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10 **UNITED STATES BANKRUPTCY COURT**
11 **FOR THE DISTRICT OF ARIZONA**

12 In re:
13 MTS LAND, LLC, an Arizona limited liability
company,
14
15 Debtor.

CASE NO.: 2:12-bk-16257-EWH
Chapter 11 Proceeding
Jointly Administered

16 Affects this Debtor.

17 In re:
18 MTS GOLF, LLC, an Arizona limited liability
company,
19
20 Debtor.

CASE NO.: 2:12-bk-16259-EWH

21 Affects this Debtor.

22 **DEBTORS' JOINT PLAN OF REORGANIZATION**
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1 MTS Golf, LLC, a Delaware limited liability company ("MTS Golf"), and MTS Land,
2 LLC, a Delaware limited liability company ("MTS Land," each of MTS Golf and MTS Land
3 "Debtor", and collectively, the "Debtors") Debtors and Debtors-in-possession, propose this joint
4 plan of reorganization (the "Plan") for the resolution of Debtors' outstanding Claims and Equity
5 Securities (as these terms are defined herein). All Creditors, Equity Security Holders (as both
6 terms are defined herein), and other parties-in-interest should refer to the Disclosure Statement
7 (as this term is defined herein) for a discussion of Debtors' history, assets, historical financial
8 data, and for a summary and analysis of this Plan and certain related matters. All Holders of
9 Claims against and Equity Securities in Debtors are encouraged to read this Plan, the Disclosure
10 Statement, and the related solicitation materials in their entirety before voting to accept or reject
11 this Plan.

12 Subject to the restrictions on modifications set forth in Section 1127 of the Bankruptcy
13 Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in Article 11
14 to this Plan, Debtors expressly reserve the right to alter, amend, strike, withdraw, or modify this
15 Plan one or more times before its substantial consummation.

16 **1. DEFINITIONS, RULES OF INTERPRETATION, AND COMPUTATION OF** 17 **TIME**

18 **1.1. Definitions.** For purposes of this Plan, except as expressly provided or unless the
19 context otherwise requires, all capitalized terms not otherwise defined shall have the meanings
20 ascribed to them in this Article 1. Any term used in this Plan that is not defined herein, but is
21 defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that
22 term in the Bankruptcy Code or the Bankruptcy Rules, in that order of priority. Whenever the
23 context requires, such terms shall include the plural as well as the singular, the masculine gender
24 shall include the feminine, and the feminine gender shall include the masculine. As used in this
25 Plan, the following terms shall have the meanings specified below:

26 **1.1.1. Administrative Claim.** A Claim for any cost or expense of administration
27 of the Chapter 11 Cases allowed under Sections 503(b) or 507(b) of the Bankruptcy Code and
28 entitled to priority under Section 507(a)(1) of the Bankruptcy Code, including, but not limited to:
(i) fees payable pursuant to 28 U.S.C. § 1930; (ii) the actual and necessary costs and expenses
incurred after the Petition Date of preserving the Estate[s], including wages, salaries, or
commissions for services rendered after the commencement of the Chapter 11 Cases; and (iii) all
Professional Fees approved by the Bankruptcy Court pursuant to interim and final allowances.
To the extent that a Claim is allowed pursuant to Sections 365(d)(3) and (d)(5) of the Bankruptcy
Code, such Claim shall also be deemed an "Administrative Claim" under this paragraph.

1.1.2. Administrative Claim Bar Date. The end of the first Business Day
occurring on or after the sixtieth (60th) calendar day after the Effective Date.

1.1.3. Allowed Administrative Claim. An Administrative Claim: (i) as to which
no objection has been filed or, if an objection has been filed, has been resolved by the allowance
of such Administrative Claim by a Final Order of the Bankruptcy Court; or (ii) which requires
payment in the ordinary course and as to which there is no Final Order of the Bankruptcy Court
in effect which prohibits any such payment.

1 **1.1.4. Allowed Claim.** A Claim or any portion thereof that is not a Disputed
2 Claim: (i) that is allowed pursuant: (w) to this Plan or Final Order of the Bankruptcy Court, (x)
3 to any stipulation executed prior to the Confirmation Date and approved by the Bankruptcy
4 Court, (y) to any stipulation with Debtors or Reorganized Debtor, as applicable, executed on or
5 after the Confirmation Date and approved by the Bankruptcy Court, or (z) to any contract,
6 instrument, or other agreement entered into or assumed in connection herewith; (ii) proof of
7 which, requests for payment of which, or application for allowance of which, was filed or
8 deemed to be filed on or before the Bar Date for filing proofs of Claim or requests for payment
9 of Claims of such type against Debtors; or (iii) if no proof of Claim is filed, which has been or
10 hereafter is listed by Debtors in their respective Schedules as liquidated in amount and not
11 disputed or contingent; and in the case of (ii) or (iii), no objection to the allowance thereof has
12 been interposed within the applicable period of limitation fixed by this Plan, the Bankruptcy
13 Code, the Bankruptcy Rules, or the Bankruptcy Court or the Bankruptcy Court has entered a
14 Final Order Allowing all or a portion of such Claim.

15 **1.1.5. Allowed Equity Security.** An Equity Security as of the Record Date that:
16 (i) is allowed pursuant to this Plan; (ii) is not disputed by Debtors or Reorganized Debtor, as the
17 case may be; or (iii) if a Disputed Equity Security, which Equity Security has been allowed in
18 whole or in part by Final Order of the Bankruptcy Court.

19 **1.1.6. ARS.** The Arizona Revised Statutes, as amended from time to time.

20 **1.1.7. Assets.** All of the assets, property, interests, and effects, real and personal,
21 tangible and intangible, wherever situated, of Debtors, as they exist on the Effective Date.

22 **1.1.8. Automobile Note.** The Secured Promissory Note executed by Debtors in
23 favor of Ronald S. Bookbinder in the original sum of \$9,498.76 dated July 15, 2010.

24 **1.1.9. Avoidance Actions.** All avoidance, recovery, subordination, and other
25 similar actions preserved for the Estate under the Bankruptcy Code, including but not limited to
26 those set forth in Sections 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, 553(b), and
27 724(a) of the Bankruptcy Code, regardless of whether or not such action has been commenced
28 prior to the Effective Date.

1.1.10. AZ SOS. The Secretary of State of the State of Arizona

1.1.11. Ballot. The form of ballot or ballots that will be distributed with the
Disclosure Statement to Holders of Claims entitled to vote under this Plan in connection with the
solicitation of acceptances of this Plan.

1.1.12. Bankruptcy Code. The Bankruptcy Reform Act of 1978, Title 11,
United States Code, as applicable to the Chapter 11 Cases, as now in effect or hereafter
amended, 11 U.S.C. §§ 101, *et seq.*

1.1.13. Bankruptcy Court. The United States Bankruptcy Court for the District
of Arizona having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of
any reference under Section 157 of Title 28 of the United States Code and/or the General Order
of the United States District Court for the District of Arizona pursuant to Section 151 of Title 28
of the United States Code, the United States District Court for the District of Arizona.

1 **1.1.14. Bankruptcy Rules.** Collectively, the Federal Rules of Bankruptcy
2 Procedure, as applicable to the Chapter 11 Cases, promulgated under 28 U.S.C. § 2075 and the
3 general, local, and chamber rules of the Bankruptcy Court as applicable to the Chapter 11 Cases,
as now in effect or hereinafter amended.

4 **1.1.15. Bar Date.** The date or dates established by the Bankruptcy Court, the
5 Bankruptcy Code, and/or the Bankruptcy Rules for the filing of proofs of Claim for all Creditors,
excepting therefrom, Administrative Claims.

6 **1.1.16. Bookbinder Automobile Loan.** The Loan by Ronald S. Bookbinder to
7 Debtors on July 15, 2010 evidenced by the Automobile Note in the original amount of \$9,498.76
and secured by a Chevrolet Silverado pickup truck.

8 **1.1.17. Bookbinder Automobile Loan Documents.** Collectively, the
9 Automobile Note and security documents and any and all amendments, supplements, or
10 modifications to the foregoing, as well as any and all other documents pertaining thereto.

11 **1.1.18. Bookbinder Equipment Loan.** The Loan by Ronald S. Bookbinder to
12 Debtors on May 15, 2012 evidenced by the Equipment Note in the original amount of \$7,833.60
and secured by a John Deere Fairway Mower.

13 **1.1.19. Bookbinder Equipment Loan.** Collectively, the Equipment Note,
14 Purchase Money Security Agreement and any and all amendments, supplements, or
modifications to the foregoing, as well as any and all other documents pertaining thereto.

15 **1.1.20. Business Day.** Any day, other than a Saturday, Sunday, or “legal
16 holiday” as defined in Bankruptcy Rule 9006(a).

17 **1.1.21. Camelback Golf Course Leases.** This term refers to collectively,(1) a
18 lease dated August 7, 1968 between Lawyer’s Title of Arizona, formerly Arizona Title Insurance
and Trust Company, as lessor, and Marriott Motor Hotels, Inc., which was subsequently merged
19 into Marriott Corporation (“Marriott”), as lessee, (the “Folkman Lease”) for property set forth in
the Folkman Lease (the “Folkman Lease Property”), and (2) a lease dated March 22, 1978 the
20 (the “Mummy Mountain Lease”) for the property set forth in the Mummy Mountain lease (the
“Mummy Mountain Property”) between Marriott, as lessee, and Mummy Mountain
21 Development Corporation, as lessor. Subsequently, an 18 hole golf course which is now known
as the “Camelback Course” was constructed on the Folkman Lease Property and an 18 hole golf
22 course commonly known as the “North Course” was constructed on the Mummy Mountain
Property.

23 **1.1.22. Cash.** The legal tender of the United States of America or the equivalent
24 thereof, including bank deposits, checks, negotiable instruments, wire transfers of immediately
25 available funds, or other cash equivalents.

26 **1.1.23. Chapter 11 Cases.** The jointly administered cases under Chapter 11 of
27 the Bankruptcy Code involving Debtors, having case numbers 2:12-bk-16259-EWH and 2:12-
bk-16257-EWH, including all adversary proceedings pending in connection therewith.

28 **1.1.24. Claim.** Any right to payment from Debtors, whether or not such right is

1 reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed,
2 undisputed, legal, equitable, secured, or unsecured arising at any time before the Effective Date
3 or relating to any event that occurred before the Effective Date, or any right to an equitable
4 remedy for breach of performance if such breach gives rise to a right of payment from Debtors,
whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,
matured, unmatured, disputed, undisputed, secured, or unsecured.

5 **1.1.25. Class.** A category of Holders of Claims or Equity Securities as classified
6 in this Plan.

7 **1.1.26. Club.** The Mountain Shadows Golf Club comprised of the Golf Course
8 including a club house containing a restaurant & grille, pro shop, fitness center, tennis courts,
and a driving range and various other facilities.

9 **1.1.27. Cool Mountain.** Cool Mountain Holdings, LLC, a Delaware limited
10 liability company, the sole member of Debtors and MTS Beverages.

11 **1.1.28. Confirmation.** The entry by the Bankruptcy Court of the Confirmation
12 Order on the jointly administered docket of the Chapter 11 Cases.

13 **1.1.29. Confirmation Date.** The date upon which the Bankruptcy Court enters
14 the Confirmation Order on the jointly administered docket of the Chapter 11 Cases.

15 **1.1.30. Confirmation Hearing.** The duly-noticed initial hearing held by the
16 Bankruptcy Court to confirm this Plan pursuant to Section 1128 of the Bankruptcy Code, and
any subsequent hearing held by the Bankruptcy Court from time to time to which the initial
hearing is adjourned without further notice other than the announcement of the adjourned dates
at the Confirmation Hearing or by a subsequent order of the Bankruptcy Court.

17 **1.1.31. Confirmation Order.** The findings of fact and conclusions of law and
18 order entered by the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the
Bankruptcy Code.

19 **1.1.32. Contingent Claim.** A Claim which is contingent, unmatured, or
20 unliquidated on or immediately before the Confirmation Date.

21 **1.1.33. Contribution Agreement.** The Contribution Agreement entered into by
22 Debtors and MTS Beverages and Crown MTS which authorizes each of the signatories to
advance money on behalf of each other and to jointly and severally liable for all debts.

23 **1.1.34. Creditor.** Any Holder of a Claim, whether or not such Claim is an
24 Allowed Claim.

25 **1.1.35. Crown Development.** Crown Realty & Development, Inc., appointed as
26 Debtors' manager and administrative agent as of December 31, 2009, pursuant to an *Agreement*
27 *of Appointment of Administrative Agent*, which was amended by the *First Amendment to*
Agreement of Appointment of Administrative Agent dated as of July 2, 2012.

28 **1.1.36. Cure.** The distribution on the Effective Date or as soon thereafter as

1 practicable of Cash, or such other property as may be agreed upon by the parties or ordered by
2 the Bankruptcy Court, with respect to the assumption of an Executory Contract or Unexpired
3 Lease pursuant to Section 365(b) of the Bankruptcy Code, or with respect to any other debt
4 instrument, in an amount equal to: (i) all unpaid monetary obligations due under such executory
5 contract or unexpired lease or required to pay to bring current the debt instrument and thereby
6 reinstate the debt and return to the pre-default conditions to the extent such obligations are
7 enforceable under the Bankruptcy Code or applicable non-bankruptcy law; and (ii) with respect
8 to any debt instrument, if a claim arises from a Debtors' failure to perform any non-monetary
9 obligation as set forth in Sections 1124(2)(C) and 1124(2)(D) of the Bankruptcy Code, payment
10 of the dollar amount which compensates the Holder of such a claim for any actual pecuniary loss
11 incurred by such Holder as a result of any such failure and the dollar amount of the Claim that is
12 established by the Holder's sworn declaration and accompanying admissible evidence filed with
13 the Bankruptcy Court and served upon Debtors' counsel on or before such date ordered by the
14 Court for the filing of objections to the disclosure statement.

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1.1.37. Debtors. MTS Golf, LLC, a Delaware limited liability company, together with MTS Land, LLC, a Delaware limited liability company, the debtors and debtors-in-possession in the Chapter 11 Cases pursuant to Section 1108 of the Bankruptcy Code.

1.1.38. Development Agreement. The Agreement entered into on April 10, 1992, as an inducement to the annexation of the Real Property, by PVT and the Potomac Hotel Limited Partnership, Debtors' predecessors in interest, providing for and setting forth certain rights for the use and development of the Real Property. The Development Agreement was recorded as document number 92-0191356 on April 10, 1992, and re-recorded as document number 92-262862 on May 14, 1992, in the records of Maricopa County Recorder. One provision of the Development Agreement provides that in the event the Development Agreement were determined not to valid or enforceable, PVT shall issue a special use permit containing rights and obligations which are identical to those set forth in the Development Agreement.

1.1.39. Development Agreement Entitlements. The development standards described in Section 5.3.1 and set forth on Schedule 5.3.1 attached hereto.

1.1.40. DIP Loan. The loan approved by the Bankruptcy Court pursuant to Section 364(b) of the Bankruptcy Code pursuant to the *Interim Order (1) Authorizing Debtors to Obtain Post-Petition Financing, (2) Allowing the DIP Lender's Claim as an Administrative Expense Pursuant to Section 364(b) of the Bankruptcy Code, and (3) Setting and Prescribing the Form and Manner of Notice for a Final Hearing* entered by the Bankruptcy Court on September 17, 2012 [ECF No. 149] and *Final Order (1) Authorizing Debtors to Obtain Post-Petition Financing, (2) Allowing the DIP Lender's Claim as an Administrative Expense Pursuant to Section 364(b) of the Bankruptcy Code* entered by the Bankruptcy Court on November __, 2012 [ECF No. __].

1.1.41. DIP Loan Claims. The outstanding principal and accrued interest at the non-default rate due and owing jointly and severally by Debtors to the DIP Loan Lender under the DIP Loan Promissory Note as of the Effective Date plus: (i) any accrued and unpaid interest up to the Effective Date; and (ii) reasonable attorney's fees, costs, and expenses incurred by the DIP Loan Lender up to the Effective Date.

1.1.42. DIP Loan Documents. The Loan Agreement dated August 6, 2012, DIP

1 Loan Promissory Note dated August 6, 2012 and any related documents.

2 **1.1.43. DIP Loan Lender.** Sohacheski and/or each other Person having a right
3 of participation in, under, or to the DIP Loan or any rights, title, or interest to or under the DIP
4 Loan Documents.

5 **1.1.44. Disclosure Statement.** The disclosure statement that relates to this Plan,
6 as amended, supplemented, or modified from time to time, describing this Plan that is approved,
7 prepared and distributed in accordance with, among others, Sections 1125, 1126(b), and 1145 of
8 the Bankruptcy Code, Bankruptcy Rule 3018, and other applicable law.

9 **1.1.45. Disputed Claim or Disputed Equity Security.** A Claim or Equity
10 Security which is: (i) subject to timely objection interposed by Debtors, Reorganized Debtor, or
11 any party-in-interest entitled to file and prosecute such objection in the Chapter 11 Cases, if at
12 such time such objection remains unresolved; or (ii) a Claim that is listed by Debtors as disputed,
13 unliquidated, or contingent in the Schedules; provided, however, that the Bankruptcy Court may
14 estimate a Disputed Claim for purposes of allowance pursuant to Section 502(c) of the
15 Bankruptcy Code. The term "Disputed," when used to modify a reference in this Plan to any
16 Claim or Class of Claims or Equity Security, shall mean a Claim or Equity Security (or any
17 Claim or Equity Security in such Class) that is a Disputed Claim or Disputed Equity Security as
18 defined herein. In the event there is a dispute as to classification or priority of a Claim or Equity
19 Security, it shall be considered a Disputed Claim or Disputed Equity Security in its entirety.
20 Until such time as a Contingent Claim becomes fixed and absolute, such Claim shall be treated
21 as a Disputed Claim and not an Allowed Claim for purposes related to allocations and
22 distributions under this Plan.

23 **1.1.46. Disputed Claim Reserve.** A reserve established to hold in one or more
24 accounts Cash or other Assets equal to the aggregate amount thereof that would have been
25 distributed in accordance with the terms of this Plan on account of a Disputed Claim.

26 **1.1.47. Distributable Assets.** The Assets distributable to Allowed Claims and
27 unclassified Claims in accordance with this Plan by Reorganized Debtor.

28 **1.1.48. Distribution.** Any distribution by Debtors or Reorganized Debtor of
Distributable Assets to the Holders of Allowed Claims or Equity Securities as of the Record
Date.

1.1.49. DL Code. The statutory code of the State of Delaware, as amended from
time to time.

1.1.50. DL SOS. The Secretary of State of the State of Delaware.

1.1.51. Effective Date. The latest to occur of: (i) the first Business Day that is at
least fourteen (14) days after the Confirmation Date and on which no stay of the Confirmation
Order is in effect; and (ii) the first (1st) Business Day on which all of the conditions set forth in
Article 8 to this Plan have been satisfied or waived.

1.1.52. Equipment Note. The Secured Promissory Note dated May 15, 2012, in
the principal amount of \$7,833.60, executed by Debtors in favor of Ronald S. Bookbinder.

1 **1.1.53. Equity Security.** An equity security as the term is defined in Section
2 101(16) of the Bankruptcy Code and includes the membership interests in Debtors and any
3 warrants, options, redemption rights, dividend rights, liquidation preferences, rights to purchase
4 any such Equity Security, or any other rights related thereto.

5 **1.1.54. Estate[s].** The estate[s] created for Debtors in their respective Chapter 11
6 Cases pursuant to Section 541 of the Bankruptcy Code.

7 **1.1.55. Executory Contract.** A contract or Unexpired Lease to which either
8 Debtor is a party that is subject to assumption or rejection under Section 365 of the Bankruptcy
9 Code.

10 **1.1.56. Exit Loans.** The two loans from the Exit Loan Lender to Reorganized
11 Debtor approved in accordance with and pursuant to this Plan and to be implemented in
12 accordance with Section 5.3 of this Plan on the Effective Date. One Exit Loan, the “Senior Exit
13 Loan”, shall be secured by a first Lien on the Real Property senior in priority to the Restated
14 USB Loan and Restated Hertz Loan in an amount not to exceed \$6,860,000. The Second Exit
15 Loan, the “Junior Exit Loan”, shall be secured by a Lien on the Real Property junior to the
16 Restated USB Loan and senior to the Restated Hertz Loan in an amount not to exceed
17 \$1,410,000.

18 **1.1.57. Exit Loan Collateral.** All of the collateral as described in the Exit Loan
19 Documents.

20 **1.1.58. Exit Loan Documents.** The Exit Loan Agreement, Senior Exit Loan
21 Promissory Note, Junior Exit Loan Promissory Note, Exit Loan Security Documents and any
22 related documents to be dated as of the Effective Date. The Exit Loan Promissory Notes and Exit
23 Loan Deeds of Trust, Fixture Filing and Security Agreement shall be substantially in the forms
24 attached as exhibits to the Disclosure Statement.

25 **1.1.59. Exit Loan Lender.** Robert Flaxman and/or each other Person having a
26 right of participation in, under, or to the Exit Loan or any rights, title, or interest to or under the
27 Exit Loan Documents.

28 **1.1.60. Exit Loan Security Documents.** The Deed of Trust, Fixture Filing and
Security Agreement to be executed by Debtors, as borrowers, in favor of the Exit Loan Lender,
as lender, on the Effective Date and any related documents.

1.1.61. Final Order. An order, judgment, or other decree of the Bankruptcy
Court, or other court of competent jurisdiction, entered on the docket of such court, that has not
been reversed, reconsidered, stayed, modified, or amended, that is in full force and effect, and as
to which order or judgment: (i) the time to appeal, seek review or rehearing, or petition for
certiorari has expired and no timely filed appeal or petition for review, rehearing, remand, or
certiorari is pending; (ii) any appeal taken or petition for certiorari or request for reconsideration
or further review or rehearing filed: (a) has been resolved by the highest court to which the order
or judgment was appealed or from which review, rehearing, or certiorari was sought; or (b) has
not yet been resolved by such highest court, but such order has not been stayed pending appeal.
Notwithstanding the foregoing, the Confirmation Order shall specifically become a Final Order
on the first Business Day that is fourteen (14) days after the entry of such Confirmation Order

1 unless any appeal of such Confirmation Order was accompanied by a stay pending appeal.

2 **1.1.62. General Unsecured Claim.** A Claim that is not secured by a charge
3 against or interest in property in which the Estates have an interest and is not an unclassified
4 Claim, Administrative Claim, or Priority Unsecured Claims. General Unsecured Claims shall
5 also include all Claims arising under Section 502(g) of the Bankruptcy Code.

6 **1.1.63. Golf Course.** That portion of the Club consisting of the 18-hole golf
7 course existing as of the Effective Date on a portion of the Real Property.

8 **1.1.64. Golf Course Leases Assignment.** The Assignment of Lease and
9 Agreement made on July 13, 1982, and effective on July 16, 1982, by and between Marriott and
10 Potomac Hotel Limited Partnership regarding the Folkman Lease and the Mummy Mountain
11 Lease, Under the Golf Course Leases Assignment, Marriott (1) irrevocably and unconditionally
12 granted to the Guests of Mountain Shadows the right to exercise all of the privileges of Inn
13 Members at the Camelback Country Club, (2) agreed that Guests shall have the present and
14 continuing right to ingress and egress to and the use and enjoyment of the Camelback Course and
15 North Course, including all ancillary facilities based upon an equitable sharing of use privileges
16 between guests of the Camelback Inn and Guests, including the right of Guests to use each of the
17 Camelback Course and North Course on a first reserved basis with fees equal to the lowest rate
18 charges to any guest or group of the Camelback Resort, (3) that no modification, amendment,
19 waiver or release made in the provisions of the Golf Course Leases Assignment or any right,
20 obligation, claim or cause of action arising hereunder or any termination or cancellation of the
21 Golf Course Leases Assignment shall be valid or binding for any purpose whatsoever unless in
22 writing and duly executed by the party against whom the same is sought to be asserted, and (4)
23 that the Golf Course Leases Assignment shall “run with the land” and “inure to the benefit of
24 and be binding upon the parties hereto, their respective successors and assigns...”

25 **1.1.65. Golf Course Restriction.** The Declaration of Restrictions recorded on
26 April 24, 1962, in Docket 4115, page 48, of the records of Maricopa County, Arizona.

27 **1.1.66. Guests.** Any Person who rents or owns any portion of a Resort Unit as
28 provided for in the Development Agreement, including their guests or any member of the Club
or any golf club operated on the Real Property.

1.1.67. Hertz. Chavi Hertz, the lender to Debtors of the Hertz Loan and/or any
other Person having a right of participation in, under, or to the Hertz Loan or any rights, title, or
interest to or under the Hertz Loan Documents..

1.1.68. Hertz Collateral. All of the collateral as described in the Hertz Loan
Documents.

1.1.69. Hertz Loan. The loan of \$565,000 by Hertz to Debtors evidenced by the
Hertz Loan Documents.

1.1.70. Hertz Loan Claims. The outstanding principal and accrued interest at the
non-default rate due and owing jointly and severally by Debtors to Hertz under the Hertz
Promissory Note as of the Petition Date plus: (i) any accrued and unpaid interest from the
Petition Date up to the Effective Date at the non-default rate as provided for in the Hertz

1 Promissory Note; and (ii) reasonable attorney's fees, costs, and expenses incurred by Hertz post-
2 petition and prior to the Effective Date, solely to the extent that such fees, costs, and expenses
3 are approved by entry of a Final Order of the Bankruptcy Court.

4 **1.1.71. Hertz Loan Documents.** Collectively, the Hertz Promissory Note, Hertz
5 Loan Guarantee, Hertz Security Documents and any and all amendments, supplements, or
6 modifications to the foregoing, as well as any and all other documents pertaining thereto.

7 **1.1.72. Hertz Loan Guarantee.** The Guarantee executed by the Hertz Loan
8 Guarantor in conjunction with the Hertz Loan.

9 **1.1.73. Hertz Loan Guarantor.** Jaime Sohacheski.

10 **1.1.74. Hertz Loan Maturity Date.** December 31, 2012.

11 **1.1.75. Hertz Promissory Note.** The Secured Promissory Note dated July 11,
12 2012, executed by Debtors in favor of Hertz to evidence the Hertz Loan.

13 **1.1.76. Hertz Security Documents.** The Deed of Trust and Fixture Filing and
14 Security Agreement made by Debtors, as borrowers, in favor of Hertz, as lender, on July 11,
15 2012, which Deed of Trust and Fixture Filing was recorded on July 11, 2012 as document
16 number 20120605005 in the records of the Maricopa County Recorder. UCC-1 financing
17 statements were filed with the DL SOS.

18 **1.1.77. Holder.** A Person holding an Equity Interest or Claim.

19 **1.1.78. Impaired.** Impaired within the meaning of Section 1124 of the
20 Bankruptcy Code.

21 **1.1.79. Junior Exit Loan Interest Rate.** The rate of 12% per annum.

22 **1.1.80. Junior Exit Loan Maturity Date.** The fifth (5th) anniversary of the
23 Effective Date.

24 **1.1.81. Lien.** This term shall have the meaning set forth in Section 101(37) of the
25 Bankruptcy Code.

26 **1.1.82. Litigation Claims.** All rights, claims, torts, liens, liabilities, obligations,
27 actions, causes of action, Avoidance Actions, derivative actions, proceedings, debts, contracts,
28 judgments, damages and demands whatsoever in law or in equity, whether known or unknown,
contingent or otherwise, that Debtors or their Estates may have against any Person, including but
not limited to, those listed on Schedule 1.1.82 hereto. Failure to list a Litigation Claim on
Schedule 1.1.82 shall not constitute a waiver or release by Debtors or Reorganized Debtor of
such Litigation Claim.

1.1.83. Lot 68. Lot 68 of Mountain Shadow Resort Amended, recorded on
January 20, 1958, in Book 75 of Maps, page 34, of the records of Maricopa County, Arizona,
which generally provides access to the Real Property and Mountain Shadows East. A depiction
of the three segments of Lot 68 being, (i) the Circular Entrance Area, (ii) the Loop Road, and

1 (iii) the Interior Roads, is included as an exhibit to the Disclosure Statement.

2 **1.1.84. Lot 130.** Lot 130 of Mountain Shadow Resort Unit Two-Amended
3 recorded on June 6, 1961, at Book 95 of Maps, page 3, of the records of Maricopa County,
4 Arizona.

5 **1.1.85. Lot 130-A.** Lot 130-A of Mountain Shadow Resort Unit Two-Amended
6 recorded on June 6, 1961, at Book 95 of Maps, page 3, of the records of Maricopa County,
7 Arizona, which generally provides access to Mountain Shadows West.

8 **1.1.86. Mountain Shadows East.** Lots 2-6, 8-13, 15-23, 25-37, 39-45, 47-52,
9 and 54-66, of Mountain Shadow Resort Amended recorded on January 20, 1958, in Book 75 of
10 Maps, page 34, of the records of Maricopa County, Arizona.

11 **1.1.87. Mountain Shadows East Deed Restrictions.** The deed restrictions
12 included in the recorded deeds from Mountain Shadow Resort, Inc., as grantor, for Lots 2-6, 8-
13 13, 15-23, 25-37, 39-45, 47-52, and 54-66, of Mountain Shadow Resort Amended recorded on
14 January 20, 1958, in Book 75 of Maps, page 34, of the records of Maricopa County, Arizona.

15 **1.1.88. Mountain Shadows East Guest Ranch Restrictions.** The Deed
16 Restrictions recorded on August 12, 1957, in Docket 2250, page 207, of the records of Maricopa
17 County, Arizona.

18 **1.1.89. Mountain Shadows West.** Lots 69-127 of Mountain Shadow Resort Unit
19 Two-Amended recorded on June 6, 1961, at Book 95 of Maps, page 3, of the records of
20 Maricopa County, Arizona.

21 **1.1.90. Mountain Shadows West Declaration of Restrictions.** The Declaration
22 of Restrictions recorded on September 6, 1961, in Docket 3832, page 453, and re-recorded on
23 April 24, 1962, in Docket 4115, page 43, of the records of Maricopa County, Arizona.

24 **1.1.91. MTS Beverages.** MTS Beverages, a Delaware limited liability company,
25 an affiliate of Debtors.

26 **1.1.92. Other Secured Claims.** Any Secured Claim, other than the USB Loan
27 Claim and Hertz Loan Claim.

28 **1.1.93. Parcel.** Each of the 9 parcels of the Real Property described in the
Schedule 1.1.93 attached hereto, which parcel descriptions and size are subject to adjustment by
Reorganized Debtor as Reorganized Debtor determine to effectuate the PVT Approvals or
Development Agreement, as the case may be.

1.1.94. Person. An individual, corporation, limited liability company,
partnership, association, joint stock company, joint venture, estate, trust, unincorporated
organization or government, governmental unit, or any subdivision thereof or any other entity.

1.1.95. Petition Date. July 19, 2012, the date on which voluntary Chapter 11
petitions were filed by Debtors, thereby commencing the Chapter 11 Cases.

1 **1.1.96. Plan.** This plan of reorganization, either in its present form or as it may
2 be amended, supplemented, or modified from time to time, including all exhibits and schedules
annexed hereto or referenced herein.

3 **1.1.97. Priority Unsecured Claims.** Any and all Claims accorded priority in
4 right of payment under Section 507(a) of the Bankruptcy Code.

5 **1.1.98. Professional Fees.** The Administrative Claims for compensation and
6 reimbursement submitted pursuant to Sections 328, 330, 331, or 503(b) of the Bankruptcy Code
7 of Persons: (i) employed pursuant to an order of the Bankruptcy Court under Section 327 or 328
8 of the Bankruptcy Code; or (ii) for whom compensation and reimbursement has been allowed by
the Bankruptcy Court pursuant to Section 503(b) of the Bankruptcy Code or by other Final
Order.

9 **1.1.99. Pro Rata.** The ratio of an Allowed Claim or Equity Security in a
10 particular class to the aggregate amount of all such Allowed Claims or Allowed Equity Securities
in any such Class.

11 **1.1.100. PVT.** The Town of Paradise Valley in which the Real Property is
12 located, together with its elected officials, officers, appointed Persons, boards, commissions,
agents, managers, employees, advisors, attorneys, or representatives.

13 **1.1.101. PVT Approvals.** A special use permit duly and properly issued by PVT
14 in conjunction with the approval and execution of a duly approved and enforceable amendment
15 to the Development Agreement (or a new development agreement) by Debtors and PVT, both
16 acceptable to Debtors in their sole and absolute discretion, providing for the development of the
Real Property by Debtors.

17 **1.1.102. Real Property.** That certain real property located in the Town of
18 Paradise Valley, Maricopa County, Arizona, having APNs 169-43-004C, 169-30-071, 169-43-
005, 169-43-006, 169-30-068A, 169-30-068B, 169-30-067A, 169-30-072, 169-30-067B, 169-30-
070, and 169-30-063, and all improvements thereto, including the hotel and the Club.

19 **1.1.103. Real Property Restrictions** This term shall mean, collectively, (i) the
20 Mountain Shadows East Deed Restrictions, (ii) the Mountain Shadows West Declaration of
21 Restrictions, and (iii) the Golf Course Restriction.

22 **1.1.104. Record Date.** The Confirmation Date for the purpose of determining the
23 Holders of Equity Securities.

24 **1.1.105. Reinstated or Reinstatement.** These terms shall mean: (i) leaving
25 unaltered the legal, equitable, and contractual rights of the Holder of a Claim so as to leave such
26 Claim Unimpaired in accordance with Section 1124 of the Bankruptcy Code; or (ii)
27 notwithstanding any contractual provision or applicable law that entitles the Holder of such
28 Claim to demand or receive accelerated payment of such Claim after the occurrence of a default:
(a) Curing any such default that occurred before or after the Petition Date, other than a default of
a kind specified in Section 365(b)(2) of the Bankruptcy Code; (b) reinstating the maturity of such
Claim as such maturity existed before such default; (c) compensating the Holder of such Claim
for any damages incurred as a result of any reasonable reliance by such Holder on such

1 contractual provision or such applicable law; and (d) not otherwise altering the legal, equitable,
2 or contractual rights to which such Claim entitles the Holder of such Claim; provided, however,
3 that any contractual right that does not pertain to the payment when due of principal and interest
4 on the obligation on which such Claim is based, including, but not limited to, financial covenant
5 ratios, negative pledge covenants, covenants, or restrictions on merger or consolidation, and
affirmative covenants regarding corporate existence prohibiting certain transactions or actions
contemplated by this Plan, or conditioning such transactions or actions on certain factors, shall
not be required in order to accomplish Reinstatement.

6 **1.1.106. Release Prices.** The prices set forth on Schedule 1.1.106 attached
7 hereto for each Parcel, subject to the adjustments to each Parcel as provided for in Schedule
1.93, which prices are net of all sales costs and expenses related to the proposed Parcel sale.

8 **1.1.107. Reorganized Debtor.** Debtors as reorganized pursuant to this Plan after
9 the Effective Date.

10 **1.1.108. Restated Automobile Note.** The Automobile Note as amended and
11 restated in accordance with this Plan.

12 **1.1.109. Restated Equipment Note.** The Equipment Note as amended and
13 restated in accordance with this Plan.

14 **1.1.110. Restated Hertz Loan.** The Hertz Loan as amended and restated in
15 accordance with this Plan.

16 **1.1.111. Restated Hertz Loan Documents.** The Hertz Loan Documents,
17 including the Hertz Loan Agreement and the Restated Hertz Note, amended and modified to
18 conform to the terms of this Plan.

19 **1.1.112. Restated Hertz Loan Interest Rate.** The rate of 10% per annum, or
20 such other interest rate as determined by the Bankruptcy Court in conjunction with the
21 Confirmation Hearing in the event the Bankruptcy Court must determine a fair and equitable
22 interest rate pursuant to Section 1129(b)(2)(A)(i).

23 **1.1.113. Restated Hertz Loan Maturity Date.** The last day of the twelfth (12th)
24 month after the commencement on interest payments on the Restated Hertz Loan.

25 **1.1.114. Restated Hertz Note.** The Amended and Restated Hertz Note secured
26 by the Hertz Deed of Trust executed by Reorganized Debtor, as maker, and in favor of the Hertz,
27 as payee, effective as of the Effective Date, which amends and modifies the Hertz Note
28 consistent with the provisions and intent of this Plan, expressly including Section 4.2 of this
Plan. The Restated Hertz Note shall be substantially in the form attached as an exhibit to the
Disclosure Statement.

1.1.115. Restated USB Interest Rate. The rate of 3.75% per annum, or such
other interest rate as determined by the Bankruptcy Court in conjunction with the Confirmation
Hearing in the event the Bankruptcy Court must determine a fair and equitable interest rate
pursuant to Section 1129(b)(2)(A)(i).

1 **1.1.116. Restated USB Loan.** The USB Loan as amended and restated in
2 accordance with this Plan.

3 **1.1.117. Restated USB Loan Documents.** The USB Loan Documents as restated
4 in accordance with this Plan, including the USB Loan Agreement, USB Deed of Trust and the
5 USB Note, amended and modified to conform to the terms of this Plan.

6 **1.1.118. Restated USB Loan Maturity Date.** The Restated USB Loan Maturity
7 Date shall be as provided for in Section 4.1.1. (e) of this Plan.

8 **1.1.119. Restated USB Note.** The Amended and Restated Promissory Note
9 executed by Reorganized Debtor, as maker, and in favor of USB, as payee, effective as of the
10 Effective Date, which amends and modifies the USB Note consistent with the provisions and
11 intent of this Plan, expressly including Section 4.1 of this Plan. The Restated USB Note shall be
12 substantially in the form attached as an exhibit to the Disclosure Statement.

13 **1.1.120. SDNB.** San Diego National Bank, which was closed by the Office of
14 the Comptroller of the Currency and was subsequently taken over by the Federal Deposit
15 Insurance Corporation.

16 **1.1.121. Schedules.** The schedules of assets and liabilities and any amendments
17 thereto filed by Debtors with the Bankruptcy Court in accordance with Section 521(1) of the
18 Bankruptcy Code.

19 **1.1.122. Secured Claim.** A Claim that is secured by a Lien against property of
20 the Estate to the extent of the value of any interest in such property of the Estate[s] securing such
21 Claim, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of
22 a Bankruptcy Court order, or to the extent of the amount of such Claim subject to setoff in
23 accordance with Section 553 of the Bankruptcy Code, in either case as determined pursuant to
24 Section 506(a) of the Bankruptcy Code.

25 **1.1.123. Senior Exit Loan Interest Rate.** The rate of 3.50% per annum.

26 **1.1.124. Senior Exit Loan Maturity Date.** The fifth (5th) anniversary of the
27 Effective Date.

28 **1.1.125. Sewer Easement.** The Easement recorded on September 28, 1961, in
Docket 3863, page 75, of the records of Maricopa County, Arizona, affecting the maintenance,
construction and reconstruction of sewer mains across portions of Lots 128A, 129, 130, 130A
and 132, as shown on the plat of Mountain Shadows Resort Unit Two - Amended, recorded on
June 6, 1961, at Book 95 of Maps, page 3, of the records of Maricopa County, Arizona.

1.1.126. Sewer Locations-Recorded. Sewer lines subject to the Sewer
Easement.

1.1.127. Sewer Locations-Unrecorded. Sewer lines across Lot 130-A and not
subject to the Sewer Easement.

1.1.128. Sohacheski. Mr. Jaime Sohacheski.

1 **1.1.129. Tax DIP Lender.** Sohacheski and/or any other Person having a right of
2 participation in, under, or to the Secured Loan or any rights, title, or interest to or under the Tax
DIP Loan Documents.

3 **1.1.130. Tax DIP Loan.** The loan by the Tax DIP Lender to Debtors evidenced
4 by the Tax Dip Loan Documents and approved by the Bankruptcy Court by order entered on
_____, 2012.

5 **1.1.131. Tax DIP Loan Claims.** The outstanding principal and accrued interest
6 at the non-default rate due and owing jointly and severally by Debtors to the Tax DIP Lender
7 under the Tax DIP Promissory Note as of the Effective Date plus: (i) any accrued and unpaid
8 interest up to the Effective Date; and (ii) reasonable attorney's fees, costs, and expenses incurred
by the Tax DIP Lender up to the Effective Date.

9 **1.1.132. Tax DIP Loan Collateral.** All of the collateral as described in the Tax
DIP Loan Documents.

10 **1.1.133. Tax DIP Loan Documents.** Collectively, the Tax DIP Promissory Note,
11 Tax DIP Loan Security Documents and any and all amendments, supplements, or modifications
12 to the foregoing, as well as any and all other documents pertaining thereto.

13 **1.1.134. Tax DIP Loan Maturity Date.** The earlier of (i) the Effective Date and
14 (ii) one (1) year from the entry of the Final Order approving the Tax DIP Loan.

15 **1.1.135. Tax DIP Loan Note.** The Secured Promissory Note dated _____,
2012, executed by Debtors in favor of Tax DIP Lender to evidence the Tax DIP Loan.

16 **1.1.136. Tax DIP Loan Security Documents.** The Deed of Trust and Fixture
17 Filing and Security Agreement made by Debtors, as borrowers, in favor of the Tax DIP Lender,
as lender, on _____, 2012, which Deed of Trust and Fixture Filing was recorded on _____,
18 2012 as document number _____ in the records of the Maricopa County Recorder. UCC-1
financing statements were filed with the DL SOS.

19 **1.1.137. Taxes.** All income, gaming, franchise, excise, sales, use, employment,
20 withholding, property, payroll, or other taxes, assessments of governmental charges, together
21 with any interest penalties, additions to tax, fines, and similar amounts relating thereto, whether
or not yet assessed or imposed, collected by, or due to any federal, state, local or foreign
22 governmental authority.

23 **1.1.138. Unexpired Lease.** A lease of non-residential real property to which
24 either Debtor is a party that is subject to assumption or rejection under Section 365 of the
Bankruptcy Code.

25 **1.1.139. Unimpaired.** Unimpaired shall have the meaning set forth in Section
26 1124 of the Bankruptcy Code.

27 **1.1.140. Unsecured Interest Rate.** The Federal Judgment Rate as of the
Effective Date.

28

1 **1.1.141. USB.** U.S. Bank, N.A. as the assignee of the FDIC as receiver for
2 SDNB, which on or about January 26, 2007, loaned Debtors the principal sum of \$32,000,000,
3 and/or each bank, investment fund, financial institution, or other Person having a right of
4 participation in, under, or to the Secured Loan or any rights, title, or interest to or under the USB
5 Loan Documents.

6 **1.1.142. USB Collateral.** All the collateral as described in the USB Loan
7 Documents.

8 **1.1.143. USB Deed of Trust.** The Deed of Trust, Assignment of Rents, Security
9 Agreement and Fixture Filing being a Lien on the Real Property which is recorded as document
10 number 20070126023 in the records of Maricopa County Recorder.

11 **1.1.144. USB Guarantor Payment.** The payment on the Effective Date of the
12 remaining balance due to USB on the USB Loan Guarantee.

13 **1.1.145. USB Loan.** The loan in the principal sum of \$32,000,000 tendered by
14 SDNB, as lender, to Debtors, as borrower, and evidenced by the USB Loan Documents.

15 **1.1.146. USB Loan Agreement.** The Loan Agreement (as amended,
16 supplemented, or otherwise modified from time to time) dated January 26, 2007 between SDNB,
17 as lender, Debtors, as borrower, for the USB Loan.

18 **1.1.147. USB Loan Claims.** The outstanding principal and accrued interest due
19 and owing jointly and severally by Debtors to USB under the USB Note as of the Petition Date,
20 which is a principal balance of \$27,385,449.47, plus accrued interest at the contract rate of
21 \$3,305,271.61 and accrued default interest of \$1,759,324.95, plus: (i) any accrued and unpaid
22 interest from the Petition Date up to the Effective Date at the Restated USB Interest Rate; and
23 (ii) reasonable attorney's fees, costs, and expenses incurred by USB post-petition and prior to the
24 Effective Date, solely to the extent that such fees, costs, and expenses are approved by entry of a
25 Final Order of the Bankruptcy Court or agreed upon in writing by Debtors and USB.

26 **1.1.148. USB Loan Documents.** Collectively, the USB Loan Agreement, the
27 USB Note, USB Deed of Trust, and any and all other amendments, supplements, or modification
28 to the foregoing, as well as all additional documents pertaining thereto.

1.1.149. USB Loan Guarantee. The Unconditional Limited Guarantee of
Payment executed by the USB Loan Guarantor in conjunction with the USB Loan which had a
balance due of \$7,000,000 as of the Petition Date.

1.1.150. USB Loan Guarantor. Sohacheski.

1.1.151. USB Modification Agreement. The Modification Agreement entered
into as of March 30, 2009 by and between Debtors and SDNB modifying in part the USB Loan
Agreement, the USB Note and USB Deed of Trust.

1.1.152. USB Note. The Promissory Note dated January 26, 2007, in the original
principal sum of \$32,000,000 executed by Debtors in favor of SDNB to evidence the USB Loan.

1 **1.2. Computation of Time.** In computing any period of time prescribed or allowed by
2 this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall
3 apply.

4 **1.3. Rules of Interpretation.** For purposes of this Plan only; (i) any reference in this
5 Plan to a contract, instrument, release, or other agreement or documents being in particular form
6 or on particular terms and conditions means that such document shall be substantially in such
7 form or substantially on such terms and conditions; (ii) any reference in this Plan to an existing
8 document or exhibit filed or to be filed means such document or exhibit as it may have been or
9 may be amended, modified, or supplemented; (iii) unless otherwise specified, all references in
10 this Plan to Sections, Articles, Schedules and Exhibits are references to Sections, Articles,
11 Schedules and Exhibits of or to this Plan; (iv) the words “herein,” “hereof,” “hereto,” and
12 “hereunder” refer to this Plan in its entirety rather than to a particular portion of this Plan; (v)
13 captions and headings to Articles and Sections are inserted for convenience of reference only and
14 are not intended to be a part of or to affect the interpretation of this Plan; and (vi) the rules of
15 construction and definitions set forth in Sections 101 and 102 of the Bankruptcy Code and in the
16 Bankruptcy Rules shall apply unless otherwise expressly provided.

17 **1.4. Exhibits and Plan Schedules.** All exhibits and schedules attached to this Plan are
18 incorporated into and are a part of this Plan as if set forth in full herein.

19 **2. TREATMENT OF UNCLASSIFIED CLAIMS**

20 **2.1. General.** Pursuant to Section 1123(a)(1) of the Bankruptcy Code, the Claims against
21 Debtors set forth in this Article 2 are not classified within any Classes. The Holders of such
22 Claims are not entitled to vote on this Plan. The treatment of the Claims set forth below is
23 consistent with the requirements of Section 1129(a)(9)(A) of the Bankruptcy Code.

24 **2.2. Treatment of Administrative Claims.** Each Allowed Administrative Claim shall
25 be paid by Reorganized Debtor (or otherwise satisfied in accordance with its terms) upon the
26 latest of: (i) the Effective Date or as soon thereafter as is practicable; (ii) such date as may be
27 fixed by the Bankruptcy Court, or as soon thereafter as practicable, (iii) the fourteenth (14th)
28 Business Day after such Claim is Allowed, or as soon thereafter as practicable; and (iv) such date
as the Holder of such Claim and Reorganized Debtor shall agree upon.

2.3. Treatment of Tax DIP Loan. On the Effective Date, the Reorganized Debtor shall
pay the Tax DIP Loan Claims in full with the proceeds of the Exit Loan. The Tax DIP Lender
shall release and reconvey the Tax DIP Loan Security Documents.

2.4. Treatment of DIP Loan. On the Effective Date, the DIP Loan Documents shall
remain in full force and effect, save and except that without any further action by Reorganized
Debtor or DIP Lender, all of the DIP Loan Documents shall be deemed to have been amended
and modified (the “Restated DIP Loan Documents”) and the DIP Loan Claims will be evidenced
by the Restated DIP Promissory Note, which will be effective on the Effective Date and will
generally incorporate the terms of the DIP Promissory Note as modified as follows: (a) the
principal balance of the Restated DIP Promissory Note shall be the DIP Loan Claim as of the
Effective Date; (b) interest shall accrue on the Restated DIP Promissory Note at the DIP Interest
Rate; (c) beginning on the fourteenth (14th) Business Day of the first full calendar month
following the Effective Date, and on the fourteenth (14th) Business Day of each subsequent

1 month up to and including the twenty-fourth (24th) full month after the Effective Date,
2 Reorganized Debtor shall distribute to the DIP Lender principal and interest payments on the
3 outstanding balance of the Restated DIP Promissory Note amortized over a period of twenty
4 (20) years at the DIP Interest Rate; (d) the unpaid balance of the Restated DIP Promissory Note
5 shall be due and payable on December 31, 2016 (the "Restated DIP Loan Maturity Date"); and
6 (e) there shall be no penalty for prepayment for all or part of the Restated DIP Promissory Note
7 prior to the Restated DIP Loan Maturity Date.

8 **2.5. Requests for Payment.** All requests for payment of Administrative Claims against
9 Debtors and all final applications for allowance and disbursement of Professional Fees must be
10 filed by the Administrative Claims Bar Date or the Holders thereof shall be forever barred from
11 asserting such Administrative Claims against Debtors and the Reorganized Debtor. All
12 Professional Fees applications must be in compliance with all of the terms and provisions of any
13 applicable order of the Bankruptcy Court, including the Confirmation Order, and all other orders
14 governing payment of Professional Fees. Unless otherwise ordered by the Bankruptcy Court,
15 from and after the Effective Date, no professional shall be required to file fee applications with
16 the Bankruptcy Court and Reorganized Debtor may pay all professionals in the ordinary course
17 for fees and expenses incurred after the Effective Date.

12 3. DESIGNATION OF CLASSES OF CLAIMS AND EQUITY INTERESTS

13 Pursuant to this Plan and in accordance with Section 1123(a)(1) of the Bankruptcy Code,
14 all Claims of Creditors and the Holders of Equity Securities (except unclassified Claims) are
15 placed in the Classes described below. A Claim or Equity Security is classified in a particular
16 Class only to the extent that the Claim or Equity Security qualifies within the description of that
17 Class and is classified in other Classes only to the extent that any remainder of the Claim or
18 Equity Security qualifies within the description of such other Classes. A Claim or Equity
19 Security is also classified in a particular Class only to the extent that such Claim or Equity
20 Security is an Allowed Claim or Allowed Equity Security in that Class and has not been paid,
21 released, or otherwise satisfied prior to the Effective Date. With respect to Classes of Claims
22 described as Unimpaired under this Plan, except as otherwise provided under this Plan, nothing
23 shall affect the rights and legal and equitable defenses of Debtors and Reorganized Debtor
24 regarding such Claims classified as Unimpaired under this Plan, including but not limited to, all
25 rights in respect of legal and equitable defenses to setoff or recoupment against such Claims.

21 3.1. Classification Summary.

<u>Class</u>	<u>Description</u>	<u>Treatment</u>
Class 1	USB Loan Claims	Impaired Solicitation required
Class 2	Hertz Loan Claims	Impaired Solicitation required
Class 3	Bookbinder Automobile Loan Claim	Impaired Solicitation required

1	Class 4	Bookbinder Equipment Loan Claim	Impaired Solicitation required
2			
3	Class 5	Other Secured Claims	Unimpaired No solicitation required
4			
5	Class 6	Priority Unsecured Claims	Unimpaired No solicitation required
6			
7	Class 7	General Unsecured Claims	Impaired Solicitation required
8			
9	Class 8	Equity Securities	Unimpaired No solicitation required

10 **3.2. Specific Classifications.**

11 **3.2.1. Class 1: USB Loan Claims.** Class 1 consists of the USB Loan Claims.

12 **3.2.2. Class 2: Hertz Loan Claims.** Class 2 consists of the Hertz Loan Claims.

13 **3.2.3. Class 3: Bookbinder Automobile Loan Claim.** Class 3 consists of the
14 Bookbinder Automobile Loan Claim.

15 **3.2.4. Class 4: Bookbinder Equipment Loan Claim.** Class 4 consists of the
16 Bookbinder Equipment Loan Claim.

17 **3.2.5. Class 5: Other Secured Claims.** Class 5 consists of the Other Secured
18 Claims. Each Holder of an Other Secured Claim shall be considered to be its own separate
19 subclass within Class 5, and each subclass shall be deemed to be a separate class for purposes of
20 this Plan. Debtors may add additional other Secured Creditors as an additional separate subclass.

21 **3.2.6. Class 6: Priority Unsecured Claims.** Class 6 consists of Priority
22 Unsecured Claims.

23 **3.2.7. Class 7: General Unsecured Claims.** Class 7 consists of General
24 Unsecured Claims.

25 **3.2.8. Class 8: Equity Securities.** Class 8 consists of the Equity Securities of
26 Debtors.

27 **4. DESIGNATION OF AND PROVISIONS FOR TREATMENT OF CLASSES OF
28 CLAIMS UNDER THIS PLAN**

4.1. Class 1 – USB Loan Claims. On the Effective Date the Allowed USB Loan Claims
shall be treated as follows:

4.1.1. The USB Loan Documents shall remain in full force and effect, save and

1 except that: (i) without any further action by Debtors, Reorganized Debtor, or USB all of the
2 USB Loan Documents shall be deemed to have been amended and modified (the Restated USB
3 Loan Documents) as follows; and (ii) the Class 1 Allowed USB Loan Claims will be evidenced
4 by the Restated USB Note, which will be effective on the Effective Date and will generally
5 incorporate the terms of the USB Note as modified as follows:

6 (a) Principal Balance. The principal balance of the Restated USB
7 Note shall be the Allowed USB Loan Claims less the Guarantor Contribution.

8 (b) Lien. From and after the Confirmation Date, the Holder of the
9 Allowed USB Loan Claims shall retain its Lien in the USB Collateral consistent with the
10 applicable Restated USB Loan Documents and the Restated USB Note until the Restated
11 USB Note is repaid in full.

12 (c) Post-Effective Date Interest. Interest shall accrue on the Restated
13 USB Note at the Restated USB Interest Rate.

14 (d) Monthly Payments.

15 (i) Beginning on the fourteenth (14th) Business Day of the first
16 full calendar month following the Effective Date, and on the fourteenth (14th)
17 Business Day of each subsequent month up to and including the twelfth (12th) full
18 month after the Effective Date, Reorganized Debtor shall distribute to USB
19 interest-only payments on the Restated USB Note at the USB Restated Interest
20 Rate.

21 (ii) Beginning on the fourteenth (14th) Business Day of the
22 thirteenth (13th) full month after the Effective Date, and on each subsequent
23 month up to and through the Restated UBS Loan Maturity Date, Reorganized
24 Debtor shall distribute to USB monthly principal and interest payments on the
25 outstanding balance of the Restated USB Note amortized over a period of thirty
26 (30) years at the USB Restated Interest Rate.

27 (e) Restated USB Loan Maturity Date. The Restated USB Loan
28 Maturity Date shall mean the fifth (5th) anniversary of the Effective Date, provided that at
the option of Reorganized Debtor, the Restated USB Loan Maturity Date may be
extended for up to four (4) additional periods of six (6) months each, subject to the
following terms and conditions for each such extension:

(i) USB shall have received from Reorganized Debtor written
notice of the requested extension at least thirty (30) days before commencement
of the extension period.

(ii) Reorganized Debtor shall have paid to USB in cash or
immediately available funds on or before the commencement of the extension
period, an extension fee in an amount equal to one-quarter percent (.25%) of the
then outstanding principal balance of the Restated USB Note.

(iii) No Event of Default and no uncured event, for which
notice has been given by USB, that, with the passage of time, would be an Event
of Default, shall have occurred and be continuing on the date of Reorganized

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Debtor's notice of extensions to USB or on the commencement of the extension period.

(f) Prepayment. There shall be no penalty for prepayment of all or part of the Restated USB Note prior to the Maturity Date.

(g) Refinancing. Prior to the Maturity Date, Reorganized Debtor shall have the absolute right to refinance the Restated USB Note; provided, however, that the proceeds of such refinancing loan are sufficient to pay, and are utilized to pay, all sums then due and owing under the Restated USB Note at the time of closing of such refinancing, unless USB otherwise agrees.

(h) Sell of the Real Property.

(i) Single Sale. Prior to the Restated USB Loan Maturity Date, Reorganized Debtor shall have the absolute right to sell the Real Property in one sale transaction free and clear of USB's Liens; provided, however, that the proceeds of such sale are sufficient at the time of closing of such sale to pay, and are utilized to pay, all sums then due and owing under the Restated USB Note, unless USB otherwise agrees.

(ii) Partial Sales and Releases. Prior to the Restated USB Loan Maturity Date, Reorganized Debtor shall have the absolute right to obtain a release of one or more Parcels free and clear of the Lien of the Restated USB Loan Documents for the Release Price applicable to each such Parcel as set forth on Schedule 1.193 on the following conditions:

(A). USB shall have received from Reorganized Debtor written notice of the request of the release at least thirty (30) days before commencement of the extension period.

(B). Reorganized Debtor shall have paid the Release Price to USB in cash or immediately available funds on or before the closing of the release transaction.

(C). No Event of Default and no uncured event, for which notice has been given by USB, that, with the passage of time, would be an Event of Default, shall have occurred and be continuing on the date of Reorganized Debtor's notice of extensions to USB or on the commencement of the extension period.

(iii) Cooperation. Subject to the terms and conditions herein, the Reorganized Debtor and USB shall use their commercially reasonable best efforts to cooperate and to consummate each such proposed Parcel sale, including any reasonable requests for information or execution of applicable documents, including releases and reconveyances from the Liens of the Restated USB Loan Documents that are needed to effectuate such a Parcel sale.

(iv) Court Jurisdiction. In the event of a dispute regarding the operation or satisfaction of any terms regarding , the parties shall be required to meet and confer in a good faith attempt to resolve any such disputes; if the parties are unable to resolve such disputes, the Bankruptcy Court shall retain jurisdiction

1 to determine the satisfaction of the conditions in this subsection governing Parcel
2 sales and each of the Reorganized Debtor and USB hereby consents to an order
shortening time for the adjudication such issues.

3 (v) Insolvency and Bankruptcy Relief. Debtors' pre-Effective
4 Date insolvency, inability to pay its debts as they mature, the making of an
5 assignment for the benefit of creditors by Debtors or the USB Guarantor, the
6 appointment of a receiver of the property of Debtors or the USB Guarantor, or the
7 filing of a voluntary or involuntary petition under the Bankruptcy Code or similar
proceeding under law against Debtors or the USB Guarantor shall not constitute
8 an event of default under the Restated USB Loan Document, including a violation
of Section 6.14 of the USB Loan Agreement.

9 (j) USB Loan Documents, USB Loan Agreement and USB
10 Modification Agreement.

11 (A). The USB Loan Documents, including the USB Loan
12 Agreement and USB Modification Agreement are modified to reflect the
13 modification and amendments thereto effectuated by this Plan as of the
14 Effective Date.

15 (B) To the extent inconsistent with the provisions of this Plan,
16 on the Effective Date, each of the USB Loan Documents shall be deemed
17 modified, amended and restated to the extent necessary to be consistent
18 with and in accordance with the provisions of this Plan, including (i) with
19 respect to the USB Loan Agreement (and all related provisions of the USB
20 Loan Documents, including the USB Deed of Trust) Sections 6.1, 6.6, 6.8,
21 7.4, 7.5, 7.7(b) and (c), 7.9, 7.1, 7.14 and 11.1(j), (l) and (m) are waived
and deleted and of no further effect, (ii) Reorganized Debtor shall be
deemed in compliance with Sections 6.7 of the USB Loan Agreement
(including all related provisions of the USB Loan Documents, including
the USB Deed of Trust), and (iii) the provisions of Section 2.5 of the
Modification Agreement, Sections 8.1, 8.2, 7.17 and 7.18 of the USB
Loan Agreement as modified by Sections 2.6, 2.7, 2.8 and 2.9 of the USB
Modification Agreement, are waived and of no further force or effect
(including with respect to the USB Loan Documents, including the USB
Deed of Trust).

22 (C) Reorganized Debtor's entitlements and authorization to
23 develop the Real Property in accordance with the Development
24 Agreement and the Development Agreement Entitlements as provided for
25 in this Plan satisfies the provisions of Section 7.15 of the USB Loan
Agreement as modified by the USB Modification Agreement (including
with respect to the USB Loan Documents, including the USB Deed of
Trust).

26 (D) Section 6.10 of the USB Loan Agreement (including with
27 respect to the USB Loan Documents, including the USB Deed of Trust) is
amended to read as follows:

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All financial statements, profit and loss statements of Borrower, statements as to ownership and other financial statements or financial reports (excluding any third party reports separately obtained by Lender) provided to Lender by or on behalf of Borrower after the Effective Date, shall be true, complete and correct in all material respects as of the date thereof.

(E) Section 6.11 of the USB Loan Agreement (including with respect to the USB Loan Documents, including the USB Deed of Trust) is amended to read as follows:

Subject to the provisions of the Plan, Borrower has filed all required federal, state and local tax returns and has paid all of its current obligations before delinquency, including all federal, state and local taxes and all other payments required under federal, state or local law.

(F) Section 6.14 of the Loan Agreement (including with respect to the USB Loan Documents, including the USB Deed of Trust) is amended to read as follows:

Each entity comprising Borrower (i) confirms that as of the Effective Date Borrower will be able to pay its debts as they become due in accordance with the Plan, (ii) confirms that, following the Effective Date, each Borrower has and will continue to have sufficient capitals as and when required to operate its business, and (iii) confirms that, based upon its assets and its anticipated business performance, each Borrower will be able to pay its debts in accordance with the Plan.

(G) Section 8.4 of the Loan Agreement (including with respect to the USB Loan Documents, including the USB Deed of Trust) is amended to read as follows:

Inclusion in Community Facilities District. Consent to, or vote in favor of, the inclusion of all or any part of the Real Property in any Community Facilities District formed pursuant to the Community Facilities District Act, A.R.S. Section 48-701, et seq., as amended from time to time.

(H) With specific regard to Section 2.5 of the Modification Agreement (including with respect to the USB Loan Documents, including the USB Deed of Trust), as of the Effective Date, Reorganized Debtor is authorized and allowed to make any and all Planned Improvements which Reorganized Debtor determines in its sole discretion are in accordance with the Development Agreement and the Development Agreement Entitlements without USB consent or approval.

4.1.2. The Holder of the USB Loan Claims shall not be entitled to any default

1 interest, late fees, or other charges resulting from a default occurring prior to the Effective Date
2 under the USB Loan Documents.

3 **4.1.3.** On the Effective Date, all pre-Effective Date defaults under the USB
4 Loan Documents shall be deemed to have been cured and on the Effective Date, Debtors and/or
5 Reorganized Debtor shall be deemed current and in good standing under the Restated USB Loan
6 Documents.

7 Class 1 is Impaired under this Plan. The Holder of the USB Loan Claims is entitled
8 to vote on this Plan.

9 **4.2. Class 2 – Hertz Loan Claims.** On the Effective Date, the Allowed Hertz Loan
10 Claims shall be treated as follows:

11 **4.2.1.** On the Effective Date, the Hertz Loan Documents shall remain in full force
12 and effect, save and except that: (i) without any further action by Debtors, Reorganized Debtor,
13 or Hertz, all of the Loan Documents shall be deemed to have been amended and modified (the
14 Restated Hertz Loan Documents) as follows; and (ii) the Allowed Hertz Loan Claims will be
15 evidenced by the Restated Hertz Note, which will be effective on the Effective Date and will
16 generally incorporate the terms of the Hertz Note as modified as follows:

17 (a) Principal Balance. The principal balance of the Restated Hertz
18 Note shall be the Allowed Hertz Loan Claims.

19 (b) Lien. From and after the Confirmation Date, the Holder of the
20 Allowed Hertz Loan Claims shall retain their Lien in the Hertz Collateral consistent with
21 the applicable Hertz Loan Documents and the Restated Hertz Note until the Restated
22 Hertz Note is repaid in full.

23 (c) Post-Effective Date Interest. Interest shall accrue on the Restated
24 Hertz Note at the Restated Hertz Interest Rate.

25 (d) Monthly Payments. Beginning on the fourteenth (14th) Business
26 Day of the first full calendar month following the payment in full of the Restated USB
27 Loan and Senior Exit Loan, and on the fourteenth (14th) Business Day of each subsequent
28 month for eleven (11) months shall distribute to Hertz interest-only payments on the
Restated Hertz Note at the Restated Hertz Interest Rate.

(e) Maturity Date. The unpaid balance of the Restated Hertz Note
shall be due and payable on the Restated Hertz Loan Maturity Date.

(f) Prepayment. There shall be no penalty for prepayment for all or
part of the Restated Hertz Note prior to the Restated Hertz Loan Maturity Date.

(g) Refinancing. Prior to the Restated Hertz Loan Maturity Date,
Reorganized Debtor shall have the absolute right to refinance the Restated Hertz Note;
provided, however, that the proceeds of such refinancing loan are sufficient to pay, and
are utilized to pay, all sums due and owing under the Restated Hertz Note at the time of
closing of such refinancing, unless Hertz otherwise agrees.

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(h) Sale of the Real Property.

(i) Single Sale. Prior to the Restated Hertz Loan Maturity Date, Reorganized Debtor shall have the absolute right to sell the Real Property in one sale transaction free and clear of Hertz's Lien; provided, however, that the proceeds of such sale are sufficient at the time of closing of such sale to pay, and are utilized to pay, all sums then due and owing under the Restated Hertz Note, unless Hertz otherwise agrees.

(ii) Partial Sales and Releases. Prior to the Restated Hertz Loan Maturity Date, Reorganized Debtor shall have the absolute right to obtain a release of one or more Parcels free and clear of the Lien of the Restated Hertz Loan Documents for the Release Price applicable to each such Parcel as set forth on Schedule 1.193 on the following conditions:

(A) Hertz shall have received from Reorganized Debtor written notice of the request of the release at least thirty (30) days before commencement of the extension period.

(B) Reorganized Debtor shall have paid the Release Prices to USB and the Exit Lender in cash or immediately available funds on or before the closing of the release transaction.

(C) No Event of Default and no uncured event, for which notice has been given by USB, that, with the passage of time, would be an Event of Default, shall have occurred and be continuing.

(iii) Cooperation. Subject to the terms and conditions herein, the Reorganized Debtor and Hertz shall use their commercially reasonable best efforts to cooperate and to consummate each such proposed Parcel sale, including any reasonable requests for information or execution of applicable documents, including releases and reconveyances from the Liens of the Restated Hertz Loan Documents that are needed to effectuate such a Parcel sale.

(iv) Court Jurisdiction. In the event of a dispute regarding the operation or satisfaction of any terms regarding , the parties shall be required to meet and confer in a good faith attempt to resolve any such disputes; if the parties are unable to resolve such disputes, the Bankruptcy Court shall retain jurisdiction to determine the satisfaction of the conditions in this subsection governing Parcel sales and each of the Reorganized Debtor and Hertz hereby consents to an order shortening time for the adjudication such issues.

(j) Insolvency and Bankruptcy Relief. Debtors' pre-Effective Date insolvency, inability to pay its debts as they mature, the making of an assignment for the benefit of creditors by Debtors or the Hertz Guarantor, the appointment of a receiver of the property of Debtors or the Hertz Guarantor, or the filing of a voluntary or involuntary

1 petition under the Bankruptcy Code or similar proceeding under law against Debtors or
2 the Hertz Guarantor shall not constitute an event of default under the Loan Documents.

3 **4.2.2.** The Holder of the Hertz Loan Claims shall not be entitled to any default
4 interest, late fees, or other charges resulting from a default occurring prior to the Effective Date
5 under the Hertz Loan Documents.

6 **4.2.3.** On the Effective Date, all pre-Effective Date defaults under the Hertz Loan
7 Documents shall be deemed to have been cured and on the Effective Date, Debtors and/or
8 Reorganized Debtor shall be current and in good standing under the Restated Hertz Loan
9 Documents.

10 Class 2 is Impaired under this Plan. The Holder of the Hertz Loan Claims is entitled to
11 vote on this Plan.

12 **4.3. Class 3 – Bookbinder Automobile Loan Claim.** On the Effective Date, the
13 Bookbinder Automobile Loan Documents shall remain in full force and effect, save and except
14 that: (i) without any further action by Debtors, Reorganized Debtor, or Bookbinder, all of the
15 Bookbinder Automobile Loan Documents shall be deemed to have been amended and modified
16 (the “Restated Bookbinder Automobile Loan Documents”) as follows; and (ii) the Allowed
17 Bookbinder Automobile Loan Claims will be evidenced by the Restated Automobile Note,
18 which will be effective on the Effective Date and will generally incorporate the terms of the
19 Automobile Note as modified as follows:

20 **4.3.1. Principal Balance.** The principal balance of the Restated Automobile Note
21 shall be the Allowed Bookbinder Automobile Loan Claim.

22 **4.3.2. Lien.** From and after the Confirmation Date, the Holder of the Allowed
23 Bookbinder Automobile Loan Claim shall retain their Lien in the collateral consistent with the
24 applicable Bookbinder Automobile Loan Documents and the Restated Automobile Note until
25 repaid in full.

26 **4.3.3. Post-Effective Date Interest.** Interest shall accrue on the Restated
27 Automobile Note at the presently stated interest rate.

28 **4.3.4. Monthly Payments.** Payments of the Restated Automobile Loan shall be on
the same amortization schedule as set forth in the Automobile Note.

4.3.5. Maturity Date. The maturity date of the Restated Automobile Note shall
remain May 14, 2016.

4.3.6. Other Charges. The Holder of the Bookbinder Automobile Loan Claim
shall not be entitled to any default interest, late fees, or other charges resulting from a default
occurring prior to the Effective Date under the Bookbinder Automobile Loan Documents,

4.3.7. Cure of Defaults. On the Effective Date, all pre-Effective Date defaults
under the Bookbinder Automobile Loan Documents shall be deemed to have been cured and on
the Effective Date, Debtors and/or Reorganized Debtor shall be current and in good standing
under the Restated Bookbinder Automobile Loan Documents.

1 Class 3 is Impaired under this Plan. The Holder of the Bookbinder Automobile Loan
2 Claim is entitled to vote on this Plan.

3 **4.4. Class 4 – Bookbinder Equipment Loan Claim.** On the Effective Date, the
4 Bookbinder Equipment Loan Documents shall remain in full force and effect, save and except
5 that: (i) without any further action by Debtors, Reorganized Debtor, or Bookbinder, all of the
6 Bookbinder Equipment Loan Documents shall be deemed to have been amended and modified
7 (the “Restated Bookbinder Equipment Loan Documents”) as follows; and (ii) the Allowed
8 Bookbinder Equipment Loan Claims will be evidenced by the Restated Equipment Note, which
9 will be effective on the Effective Date and will generally incorporate the terms of the Equipment
10 Note as modified as follows:

11 **4.4.1. Principal Balance.** The principal balance of the Restated Equipment Note
12 shall be the Allowed Bookbinder Equipment Loan Claim.

13 **4.4.2. Lien.** From and after the Confirmation Date, the Holder of the Allowed
14 Bookbinder Equipment Loan Claim shall retain their Lien in the collateral consistent with the
15 applicable Bookbinder Equipment Loan Documents and the Restated Equipment Note until
16 repaid in full.

17 **4.4.3. Post-Effective Date Interest.** Interest shall accrue on the Restated
18 Equipment Note at the presently stated interest rate.

19 **4.4.4. Monthly Payments.** Payments of the Restated Equipment Loan shall be on
20 the same amortization schedule as set forth in the Equipment Note.

21 **4.4.5. Maturity Date.** The maturity date of the Restated Equipment Note shall
22 remain May 14, 2015.

23 **4.4.6. Other Charges.** The Holder of the Bookbinder Equipment Loan Claim shall
24 not be entitled to any default interest, late fees, or other charges resulting from a default
25 occurring prior to the Effective Date under the Bookbinder Equipment Loan Documents,

26 **4.4.7. Cure of Defaults.** On the Effective Date, all pre-Effective Date defaults
27 under the Bookbinder Equipment Loan Documents shall be deemed to have been cured and on
28 the Effective Date, Debtors and/or Reorganized Debtor shall be current and in good standing
under the Restated Bookbinder Equipment Loan Documents.

Class 4 is Impaired under this Plan. The Holder of the Bookbinder Equipment Loan
Claim is entitled to vote on this Plan.

4.5. Class 5 - Other Secured Claims. Each Allowed Other Secured Claim, if any, shall,
in full and final satisfaction of such Claim, be paid in full in Cash or otherwise left Unimpaired
by Debtors or Reorganized Debtor, as the case may be, upon the latest of: (i) the Effective Date
or as soon thereafter as practicable; (ii) such date as may be fixed by the Bankruptcy Court; (iii)
the fourteenth (14th) Business Day after such Claim is Allowed; and (iv) such date as agreed
upon by the Holder of such Claim and Debtors, and after the Effective Date, Reorganized
Debtor.

Class 5 is Unimpaired under this Plan, and therefore the Holders of Class 5 Claims are
deemed to have accepted this Plan and are not entitled to vote on this Plan.

1 **4.6. Class 6 – Priority Unsecured Claims.** Each Allowed Priority Unsecured Claim, if
2 any, shall, in full and final satisfaction of such Claims, be paid in full in Cash on the latest of: (i)
3 the Effective Date, or as soon thereafter as is practical; (ii) such date as may be fixed by the
4 Bankruptcy Court, or as soon thereafter as is practicable; (iii) the fourteenth (14th) Business Day
after such Claim is Allowed, or as soon thereafter as is practicable; or (iv) such date as the
Holder of such Claim and Reorganized Debtor have agreed or shall agree.

5 Class 6 is Unimpaired under this Plan, and therefore, the Holders of Class 6 Claims, if
6 any, are deemed to have accepted this Plan and are not entitled to vote on this Plan.

7 **4.7. Class 7 – General Unsecured Claims.** Except to the extent that a Creditor with an
8 Allowed General Unsecured Claim agrees to less favorable treatment, each Creditor with an
9 Allowed General Unsecured Claim, shall, in full and final satisfaction of such Claim, be paid in
10 full in Cash, plus post-Effective Date interest at the Unsecured Interest Rate, on the latest of: (i)
11 the first (1st) anniversary of the Effective Date, as soon thereafter as is practical; (ii) such date as
12 may be fixed by the Bankruptcy Court, or as soon thereafter as is practicable; (iii) the fourteenth
13 (14th) Business Day after such Claim is Allowed, or as soon thereafter as is practicable; or (iv)
14 such date as the Holder of such Claim and Reorganized Debtor have agreed or shall agree.

15 Class 7 is Impaired under this Plan. The Holders of Class 7 Claims are entitled to vote on
16 this Plan.

17 **4.8. Class 8 – Equity Securities.** On the Effective Date, the Holders of Equity Securities
18 of Debtors shall retain all of their legal interests. The Holders of the Class 8 Equity Securities
19 are Unimpaired, and are therefore deemed to have accepted this Plan and are not entitled to vote
20 on this Plan.

21
22 **5. MEANS FOR IMPLEMENTATION OF PLAN**

23 **5.1. Plan Implementation Occurring on the Effective Date.** On the Effective Date,
24 without any further action by Debtors or Reorganized Debtor, all of Debtors' assets shall vest in
25 Reorganized Debtor and the following events shall occur in the following sequence:

26 **5.1.1.** MTS Golf shall be merged and consolidated into MTS Land. MTS Land's
27 existing articles of organization, by-laws, and operating agreement (as amended, supplemented,
28 or modified) will continue in effect following the Effective Date, except to the extent that such
documents are amended in conformance with this Plan or by proper governance action after the
Effective Date.

5.1.2. The Reorganized Debtor shall execute and deliver: (a) the Restated USB
Notes and other Restated USB Loan Documents to the USB Lender, (b) the Restated Hertz Note
and other Restated Hertz Loan Documents to the Hertz Lender, (c) the Restated DIP Loan Note
and other Restated Dip Loan Documents, (d) the Restated Automobile Note to the Holder of the
Bookbinder Automobile Loan Claim, and (e) the Restated Equipment Note to the Holder of the
Bookbinder Equipment Loan Claim.

5.1.3. The Exit Loan Documents shall be executed by the Reorganized Debtor
and the Exit Loan Lender. The Senior Exit Loan Promissory Note and Junior Exit Loan
Promissory Note are to be executed and delivered to the Exit Loan Lender, the Exit Loan
Security Documents are to be executed and recorded in the records of the Maricopa County
Recorder and UCC-1 financing statements are to be filed with the DL SOS, and the Reorganized

1 Debtor is authorized to commence drawing the Exit Loan proceeds.

2 **5.2. Additional Exit Loans Provisions.**

3 **5.2.1.** Interest shall accrue on the Senior Exit Loan Promissory Note at the
4 Senior Exit Loan Interest Rate, and commencing on the fourteenth (14th) Business Day of the
5 third full calendar month following the Effective Date, and on the fourteenth (14th) Business Day
6 of each subsequent month up to and through the Senior Exit Loan Maturity Date, Reorganized
7 Debtor shall pay to the Exit Loan Lender monthly interest payments on the outstanding balance
8 of the Senior Exit Loan Promissory Note at the Senior Exit Loan Interest Rate.

9 **5.2.2.** The unpaid balance of the Exit Loan Promissory Note shall be due and
10 payable on the Exit Loan Maturity Date; provided that at the option of Reorganized Debtor, the
11 Restated USB Loan Maturity Date may be extended for up to four (4) additional periods of six
12 (6) months each, subject to the following terms and conditions for each such extension:

13 (i) The Exit Lender shall have received from Reorganized Debtor
14 written notice of the requested extension at least thirty (30) days before
15 commencement of the extension period.

16 (ii) Reorganized Debtor shall have paid to the Exit Lender in cash or
17 immediately available funds on or before the commencement of the extension
18 period, an extension fee in an amount equal to one-quarter percent (.25%) of the
19 then outstanding principal balance of the Senior Exit Loan Promissory Note.

20 (iii) No Event of Default and no uncured event, for which notice has
21 been given by USB, that, with the passage of time, would be an Event of Default,
22 shall have occurred and be continuing on the date of Reorganized Debtor's notice
23 of extensions to the Exit Lender or on the commencement of the extension period.

24 **5.2.3.** Interest shall accrue on the Junior Exit Loan Promissory Note at the Junior
25 Exit Loan Interest Rate, and commencing on the fourteenth (14th) Business Day of the third full
26 calendar month following the Effective Date, and on the fourteenth (14th) Business Day of each
27 subsequent month up to and through the Junior Exit Loan Maturity Date, Reorganized Debtor
28 shall pay to the Exit Loan Lender monthly interest payments on the outstanding balance of the
Junior Exit Loan Promissory Note at the Junior Exit Loan Interest Rate. The unpaid balance of
the Junior Exit Loan Promissory Note shall be due and payable on the Junior Exit Loan Maturity
Date.

5.2.4. Attached as Schedule 5.2.4 is an allocation of the Exit Loan proceeds
between the Senior Exit Loan and the Junior Exit Loan. Those portions allocable to Operating
Expenses, Insurance and Interest Reserve shall not be secured by a first Lien on the Real
Property but by a Lien subordinate to the Liens securing the Restated USB Loan and Restated
Hertz Loan.

5.2.5. Prior to the Exit Loan Maturity Date, Reorganized Debtor shall have the
absolute right to obtain a release of one or more Parcels free and clear of the Lien of the Exit
Loan Documents for the Release Price set forth on Schedule 1.1.106 applicable to each such
Parcel on the following conditions:

(i). Exit Lender shall have received from Reorganized Debtor written
notice of the request of the release at least thirty (30) days before commencement
of the extension period.

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(ii) Reorganized Debtor shall have paid the Release Price to Exit Lender in cash or immediately available funds on or before the closing of the release transaction.

(vi) No Event of Default and no uncured event, for which notice has been given by Exit Lender, that, with the passage of time, would be an Event of Default, shall have occurred and be continuing.

(vii) There shall be no penalty for prepayment for all or part of the Exit Loan Promissory Note prior to the Exit Loan Maturity Date.

5.2.6. Subject to the terms and conditions herein, the Reorganized Debtor and the Exit Lender shall use their commercially reasonable best efforts to cooperate and to consummate each such proposed Parcel sale, including any reasonable requests for information or execution of applicable documents, including releases and reconveyances from the Liens of the Exit Loan Documents that are needed to effectuate such a Parcel sale.

5.2.7. In the event of a dispute regarding the operation or satisfaction of any terms regarding , the parties shall be required to meet and confer in a good faith attempt to resolve any such disputes; if the parties are unable to resolve such disputes, the Bankruptcy Court shall retain jurisdiction to determine the satisfaction of the conditions in this subsection governing Parcel sales and each of the Reorganized Debtor and the Exit Lender hereby consents to an order shortening time for the adjudication such issues.

5.3. Development Agreement, PVT Approvals, Golf Course Development and Property Restrictions.

5.3.1. With regard to the Development Agreement, the Confirmation Order shall provide that:

(i) The Development Agreement runs with the Real Property and is in full force and effect so long as all or a portion of the Real Property is devoted to Resort Uses (as defined in the Development Agreement), subject to being superseded by the PVT Approvals set forth in Section 5.3.2.

(ii) Portions of the Real Property have been continuously devoted to Resort Uses since the Development Agreement was adopted. Based on the Development Agreement, the Real Property can be developed in accordance with the Development Agreement and the Development Agreement Entitlements.

(iii) On the Effective Date, the Reorganized Debtor shall be entitled and authorized to develop the Real Property in accordance with the Development Agreement and the Development Agreement Entitlements.

(iv) PVT shall promptly approve all building plans and permits as contemplated in the Development Agreement and the Development Agreement Entitlements in accordance with applicable building codes.

5.3.2. With regard to the PVT Approvals, the Confirmation Order shall provide that:

(i) If the PVT Approvals are approved by PVT and Debtors or Reorganized Debtor, as applicable, and in effect by January 31, 2013, then the

1 Reorganized Debtor shall be entitled and authorized to develop the Real Property
2 in accordance with the PVT Approvals, which shall supersede and replace the
Development Agreement and the Development Agreement Entitlements.

3 (ii) If any improvements constructed under and in accordance with
4 PVT Approvals, then in the event of a subsequent invalidation, such
improvements will be considered legal non-conforming uses under the
5 Development Agreement.

6 (iii) If the PVT Approvals are not approved by PVT and Debtors or
7 Reorganized Debtor, as applicable, and in effect by January 31, 2013 or such PVT
8 Approvals are determined to be invalid in whole or in part for any reason,
including but not limited to as a result of a referendum or by the final order of a
9 court of competent jurisdiction, then the Reorganized Debtor shall be entitled and
authorized to develop the Real Property in accordance with the Development
10 Agreement and the Development Agreement Entitlements.

11 **5.3.3.** With regard to the Golf Course development, the Confirmation Order shall
12 provide that:

13 (i) Any express or implied restriction that limits any portion of the
14 Real Property to golf course use or that requires the Reorganized Debtor to build,
15 operate, or maintain the Golf Course, whether arising from the Real Property
16 Restrictions or otherwise, terminated on December 31, 1987, in accordance with
the express terms of the Golf Course Restriction.

17 (ii) Any zoning or similar land use entitlement granted by Maricopa
18 County, Arizona prior to the annexation of the Real Property in 1992 does not
19 prevent or in any way restrict development of the Real Property, including the
Golf Course.

20 (iii) As part of the PVT Approvals, the Reorganized Debtor may agree
21 to restrict a portion of the Real Property to use as a golf course or open space.
22 Unless new restrictions are imposed by the Reorganized Debtor, there is no
23 restriction that requires a portion of the Real Property used as a golf course use
24 and the Golf Course may be developed in accordance with the PVT Approvals or
25 the Development Agreement, as applicable.

26 **5.3.4.** With regard to the Mountain Shadows East Deed Restrictions, the
27 Mountain Shadows East Guest Ranch Restrictions, and the Mountain Shadows West Declaration
28 of Restrictions, the Confirmation Order shall provide that such restrictions relate to the Real
Property, Mountain Shadows East, and Mountain Shadows West as set forth on Schedule 5.3.4.

5.3.5. With regard to the use of Lot 68, the Confirmation Order shall provide that:

29 (i) The owners of Mountain Shadows East (a) currently use portions
30 of Lot 68 and property owned by Mountain Shadows East to access the driveway
to Lincoln Drive and (b) currently use portions of Lot 68 and portions of the Real
31 Property to access the driveway to 56th Street. The Debtors (a) currently use
32 portions of Lot 68 and property owned by Mountain Shadows East to access the
33 driveway to Lincoln Drive, (b) currently use portions of Lot 68 to access the Real
34 Property, and (c) currently use portions of Lot 68 and portions of the Real
35 Property to access Lincoln Drive and 56th Street. Such current access is generally
36 depicted on an exhibit to the Disclosure Statement.

1 (ii) After the Effective Date, the Reorganized Debtor (a) may, at its
2 option, continue to use portions of Lot 68 and property owned by Mountain
3 Shadows East to access Lincoln Drive (i.e., use the existing easterly access
4 driveway to Lincoln Drive), (b) may at its option, continue to use portions of Lot
5 68 to access the Real Property, (c) shall, at its option, provide continuous paved
6 access to Mountain Shadows East over either the existing access to the driveway
7 to 56th Street as generally depicted on an exhibit to the Disclosure Statement or
8 over relocated access to 56th Street, as determined by the Reorganized Debtor in
9 their sole discretion.

10 (iii) Currently the Debtors, and after the Effective Date the
11 Reorganized Debtor, shall have a right to use the Lot 68-Loop Road and Lot 68-
12 Interior Roads for all purposes, including but not limited to vehicular and
13 pedestrian ingress and egress, utilities, and emergency access.

14 (iv) Other than as provided in (i) and (ii) above, with regard to Lot 68-
15 Circular Entrance Area, the Reorganized Debtor shall have the right to:

16 (a) Demolish existing improvements, including buildings,
17 curb, gutter, striping, lighting, and landscaping;

18 (b) Construct new improvements, including driveways and
19 parking (including but not limited to medians, lighting, striping, curbs, and
20 gutters); landscaping (including but not limited to irrigation equipment and lines,
21 lighting, trees, shrubs, and other plants); drainage facilities (including but not
22 limited to storm drains and drain inlets); underground utilities (including but not
23 limited to water, sewer, gas, electric, telephone, and cable TV/internet); signage;
24 port cocheres and similar structures, which to not materially and adversely impede
25 access provided for in (i) above; encroachment of building improvements, which
26 to not materially and adversely impede access provided for in (i) above; and
27 related improvements, equipment, and installations from time to time; and

28 (c) Fully and exclusively utilize such area.

5.3.6. With regard to the use of Lot 130-A, the Confirmation Order shall provide
that owners of Mountain Shadows West shall have continuous paved access (i) from the
northernmost part of Lot 130 to the driveway to Lincoln Drive and 56th Street as such access
exists on the Effective Date or (ii) from the northernmost part of Lot 130 to either Lincoln Drive
or 56th Street or both, as such access may be relocated and constructed after the Effective Date
by the Reorganized Debtor at its sole cost and discretion. Upon completion of the access
contemplated by (ii), the owners of Mountain Shadows West shall thereafter have no right to use
Lot 130-A. With regard to the existing guardhouse used by Mountain Shadows West and located
on Lot 130-A, such guardhouse may remain in its current footprint as constructed as of the
Effective Date, provided that Mountain Shadows West shall (x) continue to own the guardhouse
improvements (y) be solely responsible for all cost and expenses relating to the ownership, use,
maintenance, and repair of the guardhouse, and (z) to the fullest extent allowed by law,
indemnify, defend, and hold harmless Debtors and Reorganized Debtor for, from, and against all
claims, costs, and expenses (including attorneys' fees) arising from or related to the guardhouse.

5.3.7. With regard to the Sewer Locations-Recorded and the Sewer Locations-
Unrecorded, the Confirmation Order shall provide that the sewer lines may be relocated at the
cost of the Reorganized Debtor, with any further maintenance performed at the cost of owners of
Mountain Shadows West. With respect to the Sewer Locations-Recorded, all other terms of the
Sewer Easement shall remain in effect.

1 **5.3.8.** With regard to the Camelback Golf Course Leases and the Golf Course
2 Leases Assignment, the Confirmation Order shall provide that:

3 (i) Under the Assignment and Assumption dated January 31, 2007,
4 between Potomac Hotel Limited Partnership and the Debtors, Potomac Hotel
5 Limited Partnership sold, assigned, conveyed, and granted to the Debtors all of
6 Potomac Hotel Limited Partnership's right, title, and interest in, to and under the
7 Golf Course Leases Assignment.

8 (ii) The Debtors are the successors-in-interest to Potomac Hotel Limited
9 Partnership with respect to the ownership of the Real Property then known as the
10 Mountain Shadows Resort.

11 (iii) The Golf Court Leases Assignment is valid and enforceable by
12 Debtors as the successors-in-interest to Potomac Hotel Limited Partnership.

13 **5.4. Effectiveness of the Loan Documents.** On the Effective Date, the Restated DIP
14 Loan Documents, Restated USB Loan Documents and Restated Hertz Loan Documents shall
15 remain in full force and effect, save and expect that without any further action by Reorganized
16 Debtor or the DIP Lender, USB Lender or Hertz Lender, as applicable, all of the DIP Loan
17 Documents, USB Loan Documents and Hertz Loan Documents shall be deemed to have been
18 amended and restated as set forth in Sections 2.3, 2.4, 4.1 and 4.2 of this Plan. All amendments
19 necessary to implement and effectuate the provisions of this Plan shall be deemed to have been
20 made. All potential discrepancies or inconsistencies between the DIP Loan Documents, USB
21 Loan Documents, Hertz Loan Documents, Restated DIP Loan Documents, Restated USB Loan
22 Documents and Restated Hertz Loan Documents and this Plan shall be construed and resolved in
23 favor of the effectuation and implementation of the provisions and intentions of this Plan.

24 **5.5. Articles of Organization, By-Laws, Operating Agreement.** The articles of
25 organization, by-laws, and/or operating agreement, as applicable, of each Debtor shall be
26 amended as necessary to satisfy the provisions of this Plan and the Bankruptcy Code and shall
27 include, among other things, pursuant to Section 1123(a)(6) of the Bankruptcy Code, a provision
28 prohibiting the issuance of non-voting equity securities, but only to the extent required by
Section 1123(a)(6) of the Bankruptcy Code.

5.6. Post-Effective Date Management of Reorganized Debtor. From and after the
Effective Date, Reorganized Debtor will continue to be managed by Debtors' pre-petition
managers, which management may subsequently be modified to the extent provided by
Reorganized Debtor's articles of organization, by-laws, and operating agreement (as amended,
supplemented, or modified).

5.7. Effectuation of Transactions. On and after the Effective Date, the appropriate
managers or members of Debtors are authorized to issue, execute, deliver, and consummate the
transactions contemplated by or described in this Plan in the name of and on behalf of
Reorganized Debtor without further notice to or order of the Bankruptcy Court, act or action
under applicable law, regulation, order, rule, or any requirements of further action, vote, or other
approval or authorization by any Person.

5.8. Notice of Effectiveness. When all of the steps contemplated by Section 8.2 to this
Plan have been completed or waived, Reorganized Debtor shall file with the Bankruptcy Court

1 and serve upon all Creditors and all potential Holders of Administrative Claims known to
2 Reorganized Debtor (whether or not disputed), a notice of Effective Date of Plan. The notice of
Effective Date of Plan shall include notice of the Administrative Claim Bar Date.

3 **5.9. No Governance Action Required.** As of the Effective Date: (i) the adoption,
4 execution, delivery, and implementation or assignment of all contracts, leases, instruments,
5 releases, and other agreements related to or contemplated by this Plan, including the
6 Development Agreement and PVT Approvals, if applicable; and (ii) the other matters provided
7 for under or in furtherance of this Plan involving corporate action to be taken by or required of
Debtors shall be deemed to have occurred and be effective as provided herein, and shall be
authorized and approved in all respects without further order of the Bankruptcy Court or any
requirement of further action by the members or managers of Debtors.

8 **5.10. Filing with Secretary of State.** To the extent applicable, in accordance with the
9 ARS or DL Code, on or as soon as reasonably practical after the Effective Date, a certified copy
10 of this Plan and the Confirmation Order shall be filed with the AZ SOS or DL SOS. Again, to
11 the extent applicable, Debtors, from the Confirmation Date until the Effective Date, is authorized
and directed to take any action or carry out any proceeding necessary to effectuate this Plan
pursuant to the DL Code or ARS.

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

13 **6.1. Executory Contracts.** Except for Executory Contracts and Unexpired Leases
14 specifically addressed in this Plan or set forth on the schedule of Rejected Executed Contracts
and Unexpired Leases attached as Schedule 6.1 to this Plan (which may be supplemented and
15 amended up to the date the Bankruptcy Court enters the Confirmation Order), all Executory
16 Contracts and Unexpired Leases that exist on the Confirmation Date shall be deemed assumed by
Debtors on the Effective Date.

17 **6.2. Approval of Assumption or Rejection.** Entry of the Confirmation Order shall
18 constitute as of the Effective Date: (i) approval, pursuant to Bankruptcy Code Section 365(a), of
the assumption by Reorganized Debtor of each Executory Contract and Unexpired Lease to
19 which Debtors are a party that is not listed on Schedule 6.1, not otherwise provided for in this
Plan, and neither assigned, assumed and assigned, nor rejected by separate order of the
20 Bankruptcy Court prior to the Effective Date; and (ii) rejection by Debtors of each Executory
21 Contract and Unexpired Lease to which Debtors are a party that is listed on Schedule 6.1 to this
Plan. Upon the Effective Date, each counter party to an assumed Executory Contract or
22 Unexpired Lease listed shall be deemed to have consented to an assumption contemplated by
Section 365(c)(1)(B) of the Bankruptcy Code, to the extent such consent is necessary for such
23 assumption. To the extent applicable, all Executory Contracts or Unexpired Leases of
Reorganized Debtor assumed pursuant to Article 6 shall be deemed modified such that the
24 transactions contemplated by this Plan shall not be a "change of control," regardless of how such
25 term may be defined in the relevant Executory Contract or Unexpired Lease and any required
consent under any such Executory Contract or Unexpired Lease shall be deemed satisfied by
26 confirmation of this Plan.

27 **6.3. Cure of Defaults.** Reorganized Debtor shall Cure any defaults respecting each
28 Executory Contract or Unexpired Lease assumed pursuant to Section 6.1 to this Plan upon the

1 latest of: (i) the Effective Date or as soon thereafter as practicable; (ii) such dates as may be fixed
2 by the Bankruptcy Court or agreed upon by Debtors, and after the Effective Date, Reorganized
3 Debtor; or (iii) the fourteenth (14th) Business Day after the entry of a Final Order resolving any
4 dispute regarding: (a) a Cure amount; (b) the ability of Debtors or Reorganized Debtor to provide
5 “adequate assurance of future performance” under the Executory Contract or Unexpired Lease
assumed pursuant to this Plan in accordance with Section 365(b)(1) of the Bankruptcy Code; or
(c) any matter pertaining to assumption, assignment, or the Cure of a particular Executory
Contract or an Unexpired Lease.

6 **6.4. Objection to Cure Amounts.** Any party to an Executory Contract or Unexpired
7 Lease who objects to the Cure amount determined by Debtors to be due and owing must file and
8 serve an objection on Debtors’ counsel no later than thirty (30) days after the Effective Date.
9 Failure to file and serve a timely objection shall be deemed consent to the Cure amounts paid by
10 Reorganized Debtor in accordance with Section 6.3 to this Plan. If there is a dispute regarding:
11 (i) the amount of any Cure payment; (ii) the ability of Reorganized Debtor to provide “adequate
12 assurance of future performance” under the Executory Contract or Unexpired Lease to be
13 assumed or assigned; or (iii) any other matter pertaining to assumption, the Cure payments
14 required by Section 365(b)(1) of the Bankruptcy Code will be made following the entry of a
15 Final Order resolving the dispute and approving the assumption.

16 **6.5. Confirmation Order.** The Confirmation Order will constitute an order of the
17 Bankruptcy Court approving the assumptions described in this Article 6 pursuant to Section 365
18 of the Bankruptcy Code as of the Effective Date. Notwithstanding the forgoing, if, as of the date
19 the Bankruptcy Court enters the Confirmation Order, there is pending before the Bankruptcy
20 Court a dispute concerning the Cure amount or adequate assurance for any particular Executory
21 Contract or Unexpired Lease, the assumption of such Executory Contract or Unexpired Lease
22 shall be effective as of the date the Bankruptcy Court enters an order resolving any such dispute
23 and authorizing assumption by Debtors.

24 **6.6. Post-Petition Date Contracts and Leases.** Executory Contracts and Unexpired
25 Leases entered into and other obligations incurred after the Petition Date by Debtors shall be
26 assumed by Debtors on the Effective Date. Each such Executory Contract and Unexpired Lease
27 shall be performed by Debtors or Reorganized Debtor, as applicable, in the ordinary course of its
28 business.

6.7. Bar Date. All proofs of Claims with respect to Claims arising from the rejection of
any Executory Contract or Unexpired Lease shall be filed no later than thirty (30) calendar days
after the Effective Date. Any Claim not filed within such time shall be forever barred.

7. MANNER OF DISTRIBUTION OF PROPERTY UNDER THIS PLAN

7.1. Distributions. Reorganized Debtor shall be responsible for making the Distributions
described in this Plan. Reorganized Debtor may make such Distributions before the allowance
of each Claim and Equity Security has been resolved if Reorganized Debtor have a good faith
belief that the Disputed Claims Reserve or Disputed Equity Security Reserve is sufficient for all
Disputed Claims and Disputed Equity Securities. Except as otherwise provided in this Plan or
the Confirmation Order, the Cash necessary for Reorganized Debtor to make payments pursuant
to this Plan may be obtained from existing Cash balances and Debtors’ operations.

1 **7.2. Reserves.** Reorganized Debtor shall establish and maintain the Disputed Claims
2 Reserve.

3 **7.3. Statements.** Reorganized Debtor shall maintain a record of the names and addresses
4 of all Holders of Allowed General Unsecured Claims as of the Effective Date for purposes of
5 mailing Distributions to them. Reorganized Debtor may rely on the name and address set forth
6 in Debtors' Schedules and/or proofs of Claim and the ledger and records regarding Holders of
Equity Securities as of the Record Date as being true and correct unless and until notified in
writing. Reorganized Debtor shall file all tax returns and other filings with governmental
authorities on behalf of Reorganized Debtor and the Assets it holds.

7 **7.4. Further Authorization.** Debtors and Reorganized Debtor shall be entitled to seek
8 such orders, judgments, injunctions, and rulings as it deems necessary to carry out the intentions
and purposes, and to give full effect to the provisions of this Plan.

9 **8. CONDITIONS PRECEDENT TO CONFIRMATION AND THE EFFECTIVE**
10 **DATE**

11 **8.1. Conditions to Confirmation.** The Confirmation Order shall have been entered and
12 be in form and substance reasonable acceptable to Debtors.

13 **8.2. Conditions to Effectiveness.** The following are conditions precedent to the
14 occurrence of the Effective Date:

15 **8.2.1.** The Confirmation Order shall be a Final Order, except that Debtors
16 reserve the right to cause the Effective Date to occur notwithstanding the pendency of an appeal
of the Confirmation Order, under circumstances that would moot such appeal;

17 **8.2.2.** No request for revocation of the Confirmation Order under Section 1144
18 of the Bankruptcy Code shall have been made, or, if made, shall remain pending, including any
appeal; and

19 **8.2.3.** All documents necessary to implement the transactions contemplated by
20 this Plan shall be in form and substance reasonable acceptable to Debtors.

21 **8.3. Waiver of Conditions.** Debtors, in their sole discretion, may waive any and all of
22 the conditions set forth in Section 8.2 above without leave of or order of the Bankruptcy Court
and without any formal action.

23 **9. TITLE TO PROPERTY; DISCHARGE; INJUNCTION**

24 **9.1. Vesting Of Assets.** Subject to the provisions of this Plan and as permitted by
25 Section 1123(a)(5)(B) of the Bankruptcy Code, the Assets, including the Litigation Claims and
26 right, title, and interest being assumed by Reorganized Debtor in the assumed Executory
27 Contracts, shall be transferred to Reorganized Debtor on the Effective Date. As of the Effective
28 Date, all such property shall be free and clear of all Liens, Claims, and Equity Securities except
as otherwise provided herein. On and after the Effective Date, Reorganized Debtor may operate
their businesses and may use, acquire, and dispose of property and compromise or settle any
Claim without the supervision of or approval of the Bankruptcy Court and free and clear of any

1 restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly
2 imposed by this Plan or the Confirmation Order.

3 **9.2. Preservation of Litigation Claims.** In accordance with Section 1123(b)(3) of the
4 Bankruptcy Code, and except as otherwise expressly provided herein, all Litigation Claims shall
5 be assigned and transferred to Reorganized Debtor pursuant to Section 5.1 of this Plan.
6 Reorganized Debtor, as the successors in interest to Debtors and the Estates, may and shall have
7 the exclusive right to sue on, settle, or compromise any and all Litigation Claims, including
8 derivative actions existing against Debtors on the Effective Date.

9 **9.3. Discharge.** On the Effective Date, unless otherwise expressly provided in this
10 Plan or the Confirmation Order, Debtors shall be discharged from any and all Claims to
11 the fullest extent provided in the Bankruptcy Code, including Sections 524 and 1141. All
12 consideration distributed under this Plan or the Confirmation Order shall be in exchange
13 for, and in complete satisfaction, settlement, discharge, and release of all Claims of any
14 kind or nature whatsoever against Debtors or any of their Assets or properties, including
15 the assertion by any Person of any and all rights, entitlements or privileges to the Real
16 Property, and regardless of whether any property shall have been distributed or retained
17 pursuant to this Plan on account of such Claims. Except as otherwise expressly provided
18 by this Plan or the Confirmation Order, upon the Effective Date, Debtors shall be deemed
19 discharged and released under and to the fullest extent provided under Section
20 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims of any kind or nature
21 whatsoever, including, but not limited to, demands and liabilities that arose before the
22 Confirmation Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of
23 the Bankruptcy Code.

24 **9.4. Injunction.** From and after the Effective Date, and except as provided in this
25 Plan and the Confirmation Order, all entities that (i) have held, currently hold, or may
26 hold a Claim or an Equity Security or other right of an Equity Security Holder that is
27 terminated pursuant to the terms of this Plan, or (ii) assert rights, entitlements or privileges
28 to the Real Property which are addressed in this Plan or the Confirmation Order, are
permanently enjoined from taking any of the following actions on account of any such
Claims or terminated Equity Securities or rights: (i) commencing or continuing in any
manner any action or other proceeding against Reorganized Debtor or their property,
including the Real Property; (ii) enforcing, attaching, collecting, or recovering in any
manner any judgment, award, decree, or order against Reorganized Debtor or their
property, including the Real Property; (iii) creating, perfecting, or enforcing any Lien or
encumbrance against Reorganized Debtor or their property, including the Real Property;
(iv) asserting a setoff, right of subrogation, or recoupment of any kind against any debt,
liability, or obligation due to Reorganized Debtor or their property, or Real Property; and
(v) commencing or continuing any action, in any manner or any place, that does not
comply with or is inconsistent with the provisions of this Plan or the Bankruptcy Code

9.5. Exculpation. From and after the Effective Date, neither Debtors, Reorganized
Debtor, the professionals employed on behalf of their Estates, nor any of their respective present
or former members, directors, officers, managers, employees, advisors, attorneys, or agents, shall
have or incur any liability, including derivative claims, but excluding direct claims, to any
Holder of a Claim or Equity Security or any other party-in-interest, or any of their respective

1 agents, employees, representatives, financial advisors, attorneys, or Affiliates, or any of their
2 successors or assigns, for any act or omission in connection with, relating to, or arising out of
3 (from the Petition Date forward), the Chapter 11 Cases, Reorganized Debtor, the pursuit of
4 confirmation of this Plan, or the consummation of this Plan, except for gross negligence and
5 willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of
6 counsel with respect to their duties and responsibilities under this Plan or in the context of the
7 Chapter 11 Cases.

10. RETENTION OF JURISDICTION

10.1. **Jurisdiction.** Notwithstanding the entry of the Confirmation Order and the
occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the
Chapter 11 Cases and Reorganized Debtor after the Effective Date as is legally permissible,
including jurisdiction to:

10.1.1. Allow, disallow, determine, liquidate, classify, estimate, or establish the
priority or secured or unsecured status of any Claim or Disputed Claim, including the resolution
of any request for payment of any Administrative Claim and the resolution of any and all
objections to the allowance or priority of Claims or Disputed Claims;

10.1.2. Grant or deny any applications for allowance of compensation or
reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan for periods
ending on or before the Effective Date;

10.1.3. Resolve any matters related to the assumption, assignment, or rejection of
any Executory Contract or Unexpired Lease to which Debtors or Reorganized Debtor are a party
and to hear, determine, and, if necessary, liquidate any Claims arising there from or Cure
amounts related thereto;

10.1.4. Insure that distributions to Holders of Allowed Claims and Equities
Securities are accomplished pursuant to the provisions of this Plan;

10.1.5. Decide or resolve any motions, adversary proceedings, contested or
litigated matters, including any assert rights, entitlements or privileges to the Real Property, and
any other matters and grant or deny any applications or motions involving Debtors or
Reorganized Debtor that may be pending on the Effective Date or commenced thereafter as
provided for by this Plan;

10.1.6. Enter such orders as may be necessary or appropriate to implement,
consummate or enforce the provisions of this Plan, the Development Agreement, PVT
Approvals, all matters arising under or related to Section 5.3 of this Plan, and all contracts,
instruments, releases, and other agreements or documents created in connection with or provided
for in this Plan, the Confirmation Order, the Development Agreement, the PVT Approvals or
Section 5.3 of this Plan, except as otherwise provided by this Plan;

10.1.7. Decide or resolve any cases, controversies, suits, or disputes that may
arise in connection with the consummation, interpretation, or enforcement of any Final Order,
this Plan, the Confirmation Order, or any Person's obligations or claim rights to or against the
Real Property, incurred in connection with this Plan, the Confirmation Order, the Development

1 Agreement, the PVT Approvals or Section 5.3 of this Plan, including, but not limited to PVT, the
2 owners of Mountain Shadows East, owners of Mountain Shadows West, owners of Lot 68 other
3 than the Reorganized Debtor, USB, Hertz and the Exit Lender;

4 **10.1.8.** Modify this Plan before or after the Effective Date pursuant to Section
5 1127 of the Bankruptcy Code and Section 11.1 of this Plan or modify any contract, instrument,
6 release or other agreement or document created in connection with this Plan, the Disclosure
7 Statement, or the Confirmation Order or the Reorganized Debtor; or remedy any defect or
8 omission or reconcile any inconsistency in any Final Order, this Plan, the Confirmation Order, or
9 any contract, instrument, release or other agreement or document created in connection with this
10 Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary
11 or appropriate to consummate this Plan, to the extent authorized by the Bankruptcy Code;

12 **10.1.9.** Issue injunctions, enter and implement other orders, or take such other
13 actions as may be necessary or appropriate to restrain interference by any person with
14 consummation, implementation, or enforcement of any Final Order, this Plan, or the
15 Confirmation Order, except as otherwise provided herein;

16 **10.1.10.** Enter and implement such orders as are necessary or appropriate if a
17 Final Order or the Confirmation Order is for any reason modified, stayed, reversed, revoked, or
18 vacated;

19 **10.1.11.** Determine any other matters that may arise in connection with or relate
20 to this Plan, any Final Order, the Confirmation Order, the Development Agreement, the PVT
21 Approvals or Section 5.3 of this Plan or any contract, instrument, release, or other agreement or
22 document created in connection with or provided for in this Plan, the Disclosure Statement, any
23 Final Order, the Confirmation Order, the Development Agreement, the PVT Approvals or
24 Section 5.3 of this Plan, except as otherwise provided herein;

25 **10.1.12.** Enter an order closing the Chapter 11 Cases;

26 **10.1.13.** Hear and decide Litigation Claims and continue to hear and decide
27 pending Litigation Claims and any other claim or cause of action of Debtors and Reorganized
28 Debtor; and

10.1.14. Decide or resolve any matter over which the Bankruptcy Court has
jurisdiction pursuant to Section 505 of the Bankruptcy Code.

11. MODIFICATION AND AMENDMENT OF PLAN

11.1. Modification and Amendment. Prior to Confirmation, Debtors may alter, amend,
or modify this Plan under Section 1127(a) of the Bankruptcy Code at any time. After the
Confirmation Date and prior to substantial consummation of this Plan as defined in Section
1101(2) of the Bankruptcy Code, Debtors may, under Section 1127(b), (c), and (d) of the
Bankruptcy Code, alter, amend, or modify this Plan or institute proceedings in the Bankruptcy
Court to remedy any defect or omission or reconcile any inconsistencies in this Plan, the
Disclosure Statement, or the Confirmation Order, to make appropriate adjustments and
modifications to this Plan or the Confirmation Order as may be necessary to carry out the
purposes and effects of this Plan so long as such proceedings do not materially adversely affect

1 the treatment of Holders of Claims under this Plan.

2 **12. MISCELLANEOUS**

3 **12.1. Filing of Objections to Claims.** After the Effective Date, objections to Claims
4 shall be made and objections to Claims made previous thereto shall be pursued by Reorganized
5 Debtor or any other party properly entitled to do so after notice to Reorganized Debtor and
6 approval by the Bankruptcy Court. Any objections to Claims made after the Effective Date shall
7 be filed and served not later than the first Business Day that is ninety (90) calendar days after the
8 Effective Date; provided, however, that such period may be extended by order of the Bankruptcy
9 Court.

10 **12.1.1. Resolution of Objections after Effective Date.** From and after the
11 Effective Date, Reorganized Debtor may litigate to judgment, propose settlements of, or
12 withdraw objections to, all pending or filed Disputed Claims and may settle or compromise any
13 Disputed Claim without notice and a hearing and without approval of the Bankruptcy Court.

14 **12.1.2. Distributions and Disputed Claims Reserve.** In order to facilitate
15 Distributions to Holders of Allowed Claims and Allowed Equity Securities, and if and to the
16 extent there are Disputed Claims or Disputed Equity Securities in any Class, Reorganized Debtor
17 shall set aside in a designated reserve account the payments or Distributions applicable to such
18 Disputed Claims or Disputed Equity Securities as if such Disputed Claims or Disputed Equity
19 Securities were Allowed Claims or Allowed Equity Securities, pending the allowance or
20 disallowance of such Disputed Claims or Disputed Equity Securities. In the event that
21 Reorganized Debtor wish to deposit or hold a lesser amount than required herein and is unable to
22 reach an agreement with the Holder of the Disputed Claim or Disputed Equity Security on the
23 amount to be deposited or held, the Bankruptcy Court shall fix the amount after notice and
24 hearing. Upon Final Order with respect to a Disputed Claim or Disputed Equity Security, the
25 Holder of such Disputed Claim or Disputed Equity Security, to the extent it has been determined
26 to be an Allowed Claim or Allowed Equity Security, shall receive on the next Quarterly
27 Distribution Date from the Reorganized Debtor that payment or Distribution to which it would
28 have been entitled if the portion of the Claim or Equity Security so allowed had been allowed as
of the Effective Date.

12.1.3. Late-Filed Claims. No Claim filed after the Bar Date or, as applicable,
the Administrative Claim Bar Date, shall be allowed, and all such Claims are hereby disallowed
in full. After the Bar Date or the Administrative Bar Date, as applicable, no Creditor shall be
permitted to amend any claim to increase the claimed amount and any such amendment shall be
disallowed to the extent of the late-filed increase in the claimed amount.

12.2. Effectuating Documents; Further Transactions; Timing. Debtors and
Reorganized Debtor are each authorized to execute, deliver, file, or record such contracts,
instruments, releases, and other agreements or documents and to take such actions as may be
necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan
and any securities issued, transferred, or canceled pursuant to this Plan. All transactions that are
required to occur on the Effective Date under the terms of this Plan shall be deemed to have
occurred simultaneously. Debtors and Reorganized Debtor are authorized and directed to do
such acts and execute such documents as are necessary to implement this Plan.

1 **12.3. Exemption from Transfer Taxes.** Pursuant to Section 1146 of the Bankruptcy
2 Code: (i) the issuance, distribution, transfer, release, or exchange of Estate property; (ii) the
3 creation, modification, consolidation, or recording of any deed of trust or other security interest,
4 the securing of additional indebtedness by such means or by other means in furtherance of, or
5 connection with this Plan or the Confirmation Order; (iii) the making, assignment, modification,
6 or recording of any lease or sublease; or (iv) the making, delivery, or recording of a deed or other
7 instrument of transfer under, in furtherance of, or in connection with, this Plan, Confirmation
8 Order, or any transaction contemplated above, or any transactions arising out of, contemplated
9 by, or in any way related to the foregoing shall not be subject to any document recording tax,
stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act or real estate
transfer tax, mortgage recording tax, or other similar tax or governmental assessment and the
appropriate state of local government officials or agents shall be, and hereby are, directed to
forego the collection of any such tax or assessment and to accept for filing or recordation any of
the foregoing instruments or other documents without the payment of any such tax or
assessment.

10 **12.4. Revocation or Withdrawal of This Plan.** Debtors reserve the right to revoke or
11 withdraw this Plan at any time prior to its substantial consummation. If this Plan is withdrawn or
12 revoked, then this Plan shall be deemed null and void and nothing contained herein shall be
13 deemed to constitute a waiver or release of any Claims by or against Debtors or any other Person
14 nor shall the withdrawal or revocation of this Plan prejudice in any manner the rights of Debtors
or any Person in any further proceedings involving Debtors. In the event this Plan is withdrawn
or revoked, nothing set forth herein shall be deemed an admission of any sort and this Plan and
any transaction contemplated thereby shall be inadmissible into evidence in any proceeding.

15 **12.5. Binding Effect.** This Plan shall be binding upon, and shall inure to the benefit of
16 Debtors, Reorganized Debtor, and the Holders of all Claims and Equity Securities and their
17 respective successors and assigns.

18 **12.6. Governing Law.** Except to the extent that the Bankruptcy Code or other federal
19 law is applicable or as provided in any contract, instrument, release, or other agreement entered
20 into in connection with this Plan or in any document which remains unaltered by this Plan, the
21 rights, duties, and obligations of Debtors, Reorganized Debtor, and any other Person arising
22 under this Plan shall be governed by, and construed and enforced in accordance with, the internal
23 laws of the State of Arizona without giving effect to Arizona's choice of law provisions.

24 **12.7. Modification of Payment Terms.** Reorganized Debtor reserves the right to
25 modify the treatment of any Allowed Claim or Allowed Equity Security in any manner adverse
26 only to the Holder of such Allowed Claim or Allowed Equity Security at any time after the
27 Effective Date upon the prior written consent of the Holder whose Allowed Claim or Allowed
28 Equity Security treatment is being adversely affected.

12.8. Providing for Claims Payments. Distributions to Holders of Allowed Claims
shall be made by Reorganized Debtor: (i) 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
Debtors have been notified of a change of address); (ii) at the addresses set forth in any written
notices of address changes delivered to Reorganized Debtor after the date of any related proof of
Claim; or (iii) at the addresses reflected in the Schedules if no proof of Claim has been filed and

1 Reorganized Debtor has not received a written notice of a change of address. Distributions to
2 Holders of Allowed Equity Securities shall be made to the Holder of such Allowed Equity
3 Security as of the Record Date. If any Holder's distribution is returned as undeliverable, no
4 further distributions to such Holder shall be made unless and until Reorganized Debtor is notified
5 of such Holder's then-current address, at which time all missed Distributions shall be made to
6 such Holder without interest. Amounts in respect of undeliverable Distributions made through
7 Reorganized Debtor shall be returned to Reorganized Debtor until such Distributions are
8 claimed. All claims for undeliverable Distributions shall be made on or before the first
9 anniversary of the Effective Date. After such date, all unclaimed property shall revert to
10 Reorganized Debtor and the Claim of any Holder or successor to such Holder with respect to
11 such property shall be discharged and forever barred notwithstanding any federal or state escheat
12 laws to the contrary. Nothing contained in this Plan shall require Debtors or Reorganized Debtor
13 to attempt to locate any Holder of an Allowed Claim or Allowed Equity Security.

9 **12.9. Set Offs.** Debtors and Reorganized Debtor may, but shall not be required to, set off
10 or recoup against any Claim or Equity Security and the payments or other distributions to be
11 made pursuant to this Plan in respect of such Claim or Equity Security (before any distribution is
12 made on account of such Claim or Equity Security), claims of any nature whatsoever that the
13 applicable Debtors or Reorganized Debtor may have against the Holder of such Claim or Equity
14 Security to the extent such Claims or Equity Security may be set off or recouped under
15 applicable law, but neither the failure to do so nor the allowance of any Claim or Equity Security
16 hereunder shall constitute a waiver or release by Debtors or Reorganized Debtor of any such
17 Claim that it may have against such Holder.

15 **12.10. Notices.** Any notice required or permitted to be provided under this Plan shall be
16 in writing and served by either: (i) certified mail, return receipt requested, postage prepaid; (ii)
17 hand delivery; or (iii) reputable overnight courier service, freight prepaid, to be addressed as:

18 If to Debtors: MTS LAND, LLC/MTS GOLF, LLC
19 c/o Crown Realty and Development.
20 Robert A. Flaxman
21 18201 Von Karman Ave., Ste. 950
22 Irvine, CA 92612

21 With a copy to: GERALD GORDON, ESQ.
22 GORDON SILVER
23 One East Washington, Suite 400
24 Phoenix, Arizona 85004
25 Telephone (602) 256-0400
26 Facsimile (602) 256-0345

25 **12.11. Severability.** If any provision of this Plan is determined by the Bankruptcy Court
26 to be invalid, illegal, or unenforceable or this Plan or any provision of this Plan is determined to
27 render this Plan not confirmable pursuant to Section 1129 of the Bankruptcy Code, the
28 Bankruptcy Court, at the request of Debtors shall have the power to (i) alter and interpret such
term to make it valid or enforceable to the maximum extent practicable, consistent with the

1 original purpose of the term or provision held to be invalid, void, or unenforceable, and such
2 term or provision shall then be applicable as altered or interpreted, or (ii) sever and delete such
3 term or provision so as to make this Plan confirmable. Notwithstanding any such holding,
4 alteration, or interpretation, the remainder of the terms and provisions of this Plan shall remain in
5 full force and effect and will in no way be affected, impaired, or invalidated by such holding,
6 alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and
7 shall provide that each term and provision of this Plan, as it may have been altered or interpreted
8 in accordance with the foregoing, is valid and enforceable pursuant to its terms.

6 **12.12. Withholding and Reporting Requirements.** In connection with this Plan and all
7 instruments and securities issued in connection therewith and Distributions thereon, Reorganized
8 Debtor shall comply with all withholding and reporting requirements imposed by any federal,
9 state, local, or foreign taxing authority and all Distributions hereunder shall be subject to any
10 such withholding and reporting requirements. Reorganized Debtor shall be authorized to take
11 any and all action that may be necessary to comply with such withholding and recording
12 requirements. Notwithstanding any other provision of this Plan, each Holder of an Allowed
13 Claim or Allowed Equity Security that has received a distribution pursuant to this Plan shall have
14 sole and exclusive responsibility for the satisfaction or payment of any tax obligation imposed by
15 any governmental unit, including income, withholding, and other tax obligation on account of
16 such distribution.

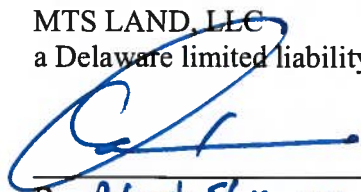
13 **12.13. Post-Confirmation Reporting.** Until the entry of the final decree closing the
14 Chapter 11 Cases, Reorganized Debtor shall comply with the Bankruptcy Code, Bankruptcy
15 Rules, and Local Rule's post-confirmation reporting requirements. Additionally, to the extent
16 required, Reorganized Debtor shall file post-confirmation quarterly operating reports in
17 accordance with the United States Trustee Guidelines, paragraph 7.2.

16 **12.14. Cramdown.** In the event that any Impaired Class is determined to have rejected
17 this Plan in accordance with Section 1126 of the Bankruptcy Code, Debtors may invoke the
18 provisions of Section 1129(b) of the Bankruptcy Code to satisfy the requirements for
19 confirmation of this Plan. Debtors reserve the right to modify this Plan to the extent, if any, that
20 Confirmation pursuant to Section 1129(b) of the Bankruptcy Code requires modification.

20 **12.15. Quarterly Fees to the United States Trustee.** Prior to the Effective Date,
21 Debtors, and after the Effective Date, Reorganized Debtor, shall pay all quarterly fees payable to
22 the Office of the United States Trustee consistent with the sliding scale set forth in 28 U.S.C.
23 § 1930(a)(6), and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

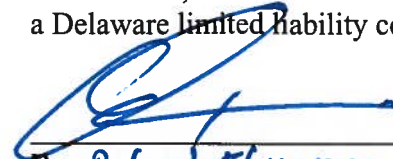
23 DATED this 15th day of November, 2012.

24 MTS LAND, LLC
25 a Delaware limited liability company

26 
27 By: Robert Flaxman
28 Its: CEO of Administrative Agent

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MTS GOLF, LLC
a Delaware limited liability company



By: Robert Flaxman
Its: CEO of American'shire
Agent

Prepared and Submitted:

GORDON SILVER

By: /s/ Robert C. Warnicke
GERALD GORDON, ESQ.
ROBERT C. WARNICKE, ESQ.
TERESA M. PILATOWICZ, ESQ.
One East Washington, Suite 400
Phoenix, Arizona 85004
Attorneys for Debtors

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**SCHEDULE 1.1.82
TO PLAN OF REORGANIZATION
CERTAIN PRESERVED POTENTIAL CAUSES OF ACTION**

All defined terms used herein shall have the meanings set forth in this Plan. The following is a non-exhaustive list of potential parties against whom Debtors and/or Reorganized Debtor may hold a claim or cause of action. Debtors and Reorganized Debtor reserve their right to modify this list to amend or add parties or causes of action, but disclaim any obligation to do so. In addition to the possible causes of action and claims listed below, Debtors and Reorganized Debtor have or may have, in the ordinary course of their business, numerous causes of action and Claims or rights against contractors, subcontractors, vendors, suppliers, and others with whom they deal in the ordinary course of their business (the “Ordinary Course Claims”). Debtors and Reorganized Debtor reserve their right to enforce, sue on, settle, or compromise (or decline to do any of the foregoing) the Ordinary Course Claims, as well as the claims and causes of action listed below and all other claims and causes of action. Debtors and Reorganized Debtor also have, or may have, and are retaining, various claims or causes of action arising under or pursuant to its insurance policies, and all rights arising under, relating to, or in connection with such policies are expressly reserved and retained.

1. Avoidance Actions and Litigation Claims arising out of or in connection with Debtors’ business, property, or operations;

2. Avoidance Actions and Litigation Claims arising out of transactions involving, concerning, or related to Debtors; and

3. Litigation Claims against the PVT in the event that there is no PVT Approval and PVT fails and refuses to allow for the development of the Real Property in accordance with the Development Agreement and the Development Agreement Entitlements.

4. All other rights, privileges, claims, actions, or remedies of Debtors and/or Reorganized Debtor existing on the Effective Date, whether arising at law or in equity.

There may also be other Avoidance Actions and Litigation Claims which currently exist or may subsequently arise that are not set forth herein because the facts underlying such Avoidance Actions or Litigation Claims are not currently known or sufficiently known by Debtors. The failure to list any such unknown Avoidance Action or Litigation Claim herein is not intended to limit the rights of Reorganized Debtor to pursue any unknown Avoidance Action or Litigation Claim to the extent the facts underlying such unknown Avoidance Action or Litigation Claim become more fully known in the future.

Unless Avoidance Actions or Litigation Claims against any individual or entity are expressly waived, relinquished, released, compromised, or settled by this Plan or any Final Order, Debtors expressly reserve for their benefit, and the benefit of Reorganized Debtor, all Avoidance Actions and Litigation Claims, including, without limitation, all unknown Avoidance Actions and Litigation Claims 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

1 Avoidance Actions or Litigation Claims after the confirmation or consummation of this Plan. In
2 addition, Debtors expressly reserve for their benefit and the benefit of Reorganized Debtor, the
3 right to pursue or adopt any claims alleged in any lawsuit in which Debtors are a defendant or an
4 interested party, against any individual or entity, including plaintiffs and co-defendants in such
5 lawsuits.
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SCHEDULE 1.1.93
TO
PLAN OF REORGANIZATION
SCHEDULE OF REAL PROPERTY PARCELS

Description	Development Agreement	Development Agreement Use	Special Use Permit	Special Use Permit Use
Area 1 – East of 56th	9.95 acres 433,289 SF	Single Family Residences	12.58 acres 547,985 SF	Sing Family Residence
Area 2 – East of 56th	2.03 acres 88,673 SF	Retail/Restaurant	.56 acres 24,471 SF	Park
Area 3 – West of 56th	3.57 acres 155.496 SF	Resort/Residential	1.17 acres 50.965 SF	Restaurant
Area 4 – West of 56th	1.33 acres 57,922 SF	Retail/Restaurant	7.89 acres 343,688 SF	Resort
Area 5 – West of 56th	4.37 acres 190,554 SF	Resort/Residential	7.05 acres 307,098 SF	Resort
Area 6 – West of 56th	8.63 acres 375,968 SF	Resort/Residential	4.37 acres 190,357 SF	Resort
Area 7 – West of 56th	6.45 acres 280,932 SF	Resort/Residential	1.90 acres 82,676 SF	Resort
Area 8 – West of 56th	21.41 acres 375,968 SF	Residential	23.66 acres 1,030,480 SF	Golf Course
Area 9 – West of 56th	9.30 acres 405,051 SF	Residential	9.30 acres 405,051 SF	Golf Course

The descriptions of the Parcels set forth above, together with their acreage and proposed uses are based upon conceptual drawings prepared by Debtors which conform to the Development Agreement and the proposed special use permit subject to the PVT Approval. The Reorganized Debtor reserves the right to modify the acreage and proposed uses as provided for in, and in conformance with, the Development Agreement and special use permit, as applicable.

**SCHEDULE 1.1.106
TO
PLAN OF REORGANIZATION
SCHEDULE OF RELEASE PRICES**

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RELEASE PRICE SCHEDULE
MTS BK Plan - Development Agreement Model

Parcel	Acres ²	SF	Unit Price/SF	Value (rounded)	Proportion of Total Value	Exit Loan #1		Exit Loan #2		Exit Loan #1 Release Pricing	USB Release Pricing	Exit Loan #2 Release Pricing	Hertz Loan Release Pricing
						Allocated Loan Amount	USB Allocated Loan Amount	Allocated Loan Amount	Hertz Allocated Loan Amount				
1	9.95	433,289	\$20.00	\$8,665,800	14.5%	\$994,375	\$3,660,903	\$204,383	\$81,898	\$994,375	\$4,393,083	\$204,383	\$81,898
2	2.03	88,673	\$25.00	\$2,216,800	3.7%	\$254,371	\$936,496	\$52,283	\$20,950	\$254,371	\$1,123,795	\$52,283	\$20,950
3	3.57	155,496	\$40.00	\$6,219,800	10.4%	\$713,703	\$2,627,580	\$146,694	\$58,782	\$713,703	\$3,153,096	\$146,694	\$58,782
4	1.33	57,922	\$30.00	\$1,737,700	2.9%	\$199,396	\$734,098	\$40,984	\$16,423	\$199,396	\$880,918	\$40,984	\$16,423
5	4.37	190,554	\$30.00	\$5,716,600	9.6%	\$655,963	\$2,415,001	\$134,826	\$54,026	\$655,963	\$2,898,001	\$134,826	\$54,026
6	8.63	375,968	\$20.00	\$7,519,400	12.6%	\$862,829	\$3,176,601	\$177,345	\$71,064	\$862,829	\$3,811,921	\$177,345	\$71,064
7	6.45	280,932	\$20.00	\$5,618,600	9.4%	\$644,717	\$2,373,600	\$132,515	\$53,100	\$644,717	\$2,848,321	\$132,515	\$53,100
8	21.41	932,537	\$15.00	\$13,988,000	23.4%	\$1,605,081	\$5,909,288	\$329,907	\$132,197	\$1,605,081	\$7,091,145	\$329,907	\$132,197
9	9.3	405,051	\$20.00	\$8,101,000	13.6%	\$929,565	\$3,422,300	\$191,062	\$76,560	\$929,565	\$4,106,761	\$191,062	\$76,560
Total	67.04	2,920,422		\$59,783,700	100.0%	\$6,860,000	\$25,255,868	\$1,410,000	\$565,000	\$6,860,000	\$30,307,042	\$1,410,000	\$565,000

USB LOAN
USB Loan Balance (as of Filing Date) **\$32,450,046**
Payment by Guarantor¹ **(\$7,194,178)**
Balance at Confirmation **\$25,255,868**

Date of BK Filing **19-Jul-12**
Date of Confirmation **15-Apr-13**

USB Loan Interest Rate **3.75%**
USB Release Price Rate **120%**

Additional Loans	Loan Balance	Release Price Rate
Exit Loan #1	\$6,860,000	100%
Exit Loan #2	\$1,410,000	100%
Hertz Loan	\$565,000	100%

Notes
¹Guarantee Payment of \$7,000,000 plus estimated interest calculated from date of filing action against Guarantor through date of confirmation.
²Parcel size may be adjusted with any particular Partial Sale and Release, provided each allocated loan amount and release price set forth in this schedule shall be adjusted to reflect the unit price/SF of each adjusted Parcel so that each new release price reflects the proportional adjustment in size and value.

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RELEASE PRICE SCHEDULE

MTS BK Plan - Development Agreement Model

Parcel	Acres ²	SF	Unit Price/SF	Value (rounded)	Proportion of Total Value	Exit Loan #1			Exit Loan #2			Exit Loan #1 Release Pricing	USB Release Pricing	Exit Loan #2 Release Pricing	Hertz Loan Release Pricing
						Allocated Loan Amount	USB Allocated Loan Amount	Allocated Loan Amount	Hertz Allocated Loan Amount						
1	9.95	433,289	\$20.00	\$8,665,800	14.5%	\$994,375	\$3,660,903	\$204,383	\$81,898	\$994,375	\$4,393,083	\$204,383	\$81,898		
2	2.03	88,673	\$25.00	\$2,216,800	3.7%	\$254,371	\$936,496	\$52,283	\$20,950	\$254,371	\$1,123,795	\$52,283	\$20,950		
3	3.57	155,496	\$40.00	\$6,219,800	10.4%	\$713,703	\$2,627,520	\$146,694	\$58,782	\$713,703	\$3,153,096	\$146,694	\$58,782		
4	1.33	57,922	\$30.00	\$1,737,700	2.9%	\$199,396	\$734,098	\$40,984	\$16,423	\$199,396	\$880,918	\$40,984	\$16,423		
5	4.37	190,554	\$30.00	\$5,716,600	9.6%	\$655,963	\$2,415,001	\$134,826	\$54,026	\$655,963	\$2,898,001	\$134,826	\$54,026		
6	8.63	375,968	\$20.00	\$7,519,400	12.6%	\$862,829	\$3,176,601	\$177,345	\$71,064	\$862,829	\$3,811,921	\$177,345	\$71,064		
7	6.45	280,932	\$20.00	\$5,618,600	9.4%	\$644,717	\$2,373,600	\$132,515	\$53,100	\$644,717	\$2,848,321	\$132,515	\$53,100		
8	21.41	932,537	\$15.00	\$13,988,000	23.4%	\$1,605,081	\$5,909,288	\$329,907	\$132,197	\$1,605,081	\$7,091,145	\$329,907	\$132,197		
9	9.3	405,051	\$20.00	\$8,101,000	13.6%	\$929,565	\$3,422,300	\$191,062	\$76,560	\$929,565	\$4,106,761	\$191,062	\$76,560		
Total	67.04	2,920,422		\$59,783,700	100.0%	\$6,860,000	\$25,255,868	\$1,410,000	\$565,000	\$6,860,000	\$30,307,041	\$1,410,000	\$565,000		

USB LOAN

USB Loan Balance (as of Filing Date) \$32,450,046
 Payment by Guarantor¹ (\$7,194,178)
 Balance at Confirmation \$25,255,868

Date of BK Filing 19-Jul-12
 Date of Confirmation 15-Apr-13

USB Loan Interest Rate 3.75%
 USB Release Price Rate 120%

Additional Loans	Release Price	
	Loan Balance	Rate
Exit Loan #1	\$6,860,000	100%
Exit Loan #2	\$1,410,000	100%
Hertz Loan	\$565,000	100%

Notes

¹Guarantee Payment of \$7,000,000 plus estimated interest calculated from date of filing action against Guarantor through date of confirmation.
²Parcel size may be adjusted with any particular Partial Sale and Release, provided each allocated loan amount and release price set forth in this schedule shall be adjusted to reflect the unit price/SF of each adjusted Parcel so that each new release price reflects the proportional adjustment in size and value.

**SCHEDULE 5.2.4
TO
PLAN OF REORGANIZATION
ALLOCATION OF EXIT LOAN FINANCING**

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PURPOSE	AMOUNT	1ST LIEN PRIORITY	NON-PRIORITY SECURED LIEN	WHEN FUNDED
Payment of Real Property Taxes as of Effective Date	\$1,500,000 (appx)	Yes		On Effective Date
Demolition	Not to Exceed \$2,000,000	Yes		As needed
Site Work	Not to exceed \$1,000,000	Yes		As needed
Architectural, Engineering and Design for 1 year	Not to Exceed \$500,000	Yes		As needed
2013/2014 Property Taxes	Not to exceed \$360,000	Yes		As required
Interest Reserve for Secured Debt for 1 year	\$1,000,000		Yes	As required
Interest Reserve for Exit Loans for 1 year	\$240,000		Yes	As required
Insurance for 1 year	\$30,000		Yes	As required
Operating expenses for 1 year	\$140,000		Yes	As required
Contingency	Not to exceed \$1,500,000	Yes		As required

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3 **SCHEDULE 5.3.1**
4 **TO**
5 **PLAN OF REORGANIZATION**
6 **DEVELOPMENT STANDARDS**

7 All defined terms used in this **Schedule 5.3.1** have the meanings set forth in the
8 Development Agreement. A reference to “§ x” in items 1-12 below refers to the corresponding
9 section of the Development Agreement. Defined terms in items 1-12 below not otherwise
10 defined in this Plan shall have the same meaning as in the Development Agreement.

- 11
- 12 1. The “Gross Acreage” of the property is 67.0414 acres. § 1.
 - 13 2. The Development Agreement allows the property to be used “for Resort Uses, or for
14 residential uses, or both.” § 3. “Resort Uses” is itself a defined term in the Development
15 Agreement that includes “residential use.” § 2(d). Residential use is deemed to include any
16 type of residential use, including those commonly referred to as detached or attached units on
17 individual lots, such as townhomes, duplex, triplex, or multiple or stacked units in any of
18 various combinations.
 - 19 3. A density of one “Resort Unit” per 5,000 square feet of land (calculated based upon the
20 Gross Acreage) is allowed, for a total of up to 584 Resort Units. § 4(a). The Development
21 Agreement does not require a maximum or minimum lot size and thus lots may be any size
22 that meets applicable building codes.
 - 23 4. Resort Units may be clustered. § 4(b). Multiple units may be clustered on one or more lots.
 - 24 5. Resort Units may be “(1) under common ownership with all or any portion of other Resort
25 Units and facilities on the Property; (2) commercially operated, or utilized in whole or in part
26 as a private residence; (3) subject to a horizontal Property Regime; (4) subject to joint or
27 divided ownership under rent-pooling [with parties dividing use of the property along with
28 rents, maintenance, and fees according to a contract]; or (5) subject to any other form,
method or structure of ownership.” § 2(c). As such, the Property may be divided into any
number of separate lots according to a subdivision plat or plats, and individual lots may be
divided according to one or more condominium maps.
 6. The maximum ground coverage allowed for “fully enclosed” buildings devoted to Resort
Uses is 13.41 acres (20% of the Gross Acreage); the area of buildings is calculated based on
the building footprint excluding “overhangs, patios and the like.” § 4(c).
 7. The maximum ground coverage allowed for “additional improvements for Resort Uses”
(excluding streets, sidewalks, and parking areas) is 6.70 acres (10% of the Gross Acreage);
the area of buildings is calculated based on the building footprint excluding “overhangs,
patios and the like.” § 4(c). There is no limit placed on streets, sidewalks, and parking areas.
 8. “Public Areas” are limited to 30% of the lot coverage allowed by § 4(c).

- 1 9. Existing improvements are deemed legally conforming and may be renovated or restored in
2 their existing location and configuration. § 5(a).
- 3 10. New construction may be done without amendment to the site plan or the Development
4 Agreement, provided the heights of such new construction does not exceed the height of
5 similar existing buildings, structures or improvements. § 5(b).
- 6 11. Also, new construction may be done without amendment to the site plan or the Development
7 Agreement, provided such new development does not encroach on the setback lines shown
8 on Exhibit B. § 5(b). Exhibit B shows a 132-foot setback along Lincoln Drive; as to
9 setbacks other than Lincoln Drive, 40-foot setbacks are required from residential property
10 that is not a part of the Real Property, except existing improvements, which may remain or be
11 rebuilt in their current location.
- 12 12. One parking space is required for each Resort Unit plus one parking space for each 250
13 square feet of Public Area. § 8.
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3 **SCHEDULE 5.3.4**
4 **TO**
5 **PLAN OF REORGANIZATION**
6 **PROPERTY RESTRICTIONS**

7 All defined terms used in this **Schedule 5.3.4** have the meaning set forth in the Plan.

8 **Mountain Shadows East Deed Restrictions**

9 1. Subject to No. 2 below, the provisions of the Mountain Shadows East Deed Restrictions
10 remain in effect, are binding on the owners of Mountain Shadows East, and may be enforced by
11 the Reorganized Debtor as the owner of lots within Mountain Shadow Resort Amended,
12 recorded on January 20, 1958, in Book 75 of Maps, page 34, of the records of Maricopa County,
13 Arizona, as provided in Paragraph 19 of the Mountain Shadows East Deed Restrictions.

14 2. The provisions of the Mountain Shadows East Deed Restrictions that affect the Real
15 Property are as follows:

16 a. The owners of Mountain Shadows East have a right of access to the “the general
17 club facilities to be erected on Lots 1, 1A, 1B of Mountain Shadow Resort Amended; that said
18 access shall include use of cocktail lounge, dining club and recreational areas and general park
19 area without charge of dues or special charges to Grantees other than such charges as may be
20 specifically incurred for use of guest-resident facilities, cabanas, food, drink, and special services
21 such as barber, maid and valet, catering, etc.” Although this provision in Paragraph 14 of the
22 Mountain Shadows East Deed Restrictions provides a right of access to these amenities if they
23 are available, this provision does not require the Reorganized Debtor to build, operate, or
24 maintain any or all of these amenities. In addition, the Reorganized Debtor may put in place
25 rules and regulations regarding the exercise of this right of access as Reorganized Debtor deems
26 necessary or appropriate from time to time.

27 b. Office space for use by the Mountain Shadow Estates Management Board will be
28 provided when available as determined by the Reorganized Debtor, subject to rules and
regulations regarding such use as Reorganized Debtor deems necessary or appropriate from time
to time (Paragraph 15 of the Mountain Shadows East Deed Restrictions).

c. As successor in interest to Mountain Shadow Resort Inc., the Reorganized Debtor
may exercise the rights granted to Mountain Shadow Resort Inc. in the Mountain Shadows East
Deed Restrictions, namely to appoint a member to the Mountain Shadow Estates Management
Board (Paragraph 16 of the Mountain Shadows East Deed Restrictions).

Mountain Shadows East Guest Ranch Restrictions

1. The Mountain Shadows East Guest Ranch Restrictions are not applicable to and do not
limit in any way the use of the Real Property.

1 **Mountain Shadows West Declaration of Restrictions**

2 1. At the time the Mountain Shadows West Declaration of Restrictions was first recorded on
3 September 6, 1961, Paul Construction Co. was owner of all of the lots within Mountain Shadow
4 Resort Unit Two-Amended, recorded on June 6, 1961 at Book 95 of Maps, page 3, of the records
5 of Maricopa County, Arizona, upon which Mountain Shadows West and the existing Golf
6 Course and other facilities are located.

7 2. Having the ownership interest in all of the lots within Mountain Shadow Resort Unit
8 Two-Amended as identified in 1. above, Paul Construction Co. had authority to affect all of the
9 lots within Mountain Shadow Resort Unit Two-Amended by recording the Mountain Shadows
10 West Declaration of Restrictions.

11 3. At the time the Mountain Shadows West Declaration of Restrictions was recorded, Paul
12 Construction Co. did not own Lots 1, 1A, and 1B of Mountain Shadow Resort Amended,
13 recorded on January 20, 1958, in Book 75 of Maps, page 34, of the records of Maricopa County,
14 Arizona, upon which the general club facilities were located.

15 4. Having no ownership interest in Lots 1, 1A, and 1B as identified in 3, above, Paul
16 Construction Co. had no authority to affect Lots 1, 1A, and 1B of Mountain Shadow Resort
17 Amended by recording the Mountain Shadows West Declaration of Restrictions. Therefore, the
18 portion of Paragraph 14 of the Mountain Shadows West Declaration of Restrictions, which
19 purports to give a right of access to owners of Mountain Shadows West to the general club
20 facilities located on Lots 1, 1A, and 1B is ineffective.

21 5. Except for the portion of Paragraph 14 of the Declaration of Restrictions that purports to
22 apply to Lots 1, 1A, and 1B of Mountain Shadow Resort Amended, the remaining provisions of
23 the Mountain Shadows West Declaration of Restrictions remain in effect, are binding on the
24 owners of Mountain Shadows West, and may be enforced by the Reorganized Debtor as the
25 owner of lots within Mountain Shadow Resort Unit Two-Amended as provided in Paragraph 20
26 of the Declaration of Restrictions.

27 6. The provisions of the Mountain Shadows West Declaration of Restrictions that affect the
28 Real Property are as follows:

29 a. The owners of Mountain Shadows West have a right of access to the "Golf Club
30 House, driving range, tennis courts, swimming pool, and golf course, without charge other than
31 those charged incurred as green fees, food, drink, and/or special services at Mountain Shadows
32 Resort Unit Two Amended." Although this provision in Paragraph 14 of the Mountain Shadows
33 West Declaration of Restrictions provides a right of access to these amenities if they are
34 available, this provision does not require the Reorganized Debtor to build, operate, or maintain
35 any or all of these amenities. In addition, the Reorganized Debtor may put in place rules and
36 regulations regarding the exercise of this right of access as Reorganized Debtor deems necessary
37 or appropriate from time to time.

38 b. As successor in interest to Mountain Shadow Co., the Reorganized Debtor may
39 exercise the rights granted to Mountain Shadow Co. in the Mountain Shadows West Declaration
40 of Restrictions, namely to (i) appoint a member to the Mountain Shadow West Management

1 Board (Paragraph 15 of the Mountain Shadows West Declaration of Restrictions); (ii) grant or
2 deny permission to changes in the exterior design by enlarging, remodeling or adding to
3 residences, patios, and patio fences (Paragraph 16 of the Mountain Shadows West Declaration of
4 Restrictions); and (iii) grant or deny permission to changes by adding to or taking from the
5 original landscape within lots (Paragraph 19 of the Mountain Shadows West Declaration of
6 Restrictions).
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**SCHEDULE 6.1
TO
PLAN OF REORGANIZATION
REJECTED EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

None