome Street,
3 San Francisco, California, 447 Battery Street, San Francisco, California and 1007 E. Rundberg, Austin,
4 Texas (collectively, the “Real Property”) that constitute its principal assets. The Plan provides for a
5 restructuring of the debts encumbering two Continuing Properties, a Surrender of the Glen Oaks
6 Apartments to its secured creditors and for payment of all other claims against the Debtor. The
7 Disclosure Statement accompanying this Plan contains a description of how this Plan treats creditors and
8 provides for the payment of their claims, as well as a discussion of the Debtor's financial condition and
9 an analysis of the alternatives to this Plan.
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11 ARTICLE I

12 DEFINITIONS

13 A. The following definitions apply in this Plan:

14 1.1. “447 Battery” means the improved real property located at 447 Battery Street in San
15 Francisco, California.

16 1.2. “710 Sansome” means the improved real property located at 710 Sansome Street in San
17 Francisco, California.

18 1.3. “Allowed Claim” means a Claim against the Debtor (a) proof of which was timely filed
19 with the Bankruptcy Court and as to which no objection has been filed; (b) which was listed in Debtor's
20 Schedules of Assets and Liabilities filed herein and (i) not shown as disputed, contingent or unliquidated
21 and (ii) as to which no objection has been filed; or (c) which has been Allowed by a Final Order of the
22 Bankruptcy Court.

23 1.4. “Avoidance Action” means Adversary Proceeding 10-3041 entitled Montgomery Realty
24 Group, Inc. v. East West Bank.
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1 1.5. "Bankruptcy Court" means the Judges of the United States Bankruptcy Court for the
2 Northern District of California, or of the United States District Court for the Northern District of
3 California, as the context requires.

4 1.6. "Berkadia Stipulation" means the document attached hereto as Exhibit B.

5 1.7. "Case" means Chapter 11 Case No. 09-31879 DM of Montgomery Realty Group, Inc..

6 1.8. "Causes of Action" means any and all claims and causes of action which might be
7 asserted by the Debtor or the Debtor in Possession.

8 1.9. "Claim" means any right to payment from the Debtor, whether or not such right is
9 reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed,
10 undisputed, legal, equitable, secured or unsecured, or any rights or equitable remedies for breach of
11 performance, if such breach gives rise to a right to payment, whether or not reduced to judgment, fixed,
12 contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured.

13 1.10. "Code" means the Bankruptcy Code, codified in Title 11 of the United States Code, 11
14 U.S.C. §101, et seq., including all amendments thereto.

15 1.11. "Confirmation" means the entry of an Order of Confirmation by the Bankruptcy Court.

16 1.12. "Confirmation Date" means the date on which the Order of Confirmation is entered.

17 1.13. "Continuing Properties" means 710 Sansome and 447 Battery.

18 1.14. "Continuing Secured Claims" means the claims secured by liens encumbering 710
19 Sansome and 447 Battery that are provided for herein.

20 1.15. "Creditor" means any person or entity that has a Claim against Debtors.

21 1.16. "Debtor" means Montgomery Realty Group, Inc.

22 1.17. "Disallowed Claim" means a Claim that has been (i) deemed not allowable against the
23 assets of the Bankruptcy Estate by an order of a Court of competent jurisdiction or by stipulation of the
24 Claim holder and any party objecting to the Claim, (ii) a Claim that has been voluntarily withdrawn by
25 the Claim holder, or (iii) a Claim which the Debtor listed on its Schedule of liabilities as a disputed,
26 contingent, or unliquidated claim and for which the claim holder did not file a proof of claim prior to the
27 Claims Bar Date.

1 1.18. "Disputed Claim" means a claim which falls into one of the following categories: (i) a
2 Claim listed by the Debtor in its schedule of liabilities or for which a Proof of Claim has been filed as to
3 which an objection has been filed and which objection (a) has not been withdrawn, or (b) has not been
4 determined by a Final Order, or (ii) a Claim listed by the Debtor in its schedule of liabilities as being
5 disputed, contingent, or unliquidated, a Claim for which no Proof of Claim has been filed.

6 1.19. "Effective Date" means a date selected by the Debtor which is not later than 30 days after
7 the Order of Confirmation becomes a final order, provided that the finality requirement may be waived
8 by the Debtor.

9 1.20. "Estate" means the Debtor or the Reorganized Debtor, as the case may be, in its capacity
10 as the holder of property.

11 1.21. "Final Decree" means an Order so entitled, which shall be entered as promptly as
12 possible after the Effective Date.

13 1.22. "Glen Oaks" means the real property and associated personal property and apartment
14 building located at 1007 E. Rundberg in Austin, Texas.

15 1.23. "Hawaii Condo" means that certain penthouse condominium, commonly known as 425
16 South Street, Mauka 4502, Honolulu, Hawaii.

17 1.24. "Loan Commitment" means the agreement attached hereto as Exhibit A.

18 1.25. "Order of Confirmation" means the order confirming the Plan pursuant to Section 1129
19 of the Code.

20 1.26. "Person" shall mean an individual, partnership, corporation, trust, unincorporated
21 association, or other entity or association.

22 1.27. "Plan" means this Plan of Reorganization, including any modification or amendment
23 hereof.

24 1.28. "Reorganized Debtor" means the Debtor, on and after the Confirmation Date.

25 1.29. "Rules" mean the Federal Rules of Bankruptcy Procedure.

26 1.30. "Secured Claim" means a Claim secured by a lien on any property of the Estate, to the
27 extent of the value of the interest of the holder of such Claim in the Estate's interest in such property.

1 B. The singular of any of the foregoing definitions includes the plural and vice versa where
2 the context so requires.

3 C. A term used in the Plan, whether or not capitalized, that is not defined in the Plan but that
4 is used in the Code has the meaning assigned to the term in the Code.

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6 ARTICLE II

7 DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

8 2.1. *Claims Provided For Herein.* Various types of Claims and Interests are defined in this
9 Plan. This Plan is intended to deal with all Claims and Interests against or in the Debtor or property of
10 the Debtor or the Estate of whatever character, whether or not with recourse, whether or not contingent
11 or unliquidated, and whether or not previously Allowed by the Bankruptcy Court pursuant to Section
12 502 of the Code, which arise in any manner on or before the Effective Date. However, only those
13 Claims Allowed pursuant to Section 502 of the Code will receive any distribution under this Plan.

14 2.2. *Limitation on Inclusion in a Class.* A Claim shall be deemed classified in a particular
15 class only to the extent that the Claim qualifies within the description of that class, and shall be deemed
16 classified in a different class to the extent that any remainder of the Claim qualifies within the
17 description of such different class. A Claim is in a particular class only to the extent that the Claim is an
18 Allowed Claim in that class.

19 2.3. *Non-Classified Claims.* The following Claims shall not be classified hereunder:

20 2.3.1. All administrative expenses and other Claims, if any, Allowed pursuant to Section
21 503(b) of the Code and entitled to priority pursuant to Section 507(a)(1) of the Code, save and
22 except such Claims as are subject to treatment under Paragraph 3.3.3 herein;

23 2.3.2. All Allowed Claims of governmental units in respect of any demand for payment
24 of a tax entitled to priority pursuant to Section 507(a)(8) of the Code, including all allowable
25 interest and penalties thereon or with respect thereto; and

26 2.3.3. The Allowed Claim of the Office of the United States Trustee in respect of any
27 demand for fees entitled to treatment pursuant to Section 1129(a)(12) of the Code.

1 2.4. *Classification of Claims and Interests.* Allowed Claims not described in Section 3.3
2 hereof are divided into the following classes:

3 2.4.1. *Class 710-A:* The Allowed Secured Claim of the City and County of San
4 Francisco, which is secured by a first priority tax lien encumbering 710 Sansome.

5 2.4.2. *Class 710-B:* The Allowed Secured Claim associated with that certain Note and
6 first Deed of Trust encumbering 710 Sansome, currently held by Bank of America, N.A. as
7 Trustee for the Registered Holders of Bear Stearns Commercial Mortgage Securities, Inc.,
8 Commercial Mortgage Pass-Through Certificates, Series 2000-WF1, acting through Berkadia
9 Commercial Mortgage, LLC, a Delaware limited liability.

10 2.4.3. *Class 710-C:* The Allowed Secured Claim associated with that certain Note
11 designated Loan No. 06-073 and second Deed of Trust encumbering 710 Sansome, held in
12 fractional interests by the Askarinam Family Trust dated February 5, 2001, Ted Pass, First Street
13 Commercial Mortgage Fund, the Taylor Family Trust, the Rice Family Trust dated April 4, 1990, the
14 Imaginex, Inc. Pension Plan A/c4625-6866 c/o Charles Schwab but serviced by California Mortgage
15 and Realty, Inc.

16 2.4.4. *Class 447-A:* The Allowed Secured Claim of the City and County of San
17 Francisco, which is secured by a first priority tax lien encumbering 447 Battery.

18 2.4.5. *Class 447-B:* The Allowed Secured Claim associated with that certain Note and
19 first Deed of Trust encumbering 447 Battery, previously held by East West Bank, N.A. and
20 currently held by John Yee.

21 2.4.6. *Class 447-C:* The Disputed Secured Claim associated with that certain second
22 Deed of Trust encumbering 447 Battery, held by East West Bank, N.A.

23 2.4.7. *Class GO-A:* All Allowed Secured Claims of governmental entities which are
24 secured by liens encumbering Glen Oaks, including without limitation the liens of the City of
25 Austin and all claims asserted by Nelda Wells Spears in her capacity as Travis County Tax
26 Assessor-Collector for and on behalf of the following taxing authorities: Travis County, City of
27 Austin, Austin Independent School District, Austin Community College, and Travis County
28 Hospital District (hereinafter collectively referred to as "Travis County").

1 2.4.8. *Class GO-B:* The Allowed Secured Claim associated with that certain Note in
2 the original principal amount of \$2,300,000 designated Loan No. 05-036, the related Deed of
3 Trust, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement
4 and any other loan and security documents ("GO-B Loan Documents") encumbering Glen Oaks,
5 held by California Mortgage and Realty, Inc., as trustee originally for the benefit of CMR
6 Mortgage Fund, LLC, as assigned to First Street Commercial Mortgage Fund and other
7 assignees.

8 2.4.9. *Class GO-C:* The Allowed Secured Claim associated with that certain Note
9 designated Loan No. 08-020 and second Deed of Trust encumbering Glen Oaks and that certain
10 first Deed of Trust encumbering the Hawaii Condo, currently held by California Mortgage and
11 Realty, Inc., as Trustee for the benefit of CMR Commercial Mortgage Fund, LLC.

12 2.4.10. *Class GO-D:* All Allowed Claims which are Secured by liens encumbering Glen
13 Oaks, including the claims of BHW UCS; Changing Surface, Inc.; Employment, Etc.; Floor
14 Trends; Franks Painting and Cleaning; HD Supply; HHCC, Inc.; Hire Priority; Holt Carson, Inc.;
15 J4 Development; Maldonado Nursery; Mendo's Painting; Nicolas Professional Cleaning; Roto
16 Rooter Svcs Co.; Sherwin Williams; TNT Glass; Troy Trammel and Associates; and Wilmar
17 Industries.

18 2.4.11. *Class PRI:* The Allowed Claims entitled to priority under Section 507 of the
19 Bankruptcy Code, if any. Pursuant to the "Stipulation Respecting Travis County's Claim" filed
20 herein on or about July 1, 2010, Class PRI does *not* include any claim of Travis County, which
21 claim is exclusively subject to treatment in Class GO-A.

22 2.4.12. *Class UNS-A:* The Claims of general unsecured creditors of the Debtor, to the
23 extent they may be Allowed, which are less than \$10,000, or which elect treatment under Class
24 UNS-A.

25 2.4.13. *Class UNS-B:* The Claims of general unsecured creditors of the Debtor, to the
26 extent they may be Allowed, which are not otherwise classified herein.

27 2.4.14. *Class EQT-A:* The Interests of the minority shareholders of the Debtor.
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1 2.4.15. *Class EQ- B*: The Interests of the majority shareholder of the Debtor, and the
2 interests of his family members.

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4 ARTICLE III

5 MEANS OF EXECUTION AND IMPLEMENTATION OF THE PLAN

6 3.1. On and after the Confirmation Date, all cash on hand will vest in the Debtor, free and
7 clear of claims and liens, and may thereafter be used freely, in the Debtor's unfettered discretion.

8 3.2. On the Effective Date, the Debtor shall fund the treatment of all unclassified claims, and
9 every other payment required to be made on the Effective Date.

10 3.3. On the Effective Date, the Continuing Property shall revert in the Reorganized Debtor,
11 free and clear of all liens and encumbrances and all creditor claims, rights and entitlements whatsoever,
12 excluding only the liens associated with the Continuing Secured Claims. Thereafter, the Reorganized
13 Debtor may use, sell, transfer or exchange the Continuing Property in its unfettered discretion, subject to
14 the rights of secured and unsecured creditors hereunder.

15 3.3.1. As promptly as practicable after the Confirmation Date, the Debtor shall
16 otherwise implement and give effect to the treatment provided by this Plan with respect to the
17 Continuing Secured Claims.

18 3.3.2. From and after the Effective Date, the Reorganized Debtor shall use the rental
19 income generated from the Continuing Properties to fund the Plan treatment respecting the
20 Continuing Secured Claims.

21 3.3.3. From and after the Confirmation Date, the Reorganized Debtor may make
22 disbursements from the proceeds of the Loan Commitment from time to time to fund Lease-Up
23 expenses or other permissible uses.

24 3.4. The Reorganized Debtor shall expeditiously conclude the administration of the case.

25 3.4.1. From and after the Effective Date, the Reorganized Debtor shall expeditiously
26 prosecute the Avoidance Action with respect to the Class 447-C lien. The Debtor may litigate or
27 settle that litigation in its sole discretion.

1 3.4.2. From and after the Effective Date, the Reorganized Debtor shall evaluate and if
2 appropriate prosecute objections to secured and unsecured claims herein. The Reorganized
3 Debtor specifically reserves the right to prosecute objections to the Class 447-A claims.

4 3.5. From and after the Effective Date, the Reorganized Debtor shall accumulate net revenues
5 generated by 710 Sansome and 447 Battery (including the proceeds of sale, if any) and disbursing them
6 as follows:

7 3.5.1. First, to funding the treatment of the Continuing Secured Claims as contemplated
8 by this Plan, when due;

9 3.5.2. Second, to the payment of ordinary and necessary expenses of the operation of the
10 Debtor and the Continuing Properties, including the payment of compensation to professionals
11 for post-confirmation services and the payment of taxes incurred by the Continuing Properties
12 and the Reorganized Debtor;

13 3.5.3. Third, to the payment of monthly interest with respect to the Loan Commitment
14 and any disbursements thereunder;

15 3.5.4. Fourth, to the establishment of appropriate cash reserves to fund extraordinary
16 repairs, leasing commissions, tenant improvement allowances and other potential and anticipated
17 expenses of the Reorganized Debtor;

18 3.5.5. Fifth, to the repayment of disbursements under the Loan Commitment;

19 3.5.6. Sixth, to the payment in full of all Allowed Class PRI claims, if any;

20 3.5.7. Seventh, after payment in full of all Allowed Class PRI claims, if any, then to the
21 distribution of dividends on account of Allowed Class UNS-A unsecured claims from time to
22 time until they have received the entirety of the treatment provided herein;

23 3.5.8. Eighth, after payment in full of all Allowed Class UNS-A Claims, then to the
24 distribution of dividends on account of Allowed Class UNS-B unsecured claims from time to
25 time until they have received the entirety of the treatment provided herein;

26 3.5.9. Ninth, after payment in full of all Allowed Class UNS-B claims, then to the
27 distribution of the payments to retire the Interests of the Class EQT-A minority shareholders
28 from time to time until they have received the entirety of the treatment provided herein; and

1 3.5.10. Thereafter, to be used by the Reorganized Debtor in its unfettered discretion.

2 3.6. All funds which are undisbursed or are returned, e.g., because the recipient of the funds
3 could not be located or because the recipient refused to accept the funds, and any other excess and
4 undistributable cash, including *de minimis* distributions, shall be retained and used or distributed by the
5 Debtor as contemplated by Paragraph 3.5.

6 3.7. From and after the Effective Date, the Reorganized Debtor may move the Court for such
7 Orders as it deems advisable or beneficial to creditors or for the implementation of this Plan.

8 3.7.1. From and after the Effective Date, the Reorganized Debtor may prosecute
9 objections to claims.

10 3.7.2. Professionals employed by the Debtor in Possession shall submit fee applications
11 with respect to services performed through the Confirmation Date as promptly as practicable,
12 and shall give notice only to those persons specified in Paragraph 3.8.

13 3.7.3. Professionals employed by the Reorganized Debtor may be paid in the ordinary
14 course and need not submit fee applications with respect to services performed after the
15 Confirmation Date.

16 3.8. Notice of matters that arise following the Confirmation shall be given only to (a) the
17 Reorganized Debtor and its counsel; (b) counsel for the holders of Class 710-B, Class 710-C and Class
18 447-B claims, (e) the Office of the United States Trustee, and (f) persons who request notice of such
19 matters through a writing served on the Debtor not earlier than the Confirmation Date.

20 3.9. As soon as practicable after the Confirmation, the Debtor shall seek entry of a Final
21 Decree in the case.

22 ARTICLE IV

23 PROVISIONS FOR TREATMENT OF NON-CLASSIFIED CLAIMS
24 IMPAIRED CLAIMS AND UNIMPAIRED CLAIMS

25 4.1. *Non-Classified Claims*. The non-classified Claims described in Section 3.3 hereof shall be
26 treated as follows:
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1 4.1.1. With respect to those Claims described in Sections 2.3.1, to the extent, if any, that
2 the holder of such a Claim has not heretofore been paid, then, on the Effective Date or as
3 promptly thereafter as the Claim shall become an Allowed Claim, each holder of such a Claim
4 shall receive from the Reorganized Debtor cash equal to the Allowed amount of such Claim.

5 4.1.2. With respect to those Claims described in Sections 2.3.2, to the extent, if any, that
6 the holder of such a Claim has not heretofore been paid, then, as promptly as the Claim shall
7 become an Allowed Claim, each holder of such a Claim shall receive from the Reorganized
8 Debtor cash equal to the Allowed amount of such Claim, together with interest at the rate
9 specified in Section 511 of the Bankruptcy Code.

10 4.1.3. With respect to those Claims described in Section 2.3.3, to the extent, if any, that
11 such a Claim has become due prior to the Confirmation Date and has not heretofore been paid,
12 then, on the Effective Date, holder of such a Claim shall receive from the Reorganized Debtor
13 cash equal to the Allowed amount of such Claim. Any such claim relating to the period from the
14 Confirmation Date until entry of the Final Decree shall be paid by the Estate promptly after it has
15 been liquidated.

16 *4.2. Classified Claims and Interests*

17 4.2.1. Class 710-A: The Class 710-A Claim is unimpaired. To the extent, if any, that
18 the holder of such a Claim has not heretofore been paid, then, on the latter of the Effective Date
19 or the date on which payment would otherwise be due, the holder of the Claim shall receive from
20 the Reorganized Debtor cash equal to the Allowed amount of such Claim. .

21 4.2.2. Class 710-B: The Class 710-B Claim is impaired. In full and complete
22 satisfaction of the Class 710-B Claim, the holder thereof shall receive the treatment specified in
23 the Berkadia Stipulation.

24 4.2.3. Class 710-C: The Class 710-C Claim is impaired. In full and complete
25 satisfaction of the Class 710-C Claim, the holders thereof shall retain their lien note and deed of
26 trust, which shall be modified as follows:

27 4.2.3.1 The principal amount of the Note shall be the Allowed Amount of
28 the Class 710-C Claim as of the Confirmation Date. The Note shall provide for the

1 accrual of interest at the rate of 10%, the payment of \$2,500 per month and all principal
2 and accrued interest shall be due and payable on May 31, 2013, except that if the
3 Reorganized Debtor exercises the extension option established in Paragraph 9 of the
4 Berkadia Stipulation, then the Note shall be automatically extended for two years and
5 become fully due and payable on May 31, 2015. Payments on the Note shall commence
6 on the first day of the first month following the Effective Date. In the event that the Class
7 710-B Claim has not been liquidated by agreement of the parties or an Order of the Court
8 prior to such time, the Reorganized Debtor may make tentative payments on any basis
9 agreed by the parties or approved by the Court, subject to reconciliation and revision
10 when the claim is liquidated. Except as specifically modified above, from and after the
11 Confirmation Date the underlying loan documents, including the prior note and deed of
12 trust, shall govern the relations of the parties.

13 4.2.3.1. The obligation to the Class 710-C creditor shall continue to be secured by
14 its existing lien.

15 4.2.4. Class 447-A: The Class 447-A Claim is impaired. Real property taxes accrued
16 prior to the Effective Date will be paid in three equal installments, together with interest at the
17 rate by Section 511 of the Bankruptcy Code, on the first day of the sixth, twelfth and eighteenth
18 month following the Effective Date. The Reorganized Debtor shall have the right to accelerate
19 these payments in its discretion. All payments which first come due after the Effective Date;
20 e.g., the December, 2010 installment, shall be timely paid. The taxing authority shall retain its
21 lien to secure payment of all such taxes.

22 4.2.5. Class 447-B: The Class 447-B Claim is impaired. In full and complete
23 satisfaction of the Class 447-B Claim, the holder thereof shall receive the treatment provided by
24 that certain “Stipulation for Satisfaction of Claim” attached hereto as Exhibit C.

25 4.2.6. Class 447-C: Consistent with the “Stipulation for Withdrawal of Claim and
26 Dismissal of Adversary Proceeding” filed in Adversary Proceeding No. 10-3041, the holder of
27 the Class 447-C claim shall receive nothing on account of that claim.
28

1 4.2.7. Class GO-A: The Class GO-A Claim is impaired. From and after the 60th day
2 following the Effective Date, each holder of a Class GO-A Claim may enforce all of its rights
3 and remedies against the Glen Oaks, and any stay associated with the Debtor's bankruptcy case,
4 automatic or otherwise, shall be dissolved.

5 4.2.8. Class GO-B: The Class GO-B Claim is impaired. Upon and after the
6 Confirmation Date and on account of the Class GO-B Claim, the holders of the Class GO-B
7 Claim (by themselves and/or by and through their loan servicer) may exercise against Glen Oaks
8 (and all leases thereof and related collateral under the GO-B Loan Documents) any and all
9 of their rights and remedies under the GO-B Loan Documents evidencing or securing their
10 claim, without need for any further order of the Court. Notwithstanding any other provision of
11 the Plan, the GO-B Loan Documents and the rights, liens, security interests and
12 interests granted under the GO-B Loan Documents with respect to Glen Oaks (and all leases
13 thereof and related collateral under the GO-B Loan Documents) are retained by the holders of
14 the Class GO-B Claim and are not impaired; provided however, that the holders of the Class GO-
15 B Claim shall not assert any unsecured claim against the Debtor or the estate. Any stay or
16 injunction in this Case, under this Plan or under the Bankruptcy Code is dissolved and
17 terminated with respect to the exercise of such rights and remedies by the holders of the Class
18 GO-B Claim.

19 4.2.9. Class GO-C: The Class GO-C Claim is impaired. The holder of the Class GO-C
20 claim may exercise all of its legal and equitable rights with respect to the Glen Oaks from and
21 after the Confirmation Date without impediment from the automatic stay or the Debtor. In full
22 satisfaction of the remainder of its Allowed Secured Claim, at its election, the Debtor shall either
23 transfer the Hawaii Condo to the holder of the Class GO-C Claim, or shall market the Hawaii
24 Condo for sale and surrender to the holder of the Class GO-C Claim the net proceeds of sale of
25 the Hawaii Condo. The Court may enter such Orders as may be just so as adequately to protect
26 any affected interest of the holder of the Class GO-C claim, including, without limitation, Orders
27 granting the holder relief from stay with respect to the Hawaii Condo.

1 4.2.10. Class GO-D: The Class GO-D Claims are impaired. From and after the
2 Effective Date, each holder of a Class GO-D Claim shall be free to enforce all of its rights and
3 remedies against the Glen Oaks, and any stay associated with the Debtor's bankruptcy case,
4 automatic or otherwise, shall be dissolved.

5 4.2.11. Class PRI: The Class PRI Claims are unimpaired. In full and complete
6 satisfaction, the holders of Allowed Class PRI Claims shall receive payment in full of the
7 Allowed amount of their Claims, together with interest at the rate specified in Section 511 of the
8 Bankruptcy Code, as rapidly as possible *after* the Travis County tax claim has been satisfied by
9 the owner of the Glen Oaks, or on June 1, 2015, if the obligation to Travis County remains
10 outstanding on that date. The Court shall retain jurisdiction to determine the allowed amount, if
11 any, of the Travis County priority claim.

12 4.2.12. There shall be no distribution to holders of general unsecured claims until after
13 all Allowed Class PRI Claims have received the payment provided herein.

14 4.2.13. Class UNS-A: The Class UNS-A Claims are Impaired. In full and
15 complete satisfaction, the holders of Allowed Class UNS-A Claims shall receive payment of
16 25% of the Allowed amount of their Claims, as promptly as practicable after the Effective Date
17 (or after the date the Claim becomes Allowed, if later). There shall be no distribution to holders
18 of Class UNS-B Claims until after all Allowed Class UNS-A have received the payment
19 provided herein.

20 4.2.14. Class UNS-B: The Class UNS-B Claims are Impaired. In full and
21 complete satisfaction, the holders of Allowed Class UNS-A Claims shall receive payment in full,
22 without interest, over time. Specifically, the Reorganized Debtor shall fund distributions on
23 Class UNS-B claims *pari passu* whenever a distribution of at least 20% can be made, or more
24 often, in the Reorganized Debtor's discretion, until such claims are paid in full.

25 4.2.15. Class EQT-A: The holders of Class EQT-A Interests are impaired. In full and
26 complete satisfaction, the holders of the Class EQT-A Interests shall receive distributions, from
27 time to time after the satisfaction of Class UNS-B Claims, until they have received an aggregate
28

1 of \$0.50 per share, at which time such Interests shall be cancelled and deemed of no further force
2 or effect.

3 4.2.16. Class EQT-B: The holders of Class EQT-A Interests are impaired. The holders of
4 Class EQT-B Interests shall retain such Interests in the Debtor, but the rights and powers of the
5 holders, and the funds that may be distributed to the holder, shall be governed by this Plan.

6
7 ARTICLE V

8 EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9 *Assumption of Unexpired Leases and Executory Contracts.* The leases or rental agreements with
10 the tenants located at the Continuing Properties are hereby assumed. All other pre-petition executory
11 contracts and leases not previously assumed shall be rejected under this Plan.

12
13 ARTICLE VI

14 MISCELLANEOUS PROVISIONS

15 6.1. *Payments on Claims:*

16 6.1.1. *Disputed Claims.* No distribution shall be made on account of any Disputed
17 Claim, unless and until it becomes an Allowed Claim. The Reorganized Debtor shall maintain a
18 Disputed Claims Reserve equivalent, at all times, to the aggregate face amount of the Disputed
19 Claims multiplied by the percentage amount of all distributions previously paid to Allowed
20 Claims of the relevant Class. Promptly upon a Disputed Claim becoming an Allowed Claim, it
21 shall receive the treatment contemplated herein for such a Claim.

22 6.1.2. *No Distribution to Disallowed Claims:* Notwithstanding any provision of the
23 foregoing, no distribution shall be made on account of any Claim determined to be a Disallowed
24 Claim.

25 6.1.3. *Discharge:* All Claims which are not Allowed Claims are discharged by
26 confirmation of this Plan.

27 6.2. *Untimely Claims:* Proofs of Claim that are not timely filed on or before the applicable
28 Claims Bar Date shall receive no distribution under this Plan. Claims that assert only “secured” or

1 “priority” status shall not be treated as timely filed claims for the purposes of treatment in Class UNS-A
2 or UNS-B. The submission of a ballot shall not constitute an amendable informal proof of claim.

3 6.3. *Objections to Claims:* Any party in interest may Object to any claim or interest treated
4 herein by filing such Objection with the Court and serving it upon the respondent not later than (a) the
5 5th day before the first day set for the Confirmation Hearing, or (b) the 20th day after the deadline for
6 filing claims, whichever shall last occur. The Reorganized Debtor may Object to any claim or interest at
7 any time. Upon the filing of an Objection, the respondent Claim or Interest shall be Disputed.

8 6.4. *Survival of Legal Claims.* The Reorganized Debtor shall have the right, post-
9 confirmation, to pursue any and all Causes of Action that could have been pursued by the Debtor or the
10 Debtor in Possession.

11 6.5. *Corporate Governance:* From and after the Confirmation Date, governance of the
12 Reorganized Debtor shall be governed by applicable non-bankruptcy law.

13 6.6. *Integration.* The provisions of this Plan and the Order of Confirmation supersede any
14 and all prior agreements, documents, understandings, written or otherwise, in respect of any Claim
15 against the Debtors, and the treatment or satisfaction thereof. All such prior agreements, documents or
16 understandings are merged herein, and no person may thereafter pursue or prosecute any Claim or
17 demand arising out of or pertaining to such superseded agreements, documents or understandings as
18 against the Committee or the Estate.

19 6.7. *Section Headings.* The section headings contained in the Plan are for reference purposes
20 only and shall not affect in any way the meaning or interpretation of the Plan.

21 6.8. *Post-Confirmation United States Trustee Quarterly Fees.* A quarterly fee shall be paid
22 by the Reorganized Debtor to the United States Trustee, for deposit into the Treasury, for each quarter
23 (including any fraction thereof) until this case is converted, dismissed, or closed pursuant to a final
24 decree, as required by 28 U.S.C. § 1930(a)(6).

25 6.9. *Chapter 11 Post-confirmation Reports and Final Decree.*

26 6.9.1. Post-confirmation Reports. Not later than 90 days after entry of the Confirmation
27 Order and quarterly thereafter, the Debtor shall file a quarterly post-confirmation status report,
28 the purpose of which is to explain the progress made toward substantial consummation of the

1 confirmed plan of reorganization. The quarterly reports shall be filed no later than 30 days
2 following the end of the applicable calendar quarter. The report shall include a statement of
3 receipts and disbursements, with the ending cash balance, ending on the last day of a quarter.
4 The report shall also include information sufficiently comprehensive to enable the court to
5 determine: (1) whether the order confirming the plan has become final; (2) whether deposits, if
6 any, required by the plan have been distributed; (3) whether any property proposed by the plan to
7 be transferred has been transferred; (4) whether the Debtor under the plan has assumed the
8 business or the management of the property dealt with by the plan; (5) whether payments under
9 the plan have commenced; (6) whether accrued fees due to the United States Trustee under 28
10 U.S.C. § 1930(a)(6) have been paid; and (7) whether all motions, contested matters and
11 adversary proceedings have been finally resolved. Further quarterly reports must be filed every
12 90 days thereafter until entry of a final decree, unless otherwise ordered by the court.

13 6.9.2. Service Of Reports. A copy of each report shall be served, no later than the day
14 upon which it is filed with the court, upon the United States Trustee and such other persons or
15 entities as may request such reports in writing by special notice filed with the court.

16 6.9.3. Final Decree. After the estate is substantially consummated as contemplated by
17 Paragraph 2.8 hereof, the Debtor shall file an application for a final decree, and shall serve the
18 application on the United States Trustee, together with a proposed final decree.

19 20 ARTICLE VII

21 RETENTION OF JURISDICTION

22 The Bankruptcy Court shall retain and have jurisdiction over the Reorganization Case for all
23 purposes provided by the Code, including, without limitation, for the following purposes:

24 7.1. To determine any and all objections to the allowance of Claims and to allow, disallow,
25 estimate, liquidate or determine any Claim;

26 7.2. To grant full and complete relief upon the request of the Reorganized Debtor;
27
28

1 ARTICLE IX

2 CONFIRMATION REQUEST

3 If necessary, the Debtor requests Confirmation of the Plan pursuant to Section 1129(b) of the
4 Code.

5 DATED: July 22, 2010

MONTGOMERY REALTY GROUP, INC.

7
8 By: /s/ James Graeb
James R. Graeb
9 Responsible Individual

10 Presented by:

11
12 ST. JAMES LAW, P.C.
McNUTT LAW GROUP, LLP

13
14 By: /s/ Michael St. James
15 Michael St. James
Counsel for the Debtor

- | | | |
|----|-----------|----------------------|
| 16 | | |
| 17 | | |
| 18 | | |
| 19 | Exhibit A | Loan Commitment |
| 20 | Exhibit B | Berkadia Stipulation |
| 21 | Exhibit C | Yee Stipulation |
| 22 | | |
| 23 | | |
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