

1 MORGAN, LEWIS & BOCKIUS LLP  
2 RICHARD W. ESTERKIN, State Bar No. 70769  
3 L. BRUCE FISCHER, State Bar No. 107219  
4 TRICIA A. TAKAGI, State Bar No. 227687  
5 300 South Grand Avenue, Twenty-Second Floor  
6 Los Angeles, CA 90071-3132  
7 Tel: 213.612.2500  
8 Fax: 213.612.2501

9 Counsel for Official Committee of Unsecured  
10 Creditors

11 UNITED STATES BANKRUPTCY COURT  
12 CENTRAL DISTRICT OF CALIFORNIA

13 In re

14 PPA HOLDINGS, LLC, a California  
15 limited liability company, et al.,

16 Debtor,

Case No. 8:09-bk-16353-ES

Jointly Administered with Case Nos. 8:09-16355  
ES; 8:09-16358 ES; 8:09-16361 ES; 8:09-16363  
ES; 8:09-16367 ES; 8:09-16369 ES; 8:09-16371  
ES; 8:09-16372 ES; 8:09-16378 ES; 8:09-16380  
ES; 8:09-16383 ES; 8:09-16385 ES; 8:09-16386  
ES; 8:09-16388 ES; 8:09-16390 ES; 8:09-16393  
ES; 8:09-16395 ES; 8:09-16396 ES; 8:09-16399  
ES; 8:09-16402 ES; 8:09-16404 ES

Chapter Number: 11

**JOINT PLAN OF REORGANIZATION  
PROPOSED BY THE DEBTORS AND THE  
OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS**

Date: [To be determined]

Time: [To be determined]

Ctrm: 5A

Dated: December 10, 2009

17  
18  
19  
20  
21  
22  
23  
24  Affects All Debtors

25  
26  
27 The Debtors and the Official Committee of Unsecured Creditors in these jointly  
28 administered cases (the "Committee" and, together with the Debtors, the "Proponents") hereby

1 propose the following plan of reorganization under Bankruptcy Code Section 1121(c) of the  
2 Bankruptcy Code. All parties in interest should refer to the Disclosure Statement that  
3 accompanies this Plan for a discussion of the Debtors' history, business, properties, events  
4 leading to the Debtors' bankruptcy filing and a summary of this Plan and related matters. **All**  
5 **persons entitled to vote on this plan are encouraged to read this Plan and the Disclosure**  
6 **Statement in their entirety prior to voting to accept or reject this Plan.**

7 Subject to the restrictions on modification of this Plan set forth in Bankruptcy Code  
8 Section 1127 and Bankruptcy Rule 3019, the Debtors and the Committee reserve the right to alter,  
9 amend or modify this Plan one or more times prior to its substantial consummation.

## 10 **ARTICLE 1**

### 11 **DEFINITIONS AND RULES OF INTERPRETATION**

12 For purposes of this Plan, except as expressly provided or unless the context otherwise  
13 requires, all capitalized terms not otherwise defined herein have the meanings ascribed to those  
14 terms in this Article 1 of the Plan. Any terms used in this Plan that are not defined in the Plan,  
15 but are defined in the Bankruptcy Code or Bankruptcy Rules shall have the meaning ascribed to  
16 those terms in the Bankruptcy Code or Bankruptcy Rules, as applicable. Whenever the context  
17 requires, each of the terms used in this Plan that is stated in the singular shall include the plural  
18 and each of the terms used in this Plan that is stated in the plural shall include the singular, and  
19 the masculine gender shall include the feminine gender and the feminine gender shall include the  
20 masculine gender. The word "including" shall mean "including but not limited to."

21 As used in this Plan, the following terms shall have the following meanings:

22 **1.1 "2130 Group"** refers to 2130 Group Partnership, LLC, an Arizona Limited  
23 Liability Company, one of the Debtors in the Bankruptcy Cases.

24 **1.2 "AAA Investment Properties"** refers to AAA Investment Properties, LLC, an  
25 Arizona Limited Liability Company, one of the Debtors in the Bankruptcy Cases.

26 **1.3 "Administrative Claim"** shall refer to any Claim for any expense of  
27 administration of the Chapter 11 Cases under Bankruptcy Code Section 503(b) and entitled to  
28 priority under Bankruptcy Code Section 507(a)(2) including: (a) actual and necessary costs and

1 expenses incurred in the ordinary course of the Debtors' businesses, (b) actual and necessary  
2 costs and expenses of preserving the Estates or administering the Chapter 11 Cases, (c) all  
3 Professional Fees and (d) fees payable pursuant to 28 U.S.C. § 1930.

4 **1.4 "Administrative Claim Bar Date"** means the sixtieth (60) day after the Effective  
5 Date.

6 **1.5 "Allowed"** means, with respect to any Claim against the Debtors or Interest in the  
7 Debtors, a Claim or Interest, that is not a Disputed Claim or Disputed Interest, as the case may be,  
8 as to which: (a) a proof of which, request for payment of which, or application for the allowance  
9 of which, was Filed before the Bar Date, the Administrative Claim Bar Date or Professional Fee  
10 Bar Date, as applicable, (b) if no proof of Claim or Interest has been filed, is listed by the Debtors  
11 in the Schedules as liquidated in amount and not disputed or contingent.

12 **1.6 "Assumption Obligation"** means any monetary amount payable by one or more  
13 of the Debtors to a non-debtor party pursuant to any executory contract or unexpired lease as a  
14 condition to the assumption of such executory contract or unexpired lease pursuant to Bankruptcy  
15 Code section 365(b)(1).

16 **1.7 "Avoidance Action"** means any right of the Estates, or any of them, pursuant to  
17 Bankruptcy Code Sections 506(c), 510, 542, 543, 544, 545, 547, 548, 549, 550 and 553, or any of  
18 them, whether or not such actions seek an affirmative recovery or are raised in connection with a  
19 defense or offset to any Claim, including as a basis for the disallowance of any Claim pursuant to  
20 Bankruptcy Code Section 502(d).

21 **1.8 "Avoidance Claim Bar Date"** refers to the last day for filing a proof of Claim  
22 under Bankruptcy Code section 502(h) for damages based upon the recovery of property pursuant  
23 to Bankruptcy Code section 550 or 553, after which any such Claim as to which a proof of Claim  
24 has not been filed shall be forever barred.

25 **1.9 "Available Cash"** when used with reference to one or more of the Debtors shall  
26 mean all Cash of such Debtor or Debtors less a reserve for such Debtor or Debtors' expenses,  
27 including debt service, in an amount to be determined by such Debtor or Debtors in such Debtor's  
28 or Debtors' reasonable discretion.

1           **1.10 “Bankruptcy Cases”** refers to the bankruptcy cases filed by each of the Debtors,  
2 presently pending before the Bankruptcy Court as Case Nos. 8:09-16353 ES, 8:09-16355 ES,  
3 8:09-16358 ES, 8:09-16361 ES, 8:09-16363 ES, 8:09-16367 ES, 8:09-16369 ES, 8:09-16371 ES,  
4 8:09-16372 ES, 8:09-16378 ES, 8:09-16380 ES, 8:09-16383 ES, 8:09-16385 ES, 8:09-16386 ES,  
5 8:09-16388 ES, 8:09-16390 ES, 8:09-16393 ES, 8:09-16395 ES, 8:09-16396 ES, 8:09-16399 ES,  
6 8:09-16402 ES and 8:09-16404 ES.

7           **1.11 “Bankruptcy Code”** refers to Title 11 of the United States Code, 11 U.S.C. §§  
8 101, *et seq.* as the same may be amended from time to time.

9           **1.12 “Bankruptcy Court”** refers to the United States Bankruptcy Court for the Central  
10 District of California.

11           **1.13 “Bankruptcy Rules”** refers to the Federal Rules of Bankruptcy Procedure as  
12 promulgated pursuant to 28 U.S.C. § 2075, as the same may be amended from time to time, and  
13 the Local Rules of the Bankruptcy Court, as the same may be amended from time to time.

14           **1.14 “Bar Date”** refers to January 15, 2010, the date established by the Bankruptcy  
15 Court as the last day for filing proofs of claims or interests in the Bankruptcy Cases.

16           **1.15 “Bell Cove”** refers to Bell Cove, LLC, a California Limited Liability Company,  
17 one of the Debtors in the Bankruptcy Cases.

18           **1.16 “Business Day”** means any day other than a Saturday, Sunday, or “legal holiday”  
19 as defined in Bankruptcy Rule 9006(a).

20           **1.17 “Cash”** refers to currency and monies on deposit in any bank or other financial  
21 institution for the benefit of one or more of the Debtors, after payment of any Allowed  
22 Administrative Claims for which such Debtor is liable.

23           **1.18 “Claims Objection Bar Date”** refers to the last day for the filing of an objection  
24 to a Claim or Interest as provided in Article 6.10.1 of this Plan.

25           **1.19 “Class”** refers to a category of Claims or Interests, as designated in Articles 3 and  
26 4 of this Plan.

27           **1.20 “Committee”** refers to the Official Committee of Unsecured Creditors appointed  
28 in the Bankruptcy Cases, as it may be constituted at any point in time.

1           **1.21 “Confirmation Date”** refers to the date upon which the Bankruptcy Court enters  
2 an order confirming this Plan.

3           **1.22 “Confirmation Hearing”** refers to the first day established by the Bankruptcy  
4 Court for the commencement of a hearing at which the Bankruptcy Court will consider  
5 confirmation of this Plan.

6           **1.23 “Confirmation Order”** refers to the order entered by the Bankruptcy Court  
7 confirming this Plan.

8           **1.24 “Country Club Greens”** refers to Country Club Greens, LLC, a California limited  
9 liability company, one of the Debtors in the Bankruptcy Cases.

10           **1.25 “Debtors”** refers collectively to 2130 Group, AAA Investment Properties, Bell  
11 Cove, Country Club Greens, Dobson Springs, Harbor View, Pacific Property Assets, Pacific  
12 Property Assets II, PPA Arizona I, PPA Arizona II, PPA Desert View, PPA Equities, PPA  
13 Holdings, PPA Opportunity, PPA Riverside, PPA Towne Center, PPA Vista Village, Ridgemont  
14 Condominiums, Sycamore Shadows, Sundancer Apartments, Villa Las Brisas and Villa Rose  
15 Avenue.

16           **1.26 “Disbursing Agent”** refers to Property Assets Operating Co., or such other person  
17 or persons as may be designated by the Property Assets Operating Co. to act as, or to assist, the  
18 disbursing agent under this Plan for the purpose of making the disbursements required under this  
19 Plan.

20           **1.27 “Disclosure Statement”** refers to the disclosure statement relating to this Plan  
21 including all exhibits and schedules to such disclosure statement, in the form approved by the  
22 Bankruptcy Court pursuant to Bankruptcy Code section 1125 and Bankruptcy Rule 3017.

23           **1.28 “Disputed”** means, with respect to any Claim or Interest, a Claim or Interest: (a)  
24 as to which the Committee or any other proper party in interest has interposed a timely objection  
25 or request for estimation that has not been withdrawn and as to which a Final Order determining  
26 such objection or request for estimation has not been entered, (b) a Claim or Interest as to which  
27 the Committee or any other proper party in interest has filed a proceeding seeking equitable  
28 subordination of such Claim or Interest and as to which no Final Order has been entered or (c) a

1 Claim or Interest that the Committee has listed as a potentially disputed claim at or before the  
2 later of: (i) the Confirmation Hearing or (ii) thirty (30) days following the date upon which a  
3 proof of such Claim or Interest has been Filed; provided that such Claim or Interest shall cease to  
4 be a Disputed Claim or Interest unless an objection to such claim, a request to estimate such claim  
5 or a proceeding to equitably subordinate such Claim or Interest has been filed prior to the Claims  
6 Objection Bar Date.

7 **1.29 Dobson Springs**” refers to Dobson Springs, LLC, an Arizona Limited Liability  
8 Company, one of the Debtors in the Bankruptcy Cases.

9 **1.30 “Employee Priority Claims”** means Claims by employees of one or more of the  
10 Debtors to the extent that such Claims are entitled to priority pursuant to Bankruptcy Code  
11 section 507(a)(4).

12 **1.31 “Effective Date”** refers to the date upon which all of the conditions to the  
13 effectiveness of this Plan as set forth in Article 8 have been satisfied or waived as provided  
14 therein.

15 **1.32 “Estates”** refers to the bankruptcy estates of one or more of the Debtors.

16 **1.33 “Filed”** means filed with the Bankruptcy Court so as to appear on the docket of the  
17 Bankruptcy Court in the Bankruptcy Cases or upon the Claims register of the Bankruptcy Court  
18 in the Bankruptcy Cases, as applicable.

19 **1.34 “Final Order”** means an order of the Bankruptcy Court that has been entered upon  
20 the docket in the Bankruptcy Cases, and as to which the time to appeal, petition for certiorari, or  
21 move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or  
22 other proceedings for reargument or rehearing shall then be pending or, in the event that an  
23 appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order shall  
24 have been affirmed by the highest court to which such order was appealed, or certiorari has been  
25 denied or from which reargument or rehearing was sought, and the time to take any further  
26 appeal, petition for certiorari, or move for reargument or rehearing shall have expired; provided,  
27 however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil

1 Procedure or any analogous rule under the Bankruptcy Rules may be filed with respect to such  
2 order shall not cause such order not to be a “Final Order.”

3 **1.35 “Harbor View”** refers to Harbor View Condominiums, LLC, a California Limited  
4 Liability Company, one of the Debtors in the Bankruptcy Cases.

5 **1.36 “Investors Committee”** refers to that certain committee appointed pursuant to  
6 Section 3.2 of the Operating Agreement of Property Assets Operating Co. to oversee Property  
7 Assets Operating Co.’s affairs.

8 **1.37 “Liquidation Value”** means an amount, determined by the Court at the  
9 Confirmation Hearing, which is equivalent to the amount that the holder of a Claim would receive  
10 or retain if the Debtor against whom such Claim was asserted was liquidated under Chapter 7 at  
11 the time of the Confirmation Hearing.

12 **1.38 “Notice of Abandonment”** refers to a notice Filed by the Committee in  
13 accordance with Article 3.2.2 of this Plan.

14 **1.39 “Objection Bar Date”** means the last date upon which objections to Claims or  
15 Interests, requests to estimate Claims or Interests or proceedings to subordinate Claims or  
16 Interests may be filed, as established pursuant to Article 6.10.1 of this Plan.

17 **1.40 “Pacific Property Assets”** refers to Pacific Property Assets, LLC, a California  
18 Limited Liability Company, one of the Debtors in the Bankruptcy Cases.

19 **1.41 “Pacific Property Assets II”** refers to Pacific Property Assets II, LLC, a  
20 California Limited Liability Company, one of the Debtors in the Bankruptcy Cases.

21 **1.42 “Person”** refers to any individual, corporation, partnership, joint venture,  
22 association, joint-stock company, trust, unincorporated association, limited liability company,  
23 other “person” as defined in the Bankruptcy Code, governmental unit or political subdivision of a  
24 governmental unit.

25 **1.43 “Petition Date”** refers to June 26, 2009, the date upon which each of the Debtors  
26 filed the petitions commencing the Bankruptcy Cases.

27 **1.44 “Plan”** refers to this plan of reorganization, as it may be amended from time to  
28 time, including all of its exhibits and schedules.

1           **1.45**    “**PPA Arizona I**” refers to PPA Arizona I, LLC, a Delaware Limited Liability  
2 Company, one of the Debtors in the Bankruptcy Cases.

3           **1.46**    “**PPA Arizona II**” refers to PPA Arizona II, LLC, a Delaware Limited Liability  
4 Company, one of the Debtors in the Bankruptcy Cases.

5           **1.47**    “**PPA Desert View**” refers to PPA Desert View, LLC, a California Limited  
6 Liability Company, one of the Debtors in the Bankruptcy Cases.

7           **1.48**    “**PPA Equities**” refers to PPA Equities, LLC, a California Limited Liability  
8 Company, one of the Debtors in the Bankruptcy Cases.

9           **1.49**    “**PPA Holdings**” refers to PPA Holdings, LLC, a California Limited Liability  
10 Company, one of the Debtors in the Bankruptcy Cases.

11           **1.50**    “**PPA Opportunity**” refers to PPA Opportunity Fund, LLC, a California Limited  
12 Liability Company, one of the Debtors in the Bankruptcy Cases.

13           **1.51**    “**PPA Riverside**” refers to PPA Riverside Apartments, a California Limited  
14 Liability Company, one of the Debtors in the Bankruptcy Cases.

15           **1.52**    “**PPA Towne Center**” refers to PPA Towne Center, LLC, a California Limited  
16 Liability Company, one of the Debtors in the Bankruptcy Cases.

17           **1.53**    “**PPA Vista Village**” refers to PPA Vista Village, LLC, an Arizona Limited  
18 Liability Company, one of the Debtors in the Bankruptcy Cases.

19           **1.54**    “**Priority Employee Claim**” refers to any Claim (or portion of such Claim) as  
20 may be entitled to priority under Bankruptcy Code section 507(a)(3) or 507(a)(4).

21           **1.55**    “**Priority Tax Claim**” refers to any Claim (or portion of such Claim) as may be  
22 entitled to priority under Bankruptcy Code section 507(a)(8).

23           **1.56**    “**Priority Tenant Claim**” refers to any Claim (or portion of such Claim) as may  
24 be entitled to priority under Bankruptcy Code section 507(a)(7).

25           **1.57**    “**Pro Rata Share**” means a share of Cash or other assets equal to the total amount  
26 of such Cash or other assets times a fraction, the numerator of which is the amount of the  
27 Allowed Claim held by each Creditor entitled to a share of such Cash or other assets and the

28



1 denominator of which is the sum of all Allowed Claims held by all Creditors entitled to a share of  
2 such Cash or other assets.

3 **1.58 “Proceeds”** refers to all cash, interest, profits, dividends, products and rents  
4 earned, accrued, collected, derived, received or recovered on account of the liquidation, sale,  
5 transfer, enforcement or other disposition of any property or Claim, including all “proceeds” as  
6 defined in California Commercial Code section 9102(a)(64).

7 **1.59 “Professional”** refers to any person (a) employed in accordance with an order of  
8 the Bankruptcy Court pursuant to Bankruptcy Code section 327 or 1103 and who seeks  
9 compensation from one or more of the Estates pursuant to Bankruptcy Code section 327, 328,  
10 329, 330, 331 or 504 or (b) who seeks compensation or reimbursement pursuant to Bankruptcy  
11 Code section 503(b).

12 **1.60 “Professional Fees”** refers to any Claim by a Professional for compensation for  
13 services rendered and reimbursement of expenses incurred, or either of them, pursuant to  
14 Bankruptcy Code sections 330, 331 and 503(b), or any of them.

15 **1.61 “Professional Fees Bar Date”** refers to the last day for filing a motion for the  
16 allowance of Professional Fees, after which any Professional Fees that are not then either the  
17 subject of a pending motion or that have not then been allowed pursuant to an order of the  
18 Bankruptcy Court shall be forever barred.

19 **1.62 “Property Assets Operating Co.”** refers to Property Assets Operating Company,  
20 LLC.

21 **1.63 “Property Assets Operating Co. Asset Management Agreement”** refers to an  
22 agreement between Property Assets Operating Co. and an asset manager pursuant to which the  
23 asset manager is to provide asset management services to Property Assets Operating Co. A copy  
24 of the Property Assets Operating Co. Asset Management Agreement will be Filed no later than  
25 sixty (60) days prior to the Confirmation Hearing.

26 **1.64 “Property Assets Operating Co. Property Management Agreement”** refers to  
27 an agreement between Property Assets Operating Co. and one or more property managers  
28 pursuant to which the property manager(s) are to provide property management services to the

1 Reorganized Debtors. A copy of the Property Assets Operating Co. Property Management  
2 Agreement will be Filed no later than sixty (60) days prior to the Confirmation Hearing.

3 **1.65 “Proponents”** refers collectively to the Debtors proposing this Plan and to the  
4 Committee.

5 **1.66 “Rejection Claim Bar Date”** refers to the last day for filing a proof of Claim  
6 under Bankruptcy Code section 502(g) for damages based upon the rejection of an executory  
7 contract or unexpired lease under this Plan, after which any such Claim as to which a proof of  
8 Claim has not been filed shall be forever barred.

9 **1.67 “Reorganized Debtor”** as used with respect to one or more of the Debtors shall  
10 refer to such Debtor or Debtors as reorganized pursuant to this Plan.

11 **1.68 “Retained Claims and Defenses”** refers to all claims, causes of action, defenses,  
12 counterclaims, cross-claims, third party claims and rights of offset, recoupment, subrogation,  
13 subordination and indemnity, or any of them, held by the Debtors, or any of them, against third  
14 parties, including Avoidance Actions.

15 **1.69 “Ridgmont Condominiums”** refers to Ridgmont Condominiums, LLC, a  
16 California Limited Liability Company, one of the Debtors in the Bankruptcy Cases.

17 **1.70 “Schedules”** refers to the schedules of assets and liabilities, the list of holders of  
18 Interests and the statements of financial affairs filed by the Debtors, or any of them, pursuant to  
19 Bankruptcy Code section 521 and Bankruptcy Rule 1007, as such schedules, lists and statements  
20 may have been, or may in the future be, supplemented or amended from time to time.

21 **1.71 “Second Trust Deed Holder Amended and Restated Note”** refers to promissory  
22 notes in the form of Exhibit 1 to this Plan.

23 **1.72 “Secured Claim”** refers to a Claim that is secured by a valid, perfected and  
24 enforceable lien that is not subject to avoidance under applicable law that is equal to the lesser of:  
25 (a) the Allowed amount of such claim or (b) the value, as determined by the Bankruptcy Court,  
26 of: (i) the interest of the holder of such Claim in the Debtor’s property securing such Claim or (ii)  
27 the amount subject to setoff against such Claim under Bankruptcy Code section 533, as  
28 applicable.

1           **1.73**    “**Sycamore Shadows**” refers to Sycamore Shadows, LLC, a California Limited  
2 Liability Company, one of the Debtors in the Bankruptcy Cases.

3           **1.74**    “**Sundancer Apartments**” refers to Sundancer Apartments, LLC, a California  
4 Limited Liability Company, one of the Debtors in the Bankruptcy Cases.

5           **1.75**    “**Tenant Lease**” refers to a lease between a Debtor and a third party for a single  
6 family residential unit at one of the Debtor’s multi-family residential or office complexes.

7           **1.76**    “**Unsecured Claim**” refers to any Claim that is not: (a) an Administrative Claim,  
8 (b) a Secured Claim, (c) a Priority Employee Claim, (d) a Priority Tax Claim or (d) a Priority Tax  
9 Claim.

10           **1.77**    “**Unsecured Deficiency Claim**” refers to any Claim by a Person holding a  
11 Secured Claim to the extent the value of the property securing such Claim, as determined in  
12 accordance with Bankruptcy Code section 506(a), is less than the Allowed amount of such Claim  
13 as of the Petition Date, after taking into account the effect of any election made by the holder of  
14 such Claim pursuant to Bankruptcy Code section 1111(b).

15           **1.78**    “**Villa Las Brisas**” refers to Villa Las Brisas Condominiums, LLC, a California  
16 Limited Liability Company, one of t he Debtors in the Bankruptcy Cases.

17           **1.79**    “**Villa Rose Avenue**” refers to Villa Rose Avenue, LLC, a California Limited  
18 Liability Company, one of the Debtors in the Bankruptcy Cases.

19   **ARTICLE 2**

20   **TREATMENT OF UNCLASSIFIED CLAIMS**

21           **2.1**    **Unclassified Claims.** As provided in Bankruptcy Code section 1123(a)(1),  
22 Administrative Claims and Priority Tax Claims against the Debtors are not classified for purposes  
23 of voting on, or receiving distributions under, this Plan. Holders of such Claims are not entitled  
24 to vote on the Plan. All such Claims are treated in accordance with this Article 2 and the  
25 provisions of Bankruptcy Code section 1129(a)(9).

26           **2.2**    **Administrative Claims.**

27                   **2.2.1**    **Generally.** Each Allowed Administrative Claim shall be paid in full on  
28 the later of: (a) as soon as practical following the Effective Date, (b) the date upon which such

1 Claim becomes an Allowed Administrative Claim, (c) the date that such Claim is otherwise due  
2 according to its terms or (d) such other date as the holder of such Claim and the Disbursing Agent  
3 may agree.

4           **2.2.2 Administrative Claims Bar Date.** All requests for the payment of  
5 Administrative Claims, except Professional Fees, must be Filed on or before the Administrative  
6 Claims Bar Date or the holders thereof shall be forever barred from asserting such Claims against  
7 the Debtors, the Reorganized Debtors or from sharing in any distribution under this Plan.

8           **2.2.3 Administrative Claims Objection Bar Date.** An Administrative Claim  
9 that is Filed in the Bankruptcy Cases, other than a Claim for Professional Fees, shall be deemed to  
10 be an Allowed Administrative Claim unless an objection thereto is filed on or before the later of:  
11 (a) sixty (60) days following the date upon which such Claim is filed or (b) the commencement of  
12 the Confirmation Hearing.

13           **2.2.4 Source of Payment.** Distributions to the holders of Allowed  
14 Administrative Claims against the Debtors shall be paid by the Debtor or Debtors liable for such  
15 Claims, to the extent that such Debtor or Debtors have funds available to pay such Claims. In the  
16 event that the Debtor or Debtors liable for such Claims do not have sufficient cash to pay such  
17 Claims, Property Assets Operating Co. shall contribute cash to such Debtor or Debtors in an  
18 amount sufficient to pay such Claims.

19           **2.3 Priority Tax Claims.**

20           **2.3.1 Generally.** Each Allowed Priority Tax Claim shall, at the option of each  
21 Reorganized Debtor liable for such Claim, unless such Reorganized Debtor and the holder of such  
22 Claim have agreed upon a different treatment: (a) be paid in full in cash, without interest, on the  
23 later of (i) as soon as practical following the Effective Date or (ii) as soon as practical following  
24 the date upon which such Claim becomes an Allowed Claim or (b) receive deferred cash  
25 payments to the extent permitted by Bankruptcy Code section 1129(a)(9) with simple interest on  
26 the unpaid portion of such Claim at the statutory non-default rate under applicable non-  
27 bankruptcy law or at such rate as may be agreed to by the holder of such Claim and the  
28 Reorganized Debtor liable on such Claim; provided that the Reorganized Debtor liable for such

1 Claim may prepay such Claim in full at any time without any premium or penalty. In the event  
2 that one or more of the Reorganized Debtors elects to pay any Allowed Priority Tax Claim  
3 against it in accordance with the provisions of clause (b) above, the deferred cash payments due  
4 in accordance with that option shall be made in equal quarterly installments with the first such  
5 installment due on the later of: (a) the first Business Day following the end of the calendar  
6 quarter in which the Effective Date occurs, (b) the first Business Day following the end of the  
7 calendar quarter in which the Priority Tax Claims becomes an Allowed Priority Tax Claim or (c)  
8 such other day as may be agreed upon between the holder of such Allowed Priority Tax Claim  
9 and the Reorganized Debtor liable for such Claim.

10 **2.3.2 Source of Payment.** Distributions to the holders of Allowed Priority Tax  
11 Claims against the Debtors shall be paid by the Debtor or Debtors liable for such Claims, to the  
12 extent that such Debtor or Debtors have funds available to pay such Claims. In the event that the  
13 Debtor or Debtors liable for such Claims do not have sufficient cash to pay such Claims, Property  
14 Assets Operating Co. shall contribute cash to such Debtor or Debtors in an amount sufficient to  
15 pay such Claims.

16 **2.3.3 Priority Tax Claims Objection Bar Date.** A Priority Tax Claim shall  
17 be deemed to be an Allowed Priority Tax Claim unless an objection thereto is filed on or before  
18 the later of: (a) sixty (60) days following the date upon which such Claim is filed or (b) the  
19 commencement of the Confirmation Hearing.

20 **2.4 Professional Fees.**

21 **2.4.1 Generally.** Each Professional seeking an award of Professional Fees by  
22 the Bankruptcy Court must File an application seeking such fees on or before the Professional  
23 Fees Bar Date or such Professional shall be forever barred from seeking payment of such fees  
24 from the Debtor or Debtors to whom such Professional rendered services or under this Plan. To  
25 the extent that the Bankruptcy Court approves the payment to any Professional of any fees, or  
26 allows the reimbursement of expenses incurred by such Professional, such Professional shall  
27 receive payment of such fees and expenses on the later of: (a) the date that the order allowing

1 such fees and expenses becomes a Final Order or (b) such other date as the Professional and the  
2 Reorganized Debtor or Reorganized Debtors may agree.

3           2.4.2     **Source of Payment.** Distributions to the holders of Allowed Professional  
4 Fees shall be paid by the Debtor or Debtors liable for such Professional Fees, to the extent that  
5 such Debtor or Debtors have funds available to pay such Professional Fees. In the event that the  
6 Debtor or Debtors liable for such Professional Fees do not have sufficient Cash to pay such  
7 Professional Fees, Property Assets Operating Co. shall contribute Cash to such Debtor or Debtors  
8 in an amount sufficient to pay such Claims.

9   **ARTICLE 3**

10                               **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

11           **3.1     Summary of Classification.** In accordance with Bankruptcy Code section  
12 1129(a)(1) all Claims and Interest, other than those receiving treatment as described in Article 2,  
13 are placed into the Classes described below for all purposes, including voting on this Plan and  
14 prescribing the distributions to be received by the holders of Claims and Interests under this Plan.

15           **3.2     2130 Group**

16                       3.2.1     **Class 1(a)(1)**

17                       (a)     **Classification.** Class 1(a)(1) consists of the Allowed Secured  
18 Claim of Allied Healthcare Federal Credit Union, to the extent that such Claim is secured by a  
19 perfected, unavoidable lien against the real property of 2130 Group located at 2130 West Indian  
20 School Road, Phoenix, Arizona.

21                       (b)     **Treatment.**

22                               (i)     **Security Interests.** The Class 1(a)(1) Allowed Claim shall  
23 continue to be secured by the real property that presently secures the Class 1(a)(1) Allowed Claim  
24 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
25 and the personal property security interests granted to the holder of the Class 1(a)(1) Allowed  
26 Claim in such trust deed, which security interests shall have the same priority as such security  
27 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
28 Class 1(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real

1 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
2 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
3 trust deed securing the Class 1(a)(1) Allowed Claim, any lien held by the holder of the Class  
4 1(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
5 thereof and such Cash shall be used by 2130 Group for the purpose of paying any Allowed  
6 Administrative Claims and Allowed Priority Claims for which such Debtor may be obligated  
7 pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds the amount  
8 required to pay all Allowed Administrative Claims and Allowed Priority Claims for which 2130  
9 Group is obligated pursuant to the terms of this Plan, any excess Cash shall be paid by such  
10 Debtor to Property Assets Operating Co.

11 (ii) **Claim Amount.** As of the Effective Date, the Class 1(a)(1)  
12 Allowed Secured Claim shall be assumed by Reorganized 2130 Group subject to the following:

13 (a) any defaults under the note evidencing the Class 1(a)(1) Allowed Claim shall be deemed to  
14 have been cured in full; and (b) the amount of the Class 1(a)(1) Allowed Claim shall be equal to  
15 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
16 accrued and unpaid on account of such Claim from and after the Petition Date through the  
17 Effective Date less: (a) any payments on account of the Class 1(a)(1) Allowed Claim received by  
18 the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
19 1(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
20 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
21 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
22 percent (6.5%) per annum.

23 (iii) **Claim Payment.**

24 (1) **Section 1111(b) Election Not Made.** In the event  
25 that the holder of the Class 1(a)(1) Allowed Claim does not elect to be treated in accordance with  
26 Bankruptcy Code section 1111(b), the Class 1(a)(1) Allowed Claim shall be paid as follows: (a)  
27 commencing on the first day of the first month following the Effective Date, and continuing on  
28 the first day of each month thereafter until the holder of the Class 1(a)(1) Allowed Claim shall

1 have received a total of thirty six (36) such payments, the holder of the Class 1(a)(1) Allowed  
2 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
3 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
4 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
5 Class 1(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
6 holder of the Class 1(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
7 paid each and every month for three hundred sixty (360) months, would repay such claim and  
8 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
9 the tenth anniversary of the Effective Date, the holder of the Class 1(a)(1) Allowed Claim shall  
10 receive payment of any amounts remaining unpaid on account of such Claim.

11 (2) **Section 1111(b) Election Made.** In the event that  
12 the holder of the Class 1(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
13 Code section 1111(b), the Class 1(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
14 on the first day of the first month following the Effective Date, and continuing on the first day of  
15 each month thereafter until the holder of the Class 1(a)(1) Allowed Claim shall have received a  
16 total of one-hundred and twenty (120) such payments, the holder of the Class 1(a)(1) Allowed  
17 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
18 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
19 Date, the holder of the Class 1(a)(1) Allowed Claim shall receive payment equal to the greater of:  
20 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
21 payments made by the Reorganized Debtor to the holder of the Class 1(a)(1) Allowed Claim  
22 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
23 the holder of the Class 1(a)(1) claim under this Plan, to provide the holder of the Class 1(a)(1)  
24 Allowed Claim with the present value of the Class 1(a)(1) Allowed Claim as of the Effective Date  
25 as determined by the Bankruptcy Court at the Confirmation Hearing.

26 (c) **Impairment.** Class 1(a)(1) is impaired; and the holder of the Class  
27 1(a)(1) Claim is entitled to vote on the Plan.

28 3.2.2 **Class 1(a)(2)**



1 (a) **Classification.** Class 1(a)(2) consists of all Allowed Secured  
2 Claims against 2130 Group not otherwise classified in this Article 3.2. Each of such Claims shall  
3 be deemed to be classified within its own separate subclass within Class 1(a)(2) and each such  
4 subclass shall be deemed to be a separate class for purposes of this Plan.

5 (b) **Treatment.** Within thirty (30) days following the Effective Date,  
6 the Committee shall select, in its sole and absolute discretion, one of the following alternative  
7 treatments of each of the Allowed Claims within any of the subclasses in Class 1(a)(2): (a) to  
8 cause the Reorganized Debtor owning the property securing such claim to surrender such  
9 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
10 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
11 and the Committee may agree in writing.

12 (c) **Impairment.** Class 1(a)(2) is impaired; and the holders of Class  
13 1(a)(2) Claims are entitled to vote on the Plan.

14 3.2.3 **Class 1(b).**

15 (a) **Classification.** Class 1(b) consists of all Allowed Employee  
16 Priority Claims against 2130 Group.

17 (b) **Treatment.** In the event that all real properties owned by 2130  
18 Group are listed on a Notice of Abandonment, each holder of an Allowed Class 1(b) Claim shall  
19 receive its Pro Rata Share of any Cash held by 2130 Group as of the Effective Date, other than  
20 Cash subject to a security interest securing an Allowed Secured Claim against 2130 Group until  
21 such claim has been paid in full, without interest. In the event that all real properties owned by  
22 2130 Group are not listed on a Notice of Abandonment, each holder of an Allowed Class 1(b)  
23 Claim, unless the holder of such Claim have agreed to a different treatment with 2130 Group,  
24 shall receive payment in full from 2130 Group from Available Cash, Pro Rata, not less than  
25 quarterly, until such Allowed Claim shall have been paid in full; provided that each Allowed  
26 Class 1(b) Claim shall be paid in full, without interest, not later than one year following the  
27 Effective Date.

1 (c) **Impairment.** Class 1(b) is impaired; and the holders of Class 1(b)  
2 Claims are entitled to vote on the Plan.

3 3.2.4 **Class 1(c)**

4 (a) **Classification.** Class 1(c) consists of all Allowed Tenant Priority  
5 Claims against 2130 Group.

6 (b) **Treatment.** In the event that all real properties owned by 2130  
7 Group are listed on a Notice of Abandonment, each holder of an Allowed Class 1(c) Claim shall  
8 receive its Pro Rata Share of any Cash held by 2130 Group as of the Effective Date, other than  
9 Cash subject to a security interest securing an Allowed Secured Claim against 2130 Group, after  
10 payment in full of all Allowed Class 1(b) Claims, until such claim has been paid in full, without  
11 interest.. In the event that all real properties owned by 2130 Group are not listed on a Notice of  
12 Abandonment, each holder of an Allowed Class 1(c) Claim, unless the holder of such Claim have  
13 agreed to a different treatment with 2130 Group, shall receive payment in full from 2130 Group  
14 from Available Cash remaining after payment in full of all Allowed Class 1(b) Claims, Pro Rata,  
15 not less than quarterly, commencing upon the later of: (a) the date upon which such Claim would  
16 be required to be paid in accordance with its terms or (b) one year following the Effective Date,  
17 until such Allowed Claim shall have been paid in full, provided that each Allowed Class 1(c)  
18 Claim shall be paid in full, without interest, not later than the later of: (a) the date upon which  
19 such Claim would be required to be paid in accordance with its terms or (b) eighteen months  
20 following the Effective Date.

21 (c) **Impairment.** Class 1(c) is impaired; and the holders of Class 1(c)  
22 Claims are entitled to vote on the Plan.

23 3.2.5 **Class 1(d)**

24 (a) **Classification.** Class 1(d) consists of all Allowed Unsecured  
25 Claims against 2130 Group for which one or both of Pacific Property Assets and/or PPA  
26 Holdings are also jointly and severally liable

27 (b) **Treatment.** In the event that all real properties owned by 2130  
28 Group are listed on a Notice of Abandonment, each holder of an Allowed Class 1(d) Claim shall

1 receive, together with the holders of the Allowed Class 1(e) Claims, its Pro Rata Share of any  
2 Cash held by 2130 Group as of the Effective Date, other than Cash subject to a security interest  
3 securing an Allowed Secured Claim against 2130 Group, after payment in full of all Allowed  
4 Class 1(b) Claims and all Allowed Class 1(c) Claims. In the event that all real properties owned  
5 by 2130 Group are not listed on a Notice of Abandonment, each holder of an Allowed Class 1(d)  
6 Claim shall receive, at the holder's election, either: (i) an interest in Property Assets Operating  
7 Co. as provided in the Operating Agreement of Property Assets Operating Co., Exhibit 2 to this  
8 Plan, in full satisfaction of such Allowed Class 1(d) Claim and shall not receive any distribution  
9 from any other Debtor who may also be liable on account of such Allowed Claim; or (ii) a  
10 promissory note from 2130 Group for the Liquidation Value of such Class 1(d) claim as  
11 determined at the Confirmation Hearing, which note will be due and payable on or before the  
12 tenth (10th) anniversary of the Effective Date of the Plan, with interest thereon at the federal  
13 judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such  
14 other rate as may be determined and fixed in the Confirmation Order. The election to select  
15 option (i) or option (ii) must be made in writing delivered to counsel for the Committee not later  
16 than ten (10) days following the entry of the Confirmation Order. Any claimant who fails to  
17 make a timely election shall be conclusively deemed to have selected option (i), above.

18 (c) **Impairment.** Class 1(d) is impaired; and the holders of Class 1(d)  
19 Claims are entitled to vote on the Plan.

20 3.2.6 **Class 1(e)**

21 (a) **Classification.** Class 1(e) consists of all Allowed Unsecured  
22 Claims against 2130 Group other than those classified in Class 1(d).

23 (b) **Treatment.** In the event that all real properties owned by 2130  
24 Group are listed on a Notice of Abandonment, each holder of an Allowed Class 1(e) Claim shall  
25 receive, together with the holders of Allowed Class 1(d) Claims, its Pro Rata Share of any Cash  
26 held by 2130 Group as of the Effective Date together with any Cash acquired thereafter, other  
27 than Cash subject to a security interest securing an Allowed Secured Claim against AAA  
28 Investments, after payment in full of all Allowed Class 1(b) Claims and all Allowed Class 1(c)

1 Claims, which shall be paid as soon as practicable after the Effective Date. In the event that all  
2 real properties owned by 2130 Group are not listed on a Notice of Abandonment, each holder of  
3 an Allowed Class 1(e) Claim shall receive a promissory note from 2130 Group for the  
4 Liquidation Value of the claim as determined at the Confirmation Hearing, which note will be  
5 due and payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with  
6 interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on  
7 the Effective Date, or such other rate as may be determined and fixed in the Confirmation Order  
8 in full satisfaction of such Allowed Class 1(e) Claim.

9 (c) **Impairment.** Class 1(e) is impaired; and the holders of Class 1(e)  
10 Claims are entitled to vote on this Plan.

### 11 3.2.7 Class 1(f)

12 (a) **Classification.** Class 1(f) consists of all Allowed Claims against  
13 2130 Group subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

14 (b) **Treatment.** No distributions shall be made on account of any  
15 Class 1(f) Claim.

16 (c) **Impairment.** Class 1(f) is impaired; and the holders of Class 1(f)  
17 Claims are not entitled to vote on the Plan.

### 18 3.2.8 Class 1(g)

19 (a) **Classification.** Class 1(g) consists of all Allowed Interests in 2130  
20 Group.

21 (b) **Treatment.** No distributions shall be made on account of any  
22 Class 1(g) Interest. No distributions shall be made on account of any Class 1(g) Interest nor shall  
23 any property interests be received or retained on account of such interest. As of the Effective  
24 Date: (i) all existing membership interests in 2130 Group will be deemed cancelled and (ii) 100%  
25 of the ownership interest in 2130 Group will be vested in Property Assets Operating Co.

26 (c) **Impairment.** Class 1(g) is impaired; and the holders of Class 1(g)  
27 Interests are not entitled to vote on the Plan.

## 28 3.3 AAA Investment Properties.

1                   3.3.1    **Class 2(a)(1)**

2                   (a)    **Classification.** Class 2(a)(1) consists of the Allowed Secured  
3 Claim of Cathay Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
4 against the real property of AAA Investment Properties located at 1222 E. Mountain View Road,  
5 Phoenix, Arizona.

6                   (b)    **Treatment.**

7                   (i)    **Security Interests.** The Class 2(a)(1) Allowed Claim shall  
8 continue to be secured by the real property that presently secures the Class 2(a)(1) Allowed Claim  
9 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
10 and the personal property security interests granted to the holder of the Class 2(a)(1) Allowed  
11 Claim in such trust deed, which security interests shall have the same priority as such security  
12 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
13 Class 2(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
14 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
15 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
16 trust deed securing the Class 2(a)(1) Allowed Claim, any lien held by the holder of the Class  
17 2(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
18 thereof and such Cash shall be used by AAA Investment Properties for the purpose of paying any  
19 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
20 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
21 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
22 which AAA Investment Properties is obligated pursuant to the terms of this Plan, any excess Cash  
23 shall be paid by such Debtor to Property Assets Operating Co.

24                   (ii)   **Claim Amount.** As of the Effective Date, the Class 2(a)(1)  
25 Allowed Claim shall be assumed by Reorganized AAA Investment Properties subject to the  
26 following: (a) any defaults under the note evidencing the Class 2(a)(1) Allowed Claim shall be  
27 deemed to have been cured in full; and (b) the amount of the Class 2(a)(1) Allowed Claim shall  
28 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and

1 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
2 the Effective Date less: (a) any payments on account of the Class 2(a)(1) Allowed Claim  
3 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
4 The Class 2(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
5 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
6 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
7 and one-half percent (6.5%) per annum.

8 (iii) **Claim Payment.**

9 (1) **Section 1111(b) Election Not Made.** In the event  
10 that the holder of the Class 2(a)(1) Allowed Claim does not elect to be treated in accordance with  
11 Bankruptcy Code section 1111(b), the Class 2(a)(1) Allowed Claim shall be paid as follows: (a)  
12 commencing on the first day of the first month following the Effective Date, and continuing on  
13 the first day of each month thereafter until the holder of the Class 2(a)(1) Allowed Claim shall  
14 have received a total of thirty six (36) such payments, the holder of the Class 2(a)(1) Allowed  
15 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
16 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
17 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
18 Class 2(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
19 holder of the Class 2(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
20 paid each and every month for three hundred sixty (360) months, would repay such claim and  
21 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
22 the tenth anniversary of the Effective Date, the holder of the Class 2(a)(1) Allowed Claim shall  
23 receive payment of any amounts remaining unpaid on account of such Claim.

24 (2) **Section 1111(b) Election Made.** In the event that  
25 the holder of the Class 2(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
26 Code section 1111(b), the Class 2(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
27 on the first day of the first month following the Effective Date, and continuing on the first day of  
28 each month thereafter until the holder of the Class 2(a)(1) Allowed Claim shall have received a

1 total of one-hundred and twenty (120) such payments, the holder of the Class 2(a)(1) Allowed  
2 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
3 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
4 Date, the holder of the Class 2(a) Allowed Claim shall receive payment equal to the greater of:  
5 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
6 payments made by the Reorganized Debtor to the holder of the Class 2(a)(1) Allowed Claim  
7 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
8 the holder of the Class 2(a)(1) claim under this Plan, to provide the holder of the Class 2(a)(1)  
9 Allowed Claim with the present value of the Class 2(a)(1) Allowed Claim as of the Effective Date  
10 as determined by the Bankruptcy Court at the Confirmation Hearing.

11 (c) **Impairment.** The Class 2(a)(1) claim is impaired; and the holder  
12 of the Class 2(a)(1) Claim is entitled to vote on the Plan.

13 3.3.2 **Class 2(a)(2)**

14 (a) **Classification.** Class 2(a)(2) consists of all Allowed Secured  
15 Claims against AAA Investment Properties not otherwise classified in this Article 3.3. Each of  
16 such Claims shall be deemed to be classified within its own separate subclass within Class 2(a)(2)  
17 and each such subclass shall be deemed to be a separate class for purposes of this Plan.

18 (b) **Treatment.** Within 30 days following the Effective Date, the  
19 Committee shall select, in its sole and absolute discretion, one of the following alternative  
20 treatments of each of the Allowed Claims within any of the subclasses in Class 2(a)(2): (a) to  
21 cause the Reorganized Debtor owning the property securing such claim to surrender such  
22 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
23 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
24 and the Committee may agree in writing.

25 (c) **Impairment.** Class 2(a)(2) is impaired; and the holders of Class  
26 2(a)(2) Claims are entitled to vote on the Plan.

27 3.3.3 **Class 2(b).**

1 (a) **Classification.** Class 2(b) consists of all Allowed Employee  
2 Priority Claims against AAA Investment Properties.

3 (b) **Treatment.** In the event that all real properties owned by AAA  
4 Investment Properties are listed on a Notice of Abandonment, each holder of an Allowed Class  
5 2(b) Claim shall receive its Pro Rata Share of any Cash held by AAA Investment Properties as of  
6 the Effective Date, other than Cash subject to a security interest securing an Allowed Secured  
7 Claim against AAA Investment Properties until such claim has been paid in full, without interest..  
8 In the event that all real properties owned by AAA Investment Properties are not listed on a  
9 Notice of Abandonment, each holder of an Allowed Class 2(b) Claim, unless the holder of such  
10 Claim have agreed to a different treatment with AAA Investment Properties, shall receive  
11 payment in full from AAA Investment Properties from Available Cash, Pro Rata, not less than  
12 quarterly, until such Allowed Claim shall have been paid in full; provided that each Allowed  
13 Class 2(b) Claim shall be paid in full, without interest, not later than one year following the  
14 Effective Date.

15 (c) **Impairment.** Class 2(b) is impaired; and the holders of Class 2(b)  
16 Claims are entitled to vote on the Plan.

17 3.3.4 **Class 2(c)**

18 (a) **Classification.** Class 2(c) consists of all Allowed Tenant Priority  
19 Claims against AAA Investment Properties.

20 (b) **Treatment.** In the event that all real properties owned by AAA  
21 Investment Properties are listed on a Notice of Abandonment, each holder of an Allowed Class  
22 2(c) Claim shall receive its Pro Rata Share of any Cash held by AAA Investment Properties as of  
23 the Effective Date, other than Cash subject to a security interest securing an Allowed Secured  
24 Claim against AAA Investment Properties, after payment in full of all Allowed Class 2(b)  
25 Claims, until such claim has been paid in full, without interest.. In the event that all real  
26 properties owned by 2130 Group are not listed on a Notice of Abandonment, each holder of an  
27 Allowed Class 2(c) Claim, unless the holder of such Claim have agreed to a different treatment  
28 with AAA Investments, shall receive payment in full from AAA Investments from Available



1 Cash remaining after payment in full of all Allowed Class 2(b) Claims, Pro Rata, not less than  
2 quarterly, commencing upon the later of: (a) the date upon which such Claim would be required  
3 to be paid in accordance with its terms or (b) one year following the Effective Date, until such  
4 Allowed Claim shall have been paid in full, provided that each Allowed Class 2(c) Claim shall be  
5 paid in full, without interest, not later than the later of: (a) the date upon which such Claim would  
6 be required to be paid in accordance with its terms or (b) eighteen months following the Effective  
7 Date

8 (c) **Impairment.** Class 2(c) is impaired; and the holders of Class 2(c)  
9 Claims are entitled to vote on the Plan.

10 3.3.5 **Class 2(d)**

11 (a) **Classification.** Class 2(d) consists of all Allowed Unsecured  
12 Claims against AAA Investment Properties for which one or both of Pacific Property Assets  
13 and/or PPA Holdings are also jointly and severally liable.

14 (b) **Treatment.** In the event that all real properties owned by AAA  
15 Investments are listed on a Notice of Abandonment, each holder of an Allowed Class 2(d) Claim  
16 shall receive, together with the holders of the Allowed Class 2(e) Claims, its Pro Rata Share of  
17 any Cash held by 2130 Group as of the Effective Date, other than Cash subject to a security  
18 interest securing an Allowed Secured Claim against AAA Investments, after payment in full of all  
19 Allowed Class 2(b) Claims and all Allowed Class 2(c) Claims. In the event that all real  
20 properties owned by AAA Investments are not listed on a Notice of Abandonment, each holder of  
21 an Allowed Class 2(d) Claim shall receive, at the holder's election, either: (i) an interest in  
22 Property Assets Operating Co. as provided in the Operating Agreement of Property Assets  
23 Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 2(d) Claim and  
24 shall not receive any distribution from any other Debtor who may also be liable on account of  
25 such Allowed Claim; or (ii) a promissory note from AAA Investments for the Liquidation Value  
26 of such Class 2(d) claim as determined at the Confirmation Hearing, which note will be due and  
27 payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with interest  
28 thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the

1 Effective Date, or such other rate as may be determined and fixed in the Confirmation Order. The  
2 election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
3 Committee not later than ten (10) days following the entry of the Confirmation Order. Any  
4 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
5 (i), above

6 (c) **Impairment.** Class 2(d) is impaired; and the holders of Class 2(d)  
7 Claims are entitled to vote on the Plan.

8 3.3.6 **Class 2(e)**

9 (a) **Classification.** Class 2(e) consists of all Allowed Unsecured  
10 Claims against AAA Investment Properties other than those classified in Class 2(d).

11 (b) **Treatment.** In the event that all real properties owned by AAA  
12 Investments are listed on a Notice of Abandonment, each holder of an Allowed Class 2(d) Claim  
13 shall receive, together with the holders of the Allowed Class 2(e) Claims, its Pro Rata Share of  
14 any Cash held by AAA Investments as of the Effective Date, other than Cash subject to a security  
15 interest securing an Allowed Secured Claim against AAA Investments, after payment in full of all  
16 Allowed Class 2(b) Claims and all Allowed Class 2(c) Claims. In the event that all real  
17 properties owned by AAA Investments are not listed on a Notice of Abandonment, each holder of  
18 an Allowed Class 2(d) Claim shall receive, at the holder's election, either: (i) an interest in  
19 Property Assets Operating Co. as provided in the Operating Agreement of Property Assets  
20 Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 2(d) Claim and  
21 shall not receive any distribution from any other Debtor who may also be liable on account of  
22 such Allowed Claim; or (ii) a promissory note from AAA Investments for the Liquidation Value  
23 of such Class 2(d) claim as determined at the Confirmation Hearing, which note will be due and  
24 payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with interest  
25 thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the  
26 Effective Date, or such other rate as may be determined and fixed in the Confirmation Order. The  
27 election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
28 Committee not later than ten (10) days following the entry of the Confirmation Order. Any

1 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
2 (i), above.

3 (c) **Impairment.** Class 2(e) is impaired; and the holders of Class 2(e)  
4 Claims are entitled to vote on this Plan.

5 3.3.7 **Class 2(f)**

6 (a) **Classification.** Class 2(f) consists of all Allowed Claims against  
7 AAA Investment Properties subordinated pursuant to the provisions of Bankruptcy Code section  
8 510(c).

9 (b) **Treatment.** No distributions shall be made on account of any  
10 Class 2(f) Claim.

11 (c) **Impairment.** Class 2(f) is impaired; and the holders of Class 2(f)  
12 Claims are not entitled to vote on the Plan.

13 3.3.8 **Class 2(g)**

14 (a) **Classification.** Class 2(g) consists of all Allowed Interests in AAA  
15 Investment Properties.

16 (b) **Treatment.** No distributions shall be made on account of any  
17 Class 2(g) Interest. No distributions shall be made on account of any Class 2(g) Interest nor shall  
18 any property interests be received or retained on account of such interest. As of the Effective  
19 Date: (i) all existing membership interests in AAA Investment Properties will be deemed  
20 cancelled and (ii) 100% of the ownership interest in AAA Investment Properties will be vested in  
21 Property Assets Operating Co.

22 (c) **Impairment.** Class 2(g) is impaired; and the holders of Class 2(g)  
23 Interests are not entitled to vote on the Plan.

24 **3.4 Bell Cove**

25 3.4.1 **Class 3(a)(1)**

26 (a) **Classification.** Class 3(a)(1) consists of the Allowed Secured  
27 Claim of JP Morgan Chase Bank, N.A. to the extent that such Claim is secured by a perfected,

1 unavoidable lien against the real property of Bell Cove located at 17239 N. 19th Avenue,  
2 Phoenix, Ariz.

3 (b) **Treatment.**

4 (i) **Security Interests.** The Class 3(a)(1) Allowed Claim shall  
5 continue to be secured by the real property that presently secures the Class 3(a)(1) Allowed Claim  
6 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
7 and the personal property security interests granted to the holder of the Class 3(a)(1) Allowed  
8 Claim in such trust deed, which security interests shall have the same priority as such security  
9 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
10 Class 3(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
11 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
12 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
13 trust deed securing the Class 3(a)(1) Allowed Claim, any lien held by the holder of the Class  
14 3(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
15 thereof and such Cash shall be used by Bell Cove for the purpose of paying any Allowed  
16 Administrative Claims and Allowed Priority Claims for which such Debtor may be obligated  
17 pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds the amount  
18 required to pay all Allowed Administrative Claims and Allowed Priority Claims for which Bell  
19 Cove is obligated pursuant to the terms of this Plan, any excess Cash shall be paid by such Debtor  
20 to Property Assets Operating Co.

21 (ii) **Claim Amount.** As of the Effective Date, the Class 3(a)(1)  
22 Allowed Claim shall be assumed by Reorganized Bell Cove subject to the following: (a) any  
23 defaults under the note evidencing the Class 3(a)(1) Allowed Claim shall be deemed to have been  
24 cured in full; and (b) the amount of the Class 3(a)(1) Allowed Claim shall be equal to the amount  
25 of such Claim on the Petition Date plus any interest and other fees and charges accrued and  
26 unpaid on account of such Claim from and after the Petition Date through the Effective Date less:  
27 (a) any payments on account of the Class 3(a)(1) Allowed Claim received by the holder of such  
28 claim and (b) any set offs to which the Debtor may be entitled. The Class 3(a)(1) Allowed Claim

1 shall bear interest from and after the Effective Date at a rate equal to the greater of: (a) four and  
2 one-half percent (4.5%) per annum or (b) such higher rate of interest as the Bankruptcy Court  
3 may determine at the Confirmation Hearing, not to exceed six and one-half percent (6.5%) per  
4 annum.

5 (iii) **Claim Payment.**

6 (1) **Section 1111(b) Election Not Made.** In the event  
7 that the holder of the Class 3(a)(1) Allowed Claim does not elect to be treated in accordance with  
8 Bankruptcy Code section 1111(b), the Class 3(a)(1) Allowed Claim shall be paid as follows: (a)  
9 commencing on the first day of the first month following the Effective Date, and continuing on  
10 the first day of each month thereafter until the holder of the Class 3(a)(1) Allowed Claim shall  
11 have received a total of thirty six (36) such payments, the holder of the Class 3(a)(1) Allowed  
12 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
13 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
14 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
15 Class 3(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
16 holder of the Class 3(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
17 paid each and every month for three hundred sixty (360) months, would repay such claim and  
18 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
19 the tenth anniversary of the Effective Date, the holder of the Class 3(a)(1) Allowed Claim shall  
20 receive payment of any amounts remaining unpaid on account of such Claim.

21 (2) **Section 1111(b) Election Made.** In the event that  
22 the holder of the Class 3(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
23 Code section 1111(b), the Class 3(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
24 on the first day of the first month following the Effective Date, and continuing on the first day of  
25 each month thereafter until the holder of the Class 3(a)(1) Allowed Claim shall have received a  
26 total of one-hundred and twenty (120) such payments, the holder of the Class 3(a)(1) Allowed  
27 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
28 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective

1 Date, the holder of the Class 3(a)(1) Allowed Claim shall receive payment equal to the greater of:  
2 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
3 payments made by the Reorganized Debtor to the holder of the Class 3(a)(1) Allowed Claim  
4 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
5 the holder of the Class 3(a)(1) claim under this Plan, to provide the holder of the Class 3(a)(1)  
6 Allowed Claim with the present value of the Class 3(a)(1) Allowed Claim as of the Effective Date  
7 as determined by the Bankruptcy Court at the Confirmation Hearing.

8 (c) **Impairment.** The Class 3(a)(1) claim is impaired; and the holder  
9 of the Class 3(a)(1) Claim is entitled to vote on the Plan.

10 3.4.2 **Class 3(a)(2)**

11 (a) **Classification.** Class 3(a)(2) consists of all Allowed Secured  
12 Claims against Bell Cove not otherwise classified in this Article 3.4. Each of such Claims shall  
13 be deemed to be classified within its own separate subclass within Class 3(a)(2) and each such  
14 subclass shall be deemed to be a separate class for purposes of this Plan.

15 (b) **Treatment.** Within 30 days following the Effective Date, the  
16 Committee shall select, in its sole and absolute discretion, one of the following alternative  
17 treatments of each of the Allowed Claims within any of the subclasses in Class 3(a)(2): (a) to  
18 cause the Reorganized Debtor owning the property securing such claim to surrender such  
19 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
20 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
21 and the Committee may agree in writing.

22 (c) **Impairment.** Class 3(a)(2) is impaired; and the holders of Class  
23 3(a)(2) Claims are entitled to vote on the Plan.

24 3.4.3 **Class 3(b).**

25 (a) **Classification.** Class 3(b) consists of all Allowed Employee  
26 Priority Claims against Bell Cove.

27 (b) **Treatment.** In the event that all real properties owned by Bell  
28 Cove are listed on a Notice of Abandonment, each holder of an Allowed Class 3(b) Claim shall

1 receive its Pro Rata Share of any Cash held by Bell Cove as of the Effective Date, other than  
2 Cash subject to a security interest securing an Allowed Secured Claim against Bell Cove, until  
3 such claim has been paid in full, without interest. In the event that all real properties owned by  
4 Bell Cove are not listed on a Notice of Abandonment, each holder of an Allowed Class 3(b)  
5 Claim, unless the holder of such Claim have agreed to a different treatment with Bell Cove, shall  
6 receive payment in full from Bell Cove from Available Cash, Pro Rata, not less than quarterly,  
7 until such Allowed Claim shall have been paid in full; provided that each Allowed Class 3(b)  
8 Claim shall be paid in full, without interest, not later than one year following the Effective Date.

9 (c) **Impairment.** Class 3(b) is impaired; and the holders of Class 3(b)  
10 Claims are entitled to vote on the Plan.

11 3.4.4 **Class 3(c)**

12 (a) **Classification.** Class 3(c) consists of all Allowed Tenant Priority  
13 Claims against Bell Cove.

14 (b) **Treatment.** In the event that all real properties owned by Bell  
15 Cove are listed on a Notice of Abandonment, each holder of an Allowed Class 3(c) Claim shall  
16 receive its Pro Rata Share of any Cash held by Bell Cove as of the Effective Date, other than  
17 Cash subject to a security interest securing an Allowed Secured Claim against Bell Cove, after  
18 payment in full of all Allowed Class 3(b) Claims, until such claim has been paid in full, without  
19 interest. In the event that all real properties owned by Bell Cove are not listed on a Notice of  
20 Abandonment, each holder of an Allowed Class 3(c) Claim, unless the holder of such Claim have  
21 agreed to a different treatment with Bell Cove, shall receive payment in full from Bell Cove from  
22 Available Cash remaining after payment in full of all Allowed Class 3(b) Claims, Pro Rata, not  
23 less than quarterly, commencing upon the later of: (a) the date upon which such Claim would be  
24 required to be paid in accordance with its terms or (b) one year following the Effective Date, until  
25 such Allowed Claim shall have been paid in full, provided that each Allowed Class 1(c) Claim  
26 shall be paid in full, without interest, not later than the later of: (a) the date upon which such  
27 Claim would be required to be paid in accordance with its terms or (b) eighteen months following  
28 the Effective Date.

1 (c) **Impairment.** Class 3(c) is impaired; and the holders of Class 3(c)  
2 Claims are entitled to vote on the Plan.

3 3.4.5 **Class 3(d)**

4 (a) **Classification.** Class 3(d) consists of all Allowed Unsecured  
5 Claims against Bell Cove for which one or both of Pacific Property Assets and/or PPA Holdings  
6 are also jointly and severally liable.

7 (b) **Treatment.** In the event that all real properties owned by Bell  
8 Cove are listed on a Notice of Abandonment, each holder of an Allowed Class 3(d) Claim shall  
9 receive, together with the holders of the Allowed Class 2(e) Claims, its Pro Rata Share of any  
10 Cash held by Bell Cove as of the Effective Date, other than Cash subject to a security interest  
11 securing an Allowed Secured Claim against Bell Cove, after payment in full of all Allowed Class  
12 3(b) Claims and all Allowed Class 3(c) Claims. In the event that all real properties owned by Bell  
13 Cove are not listed on a Notice of Abandonment, each holder of an Allowed Class 3(d) Claim  
14 shall receive, at the holder's election, either: (i) an interest in Property Assets Operating Co. as  
15 provided in the Operating Agreement of Property Assets Operating Co., Exhibit 2 to this Plan, in  
16 full satisfaction of such Allowed Class 3(d) Claim and shall not receive any distribution from any  
17 other Debtor who may also be liable on account of such Allowed Claim; or (ii) a promissory note  
18 from Bell Cove for the Liquidation Value of such Class 3(d) claim as determined at the  
19 Confirmation Hearing, which note will be due and payable on or before the tenth (10th)  
20 anniversary of the Effective Date of the Plan, with interest thereon at the federal judgment rate as  
21 provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may  
22 be determined and fixed in the Confirmation Order. The election to select option (i) or option (ii)  
23 must be made in writing delivered to counsel for the Committee not later than ten (10) days  
24 following the entry of the Confirmation Order. Any claimant who fails to make a timely election  
25 shall be conclusively deemed to have selected option (i), above.

26 (c) **Impairment.** Class 3(d) is impaired; and the holders of Class 3(d)  
27 Claims are entitled to vote on the Plan.

28 3.4.6 **Class 3(e)**



1 (a) **Classification.** Class 3(e) consists of all Allowed Unsecured  
2 Claims against Bell Cove other than those classified in Class 3(d).

3 (b) **Treatment.** In the event that all real properties owned by Bell  
4 Cove are listed on a Notice of Abandonment, each holder of an Allowed Class 3(e) Claim shall  
5 receive, together with the holders of Allowed Class 3(d) Claims, its Pro Rata Share of any Cash  
6 held by Bell Cove as of the Effective Date, other than Cash subject to a security interest securing  
7 an Allowed Secured Claim against Bell Cove, after payment in full of all Allowed Class 3(b)  
8 Claims and all Allowed Class 3(c) Claims. In the event that all real properties owned by Bell  
9 Cove are not listed on a Notice of Abandonment, each holder of an Allowed Class 3(e) Claim  
10 shall receive a promissory note from Bell Cove for the Liquidation Value of the Claim as  
11 determined at the Confirmation Hearing, which note will be due and payable on or before the  
12 tenth (10th) anniversary of the Effective Date of the Plan, with interest thereon at the federal  
13 judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such  
14 other rate as may be determined and fixed in the Confirmation Order in full satisfaction of such  
15 Allowed Class 3(e) Claim.

16 (c) **Impairment.** Class 3(e) is impaired; and the holders of Class 3(e)  
17 Claims are entitled to vote on this Plan.

18 3.4.7 **Class 3(f)**

19 (a) **Classification.** Class 3(f) consists of all Allowed Claims against  
20 Bell Cove subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

21 (b) **Treatment.** No distributions shall be made on account of any  
22 Class 3(f) Claim.

23 (c) **Impairment.** Class 3(f) is impaired; and the holders of Class 3(f)  
24 Claims are not entitled to vote on the Plan.

25 3.4.8 **Class 3(g)**

26 (a) **Classification.** Class 3(g) consists of all Allowed Interests in Bell  
27 Cove.

28

1 (b) **Treatment.** No distributions shall be made on account of any  
2 Class 3(g) Interest. No distributions shall be made on account of any Class 3(g) Interest nor shall  
3 any property interests be received or retained on account of such interest. As of the Effective  
4 Date: (i) all existing membership interests in Bell Cove will be deemed cancelled and (ii) 100%  
5 of the ownership interest in Bell Cove will be vested in Property Assets Operating Co.

6 (c) **Impairment.** Class 3(g) is impaired; and the holders of Class 3(g)  
7 Interests are not entitled to vote on the Plan.

### 8 **3.5 Country Club Greens**

#### 9 **3.5.1 Class 4(a)(1)**

10 (a) **Classification.** Class 4(a)(1) consists of the Allowed Secured  
11 Claim of California Bank & Trust to the extent that such Claim is secured by a perfected,  
12 unavoidable lien against the real property of Country Club Greens located at 350 W. 13th Place,  
13 Mesa, Arizona.

#### 14 (b) **Treatment.**

15 (i) **Security Interests.** The Class 4(a)(1) Allowed Claim shall  
16 continue to be secured by the real property that presently secures the Class 4(a)(1) Allowed Claim  
17 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
18 and the personal property security interests granted to the holder of the Class 4(a)(1) Allowed  
19 Claim in such trust deed, which security interests shall have the same priority as such security  
20 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
21 Class 4(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
22 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
23 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
24 trust deed securing the Class 4(a)(1) Allowed Claim, any lien held by the holder of the Class  
25 4(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
26 thereof and such Cash shall be used by Country Club Greens for the purpose of paying any  
27 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
28 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds

1 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
2 which Country Club Greens is obligated pursuant to the terms of this Plan, any excess Cash shall  
3 be paid by such Debtor to Property Assets Operating Co.

4 (ii) **Claim Amount.** As of the Effective Date, the Class 4(a)(1)  
5 Allowed Claim shall be assumed by Reorganized Country Club Greens subject to the following:

6 (a) any defaults under the note evidencing the Class 4(a)(1) Allowed Claim shall be deemed to  
7 have been cured in full; and (b) the amount of the Class 4(a)(1) Allowed Claim shall be equal to  
8 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
9 accrued and unpaid on account of such Claim from and after the Petition Date through the  
10 Effective Date less: (a) any payments on account of the Class 4(a)(1) Allowed Claim received by  
11 the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
12 4(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
13 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
14 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
15 percent (6.5%) per annum.

16 (iii) **Claim Payment.**

17 (1) **Section 1111(b) Election Not Made.** In the event  
18 that the holder of the Class 4(a)(1) Allowed Claim does not elect to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 4(a)(1) Allowed Claim shall be paid as follows: (a)  
20 commencing on the first day of the first month following the Effective Date, and continuing on  
21 the first day of each month thereafter until the holder of the Class 4(a)(1) Allowed Claim shall  
22 have received a total of thirty six (36) such payments, the holder of the Class 4(a)(1) Allowed  
23 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
24 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
25 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
26 Class 4(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
27 holder of the Class 4(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
28 paid each and every month for three hundred sixty (360) months, would repay such claim and

1 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
2 the tenth anniversary of the Effective Date, the holder of the Class 4(a)(1) Allowed Claim shall  
3 receive payment of any amounts remaining unpaid on account of such Claim.

4 (2) **Section 1111(b) Election Made.** In the event that  
5 the holder of the Class 4(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
6 Code section 1111(b), the Class 4(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
7 on the first day of the first month following the Effective Date, and continuing on the first day of  
8 each month thereafter until the holder of the Class 4(a)(1) Allowed Claim shall have received a  
9 total of one-hundred and twenty (120) such payments, the holder of the Class 4(a)(1) Allowed  
10 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
11 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
12 Date, the holder of the Class 4(a)(1) Allowed Claim shall receive payment equal to the greater of:  
13 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
14 payments made by the Reorganized Debtor to the holder of the Class 4(a)(1) Allowed Claim  
15 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
16 the holder of the Class 4(a)(1) claim under this Plan, to provide the holder of the Class 4(a)(1)  
17 Allowed Claim with the present value of the Class 4(a)(1) Allowed Claim as of the Effective Date  
18 as determined by the Bankruptcy Court at the Confirmation Hearing.

19 (c) **Impairment.** The Class 4(a)(1) claim is impaired; and the holder  
20 of the Class 4(a)(1) Claim is entitled to vote on the Plan.

21 3.5.2 **Class 4(a)(2)**

22 (a) **Classification.** Class 4(a)(2) consists of all Allowed Secured  
23 Claims against Country Club Greens not otherwise classified in this Article 3.5. Each of such  
24 Claims shall be deemed to be classified within its own separate subclass within Class 4(a)(2) and  
25 each such subclass shall be deemed to be a separate class for purposes of this Plan.

26 (b) **Treatment.** On or before the Effective Date, the Committee shall  
27 select, in its sole and absolute discretion, one of the following alternative treatments of each of  
28 the Allowed Claims within any of the subclasses in Class 4(a)(2): (a) to cause the Reorganized

1 Debtor owning the property securing such claim to surrender such property to the holder of such  
2 claim in full satisfaction of such Claim or (b) to pay the holder of such Claim the amount of such  
3 Claim, or such lesser amount to which the holder of such Claim and the Committee may agree in  
4 writing.

5 (c) **Impairment.** Class 4(a)(2) is impaired; and the holders of Class  
6 3(a)(2) Claims are entitled to vote on the Plan.

7 3.5.3 **Class 4(b).**

8 (a) **Classification.** Class 4(b) consists of all Allowed Employee  
9 Priority Claims against Country Club Greens.

10 (b) **Treatment.** In the event that all real properties owned by Country  
11 Club Greens are listed on a Notice of Abandonment, each holder of an Allowed Class 4(b) Claim  
12 shall receive its Pro Rata Share of any Cash held by Country Club Greens as of the Effective  
13 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
14 Country Club Greens, until such claim has been paid in full, without interest. In the event that all  
15 real properties owned by Country Club Greens are not listed on a Notice of Abandonment, each  
16 holder of an Allowed Class 4(b) Claim, unless the holder of such Claim have agreed to a different  
17 treatment with Country Club Greens, shall receive payment in full from Country Club Greens  
18 from Available Cash, Pro Rata, not less than quarterly, until such Allowed Claim shall have been  
19 paid in full; provided that each Allowed Class 4(b) Claim shall be paid in full, without interest,  
20 not later than one year following the Effective Date.

21 (c) **Impairment.** Class 4(b) is impaired; and the holders of Class 4(b)  
22 Claims are entitled to vote on the Plan.

23 3.5.4 **Class 4(c)**

24 (a) **Classification.** Class 4(c) consists of all Allowed Tenant Priority  
25 Claims against Country Club Greens.

26 (b) **Treatment.** In the event that all real properties owned by Country  
27 Club Greens are listed on a Notice of Abandonment, each holder of an Allowed Class 4(c) Claim  
28 shall receive its Pro Rata Share of any Cash held by Country Club Greens as of the Effective

1 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
2 Country Club Greens, after payment in full of all Allowed Class 4(b) Claims, until such claim has  
3 been paid in full, without interest. In the event that all real properties owned by Country Club  
4 Greens are not listed on a Notice of Abandonment, each holder of an Allowed Class 4(c) Claim,  
5 unless the holder of such Claim have agreed to a different treatment with Country Club Greens,  
6 shall receive payment in full from Country Club Greens from Available Cash remaining after  
7 payment in full of all Allowed Class 4(b) Claims, Pro Rata, not less than quarterly, commencing  
8 upon the later of: (a) the date upon which such Claim would be required to be paid in accordance  
9 with its terms or (b) one year following the Effective Date, until such Allowed Claim shall have  
10 been paid in full, provided that each Allowed Class 4(c) Claim shall be paid in full, without  
11 interest, not later than the later of: (a) the date upon which such Claim would be required to be  
12 paid in accordance with its terms or (b) eighteen months following the Effective Date.

13 (c) **Impairment.** Class 4(c) is impaired; and the holders of Class 4(c)  
14 Claims are entitled to vote on the Plan.

15 3.5.5 **Class 4(d)**

16 (a) **Classification.** Class 4(d) consists of all Allowed Unsecured  
17 Claims against Country Club Greens for which one or both of Pacific Property Assets and/or PPA  
18 Holdings are also jointly and severally liable.

19 (b) **Treatment.** . In the event that all real properties owned by  
20 Country Club Greens are listed on a Notice of Abandonment, each holder of an Allowed Class  
21 4(d) Claim shall receive, together with the holders of the Allowed Class 4(e) Claims, its Pro Rata  
22 Share of any Cash held by Country Club Greens as of the Effective Date, other than Cash subject  
23 to a security interest securing an Allowed Secured Claim against Country Club Greens, after  
24 payment in full of all Allowed Class 4(b) Claims and all Allowed Class 4(c) Claims. In the event  
25 that all real properties owned by Country Club Greens are not listed on a Notice of Abandonment,  
26 each holder of an Allowed Class 4(d) Claim shall receive, at the holder's election, either: (i) an  
27 interest in Property Assets Operating Co. as provided in the Operating Agreement of Property  
28 Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 4(d) Claim

1 and shall not receive any distribution from any other Debtor who may also be liable on account of  
2 such Allowed Claim; or (ii) a promissory note from Country Club Greens for the Liquidation  
3 Value of such Class 4(d) claim as determined at the Confirmation Hearing, which note will be  
4 due and payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with  
5 interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on  
6 the Effective Date, or such other rate as may be determined and fixed in the Confirmation Order.  
7 The election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
8 Committee not later than ten (10) days following the entry of the Confirmation Order. Any  
9 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
10 (i), above.

11 (c) **Impairment.** Class 4(d) is impaired; and the holders of Class 4(d)  
12 Claims are entitled to vote on the Plan.

13 3.5.6 **Class 4(e)**

14 (a) **Classification.** Class 4(e) consists of all Allowed Unsecured  
15 Claims against Country Club Greens other than those classified in Class 4(d).

16 (b) **Treatment.** In the event that all real properties owned by Country  
17 Club Greens are listed on a Notice of Abandonment, each holder of an Allowed Class 4(e) Claim  
18 shall receive, together with the holders of Allowed Class 4(d) Claims, its Pro Rata Share of any  
19 Cash held by Country Club Greens as of the Effective Date together with any Cash acquired  
20 thereafter, other than Cash subject to a security interest securing an Allowed Secured Claim  
21 against Country Club Greens, after payment in full of all Allowed Class 4(b) Claims and all  
22 Allowed Class 4(c) Claims, which shall be paid as soon as practicable after the Effective Date. In  
23 the event that all real properties owned by Country Club Greens are not listed on a Notice of  
24 Abandonment, each holder of an Allowed Class 4(e) Claim shall receive a promissory note from  
25 Country Club Greens for the Liquidation Value of the Claim as determined at the Confirmation  
26 Hearing, which note will be due and payable on or before the tenth (10th) anniversary of the  
27 Effective Date of the Plan, with interest thereon at the federal judgment rate as provided in 28

1 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may be determined  
2 and fixed in the Confirmation Order in full satisfaction of such Allowed Class 4(e) Claim.

3 (c) **Impairment.** Class 4(e) is impaired; and the holders of Class 4(e)  
4 Claims are entitled to vote on this Plan.

5 3.5.7 **Class 4(f)**

6 (a) **Classification.** Class 4(f) consists of all Allowed Claims against  
7 Country Club Greens subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

8 (b) **Treatment.** No distributions shall be made on account of any  
9 Class 4(f) Claim.

10 (c) **Impairment.** Class 4(f) is impaired; and the holders of Class 4(f)  
11 Claims are not entitled to vote on the Plan.

12 3.5.8 **Class 4(g)**

13 (a) **Classification.** Class 4(g) consists of all Allowed Interests in  
14 Country Club Greens.

15 (b) **Treatment.** No distributions shall be made on account of any  
16 Class 4(g) Interest. No distributions shall be made on account of any Class 4(g) Interest nor shall  
17 any property interests be received or retained on account of such interest. As of the Effective  
18 Date: (i) all existing membership interests in Country Club Greens will be deemed cancelled and  
19 (ii) 100% of the ownership interest in Country Club Greens will be vested in Property Assets  
20 Operating Co.

21 (c) **Impairment.** Class 4(g) is impaired; and the holders of Class 4(g)  
22 Interests are not entitled to vote on the Plan.

23 **3.6 Dobson Springs**

24 3.6.1 **Class 5(a)(1)**

25 (a) **Classification.** Class 5(a)(1) consists of the Allowed Secured  
26 Claim of Key Bank to the extent that such Claim is secured by a perfected, unavoidable lien  
27 against the real property of Dobson Springs located at 1325 West Guadalupe Road, Mesa,  
28 Arizona.



1 (b) **Treatment.**

2 (i) **Security Interests.** The Class 5(a)(1) Allowed Claim shall  
3 continue to be secured by the real property that presently secures the Class 5(a)(1) Allowed Claim  
4 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
5 and the personal property security interests granted to the holder of the Class 5(a)(1) Allowed  
6 Claim in such trust deed, which security interests shall have the same priority as such security  
7 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
8 Class 5(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
9 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
10 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
11 trust deed securing the Class 5(a)(1) Allowed Claim, any lien held by the holder of the Class  
12 5(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
13 thereof and such Cash shall be used by Dobson Springs for the purpose of paying any Allowed  
14 Administrative Claims and Allowed Priority Claims for which such Debtor may be obligated  
15 pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds the amount  
16 required to pay all Allowed Administrative Claims and Allowed Priority Claims for which  
17 Dobson Springs is obligated pursuant to the terms of this Plan, any excess Cash shall be paid by  
18 such Debtor to Property Assets Operating Co.

19 (ii) **Claim Amount.** As of the Effective Date, the Class 5(a)(1)  
20 Allowed Claim shall be assumed by Reorganized Dobson Springs subject to the following: (a)  
21 any defaults under the note evidencing the Class 5(a)(1) Allowed Claim shall be deemed to have  
22 been cured in full; and (b) the amount of the Class 5(a)(1) Allowed Claim shall be equal to the  
23 amount of such Claim on the Petition Date plus any interest and other fees and charges accrued  
24 and unpaid on account of such Claim from and after the Petition Date through the Effective Date  
25 less: (a) any payments on account of the Class 5(a)(1) Allowed Claim received by the holder of  
26 such claim and (b) any set offs to which the Debtor may be entitled. The Class 5(a)(1) Allowed  
27 Claim shall bear interest from and after the Effective Date at a rate equal to the greater of: (a)  
28 four and one-half percent (4.5%) per annum or (b) such higher rate of interest as the Bankruptcy

1 Court may determine at the Confirmation Hearing, not to exceed six and one-half percent (6.5%)  
2 per annum.

3 (iii) **Claim Payment.**

4 (1) **Section 1111(b) Election Not Made.** In the event  
5 that the holder of the Class 5(a)(1) Allowed Claim does not elect to be treated in accordance with  
6 Bankruptcy Code section 1111(b), the Class 5(a)(1) Allowed Claim shall be paid as follows: (a)  
7 commencing on the first day of the first month following the Effective Date, and continuing on  
8 the first day of each month thereafter until the holder of the Class 5(a)(1) Allowed Claim shall  
9 have received a total of thirty six (36) such payments, the holder of the Class 5(a)(1) Allowed  
10 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
11 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
12 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
13 Class 5(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
14 holder of the Class 5(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
15 paid each and every month for three hundred sixty (360) months, would repay such claim and  
16 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
17 the tenth anniversary of the Effective Date, the holder of the Class 5(a)(1) Allowed Claim shall  
18 receive payment of any amounts remaining unpaid on account of such Claim.

19 (2) **Section 1111(b) Election Made.** In the event that  
20 the holder of the Class 5(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
21 Code section 1111(b), the Class 5(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
22 on the first day of the first month following the Effective Date, and continuing on the first day of  
23 each month thereafter until the holder of the Class 5(a)(1) Allowed Claim shall have received a  
24 total of one-hundred and twenty (120) such payments, the holder of the Class 5(a)(1) Allowed  
25 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
26 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
27 Date, the holder of the Class 5(a)(1) Allowed Claim shall receive payment equal to the greater of:  
28 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all

1 payments made by the Reorganized Debtor to the holder of the Class 5(a)(1) Allowed Claim  
2 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
3 the holder of the Class 5(a)(1) claim under this Plan, to provide the holder of the Class 5(a)(1)  
4 Allowed Claim with the present value of the Class 5(a)(1) Allowed Claim as of the Effective Date  
5 as determined by the Bankruptcy Court at the Confirmation Hearing.

6 (c) **Impairment.** The Class 5(a)(1) claim is impaired; and the holder  
7 of the Class 5(a)(1) Claim is entitled to vote on the Plan.

8 3.6.2 **Class 5(a)(2)**

9 (a) **Classification.** Class 5(a)(2) consists of all Allowed Secured  
10 Claims against Dobson Springs not otherwise classified in this Article 3.6. Each of such Claims  
11 shall be deemed to be classified within its own separate subclass within Class 5(a)(2) and each  
12 such subclass shall be deemed to be a separate class for purposes of this Plan.

13 (b) **Treatment.** Within 30 days following the Effective Date, the  
14 Committee shall select, in its sole and absolute discretion, one of the following alternative  
15 treatments of each of the Allowed Claims within any of the subclasses in Class 5(a)(2): (a) to  
16 cause the Reorganized Debtor owning the property securing such claim to surrender such  
17 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
18 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
19 and the Committee may agree in writing.

20 (c) **Impairment.** Class 5(a)(2) is impaired; and the holders of Class  
21 5(a)(2) Claims are entitled to vote on the Plan.

22 3.6.3 **Class 5(b).**

23 (a) **Classification.** Class 5(b) consists of all Allowed Employee  
24 Priority Claims against Dobson Springs.

25 (b) **Treatment.** In the event that all real properties owned by Dobson  
26 Springs are listed on a Notice of Abandonment, each holder of an Allowed Class 5(b) Claim shall  
27 receive its Pro Rata Share of any Cash held by Dobson Springs as of the Effective Date, other  
28 than Cash subject to a security interest securing an Allowed Secured Claim against Dobson

1 Springs, until such claim has been paid in full, without interest. In the event that all real  
2 properties owned by Dobson Springs are not listed on a Notice of Abandonment, each holder of  
3 an Allowed Class 5(b) Claim, unless the holder of such Claim have agreed to a different treatment  
4 with Dobson Springs, shall receive payment in full from Dobson Springs from Available Cash,  
5 Pro Rata, not less than quarterly, until such Allowed Claim shall have been paid in full; provided  
6 that each Allowed Class 5(b) Claim shall be paid in full, without interest, not later than one year  
7 following the Effective Date.

8 (c) **Impairment.** Class 5(b) is impaired; and the holders of Class 5(b)  
9 Claims are entitled to vote on the Plan.

10 3.6.4 **Class 5(c)**

11 (a) **Classification.** Class 5(c) consists of all Allowed Tenant Priority  
12 Claims against Dobson Springs.

13 (b) **Treatment.** In the event that all real properties owned by Dobson  
14 Springs are listed on a Notice of Abandonment, each holder of an Allowed Class 5(c) Claim shall  
15 receive its Pro Rata Share of any Cash held by Dobson Springs as of the Effective Date, other  
16 than Cash subject to a security interest securing an Allowed Secured Claim against Dobson  
17 Springs Properties, after payment in full of all Allowed Class 5(b) Claims, until such claim has  
18 been paid in full, without interest. In the event that all real properties owned by Dobson Springs  
19 are not listed on a Notice of Abandonment, each holder of an Allowed Class 5(c) Claim, unless  
20 the holder of such Claim have agreed to a different treatment with Dobson Springs, shall receive  
21 payment in full from Dobson Springs from Available Cash remaining after payment in full of all  
22 Allowed Class 5(b) Claims, Pro Rata, not less than quarterly, commencing upon the later of: (a)  
23 the date upon which such Claim would be required to be paid in accordance with its terms or (b)  
24 one year following the Effective Date, until such Allowed Claim shall have been paid in full,  
25 provided that each Allowed Class 5(c) Claim shall be paid in full, without interest, not later than  
26 the later of: (a) the date upon which such Claim would be required to be paid in accordance with  
27 its terms or (b) eighteen months following the Effective Date.

1 (c) **Impairment.** Class 5(c) is impaired; and the holders of Class 5(c)  
2 Claims are entitled to vote on the Plan.

3 3.6.5 **Class 5(d)**

4 (a) **Classification.** Class 5(d) consists of all Allowed Unsecured  
5 Claims against Dobson Springs for which one or both of Pacific Property Assets and/or PPA  
6 Holdings are also jointly and severally liable.

7 (b) **Treatment.** In the event that all real properties owned by Dobson  
8 Springs are listed on a Notice of Abandonment, each holder of an Allowed Class 5(d) Claim shall  
9 receive, together with the holders of the Allowed Class 5(e) Claims, its Pro Rata Share of any  
10 Cash held by Dobson Springs as of the Effective Date, other than Cash subject to a security  
11 interest securing an Allowed Secured Claim against Dobson Springs, after payment in full of all  
12 Allowed Class 5(b) Claims and all Allowed Class 5(c) Claims. In the event that all real  
13 properties owned by Dobson Springs are not listed on a Notice of Abandonment, each holder of  
14 an Allowed Class 5(d) Claim shall receive, at the holder's election, either: (i) an interest in  
15 Property Assets Operating Co. as provided in the Operating Agreement of Property Assets  
16 Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 5(d) Claim and  
17 shall not receive any distribution from any other Debtor who may also be liable on account of  
18 such Allowed Claim; or (ii) a promissory note from Dobson Springs for the Liquidation Value of  
19 such Class 5(d) claim as determined at the Confirmation Hearing, which note will be due and  
20 payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with interest  
21 thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the  
22 Effective Date, or such other rate as may be determined and fixed in the Confirmation Order. The  
23 election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
24 Committee not later than ten (10) days following the entry of the Confirmation Order. Any  
25 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
26 (i), above.

27 (c) **Impairment.** Class 5(d) is impaired; and the holders of Class 5(d)  
28 Claims are entitled to vote on the Plan.

1                   3.6.6    **Class 5(e)**

2                   (a)    **Classification.** Class 5(e) consists of all Allowed Unsecured  
3 Claims against Dobson Springs other than those classified in Class 5(d).

4                   (b)    **Treatment.** In the event that all real properties owned by Dobson  
5 Springs are listed on a Notice of Abandonment, each holder of an Allowed Class 5(e) Claim shall  
6 receive, together with the holders of Allowed Class 5(d) Claims, its Pro Rata Share of any Cash  
7 held by Dobson Springs as of the Effective Date, other than Cash subject to a security interest  
8 securing an Allowed Secured Claim against Dobson Springs, after payment in full of all Allowed  
9 Class 5(b) Claims and all Allowed Class 5(c) Claims. In the event that all real properties owned  
10 by Dobson Springs are not listed on a Notice of Abandonment, each holder of an Allowed Class  
11 5(e) Claim shall receive a promissory note from Dobson Springs for the Liquidation Value of the  
12 Claim as determined at the Confirmation Hearing, which note will be due and payable on or  
13 before the tenth (10th) anniversary of the Effective Date of the Plan, with interest thereon at the  
14 federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or  
15 such other rate as may be determined and fixed in the Confirmation Order in full satisfaction of  
16 such Allowed Class 5(e) Claim.

17                   (c)    **Impairment.** Class 5(e) is impaired; and the holders of Class 5(e)  
18 Claims are entitled to vote on this Plan.

19                   3.6.7    **Class 5(f)**

20                   (a)    **Classification.** Class 5(f) consists of all Allowed Claims against  
21 Dobson Springs subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

22                   (b)    **Treatment.** No distributions shall be made on account of any  
23 Class 5(f) Claim.

24                   (c)    **Impairment.** Class 5(f) is impaired; and the holders of Class 5(f)  
25 Claims are not entitled to vote on the Plan.

26                   3.6.8    **Class 5(g)**

27                   (a)    **Classification.** Class 5(g) consists of all Allowed Interests in  
28 Dobson Springs.

1 (b) **Treatment.** No distributions shall be made on account of any  
2 Class 5(g) Interest. No distributions shall be made on account of any Class 5(g) Interest nor shall  
3 any property interests be received or retained on account of such interest. As of the Effective  
4 Date: (i) all existing membership interests in Dobson Springs will be deemed cancelled and (ii)  
5 100% of the ownership interest in Dobson Springs will be vested in Property Assets Operating  
6 Co.

7 (c) **Impairment.** Class 5(g) is impaired; and the holders of Class 5(g)  
8 Interests are not entitled to vote on the Plan.

9 **3.7 Pacific Property Assets**

10 **3.7.1 Class 6(a)(1)**

11 (a) **Classification.** Class 6(a)(1) consists of the Allowed Secured  
12 Claim of Provident Bank to the extent that such Claim is secured by a perfected, unavoidable lien  
13 against the real property of Pacific Property Assets located at 709 E. 3rd Avenue, Long Beach,  
14 California.

15 (b) **Treatment.**

16 (i) **Security Interests.** The Class 6(a)(1) Allowed Claim shall  
17 continue to be secured by the real property that presently secures the Class 6(a)(1) Allowed Claim  
18 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
19 and the personal property security interests granted to the holder of the Class 6(a)(1) Allowed  
20 Claim in such trust deed, which security interests shall have the same priority as such security  
21 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
22 Class 6(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
23 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
24 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
25 trust deed securing the Class 6(a)(1) Allowed Claim, any lien held by the holder of the Class  
26 6(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
27 thereof and such Cash shall be used by Pacific Property Assets for the purpose of paying any  
28 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be

1 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
2 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
3 which Pacific Property Assets is obligated pursuant to the terms of this Plan, any excess Cash  
4 shall be paid by such Debtor to Property Assets Operating Co.

5 (ii) **Claim Amount.** As of the Effective Date, the Class 6(a)(1)  
6 Allowed Claim shall be assumed by Reorganized Pacific Property Assets subject to the following:

7 (a) any defaults under the note evidencing the Class 6(a)(1) Allowed Claim shall be deemed to  
8 have been cured in full; and (b) the amount of the Class 6(a)(1) Allowed Claim shall be equal to  
9 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
10 accrued and unpaid on account of such Claim from and after the Petition Date through the  
11 Effective Date less: (a) any payments on account of the Class 6(a)(1) Allowed Claim received by  
12 the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
13 6(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
14 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
15 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
16 percent (6.5%) per annum.

17 (iii) **Claim Payment.**

18 (1) **Section 1111(b) Election Not Made.** In the event  
19 that the holder of the Class 6(a)(1) Allowed Claim does not elect to be treated in accordance with  
20 Bankruptcy Code section 1111(b), the Class 6(a)(1) Allowed Claim shall be paid as follows: (a)  
21 commencing on the first day of the first month following the Effective Date, and continuing on  
22 the first day of each month thereafter until the holder of the Class 6(a)(1) Allowed Claim shall  
23 have received a total of thirty six (36) such payments, the holder of the Class 6(a)(1) Allowed  
24 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
25 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
26 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
27 Class 6(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
28 holder of the Class 6(a)(1) Allowed Claim shall receive a payment equal to an amount that, if



1 paid each and every month for three hundred sixty (360) months, would repay such claim and  
2 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
3 the tenth anniversary of the Effective Date, the holder of the Class 6(a)(1) Allowed Claim shall  
4 receive payment of any amounts remaining unpaid on account of such Claim.

5 (2) **Section 1111(b) Election Made.** In the event that  
6 the holder of the Class 6(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
7 Code section 1111(b), the Class 6(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
8 on the first day of the first month following the Effective Date, and continuing on the first day of  
9 each month thereafter until the holder of the Class 6(a)(1) Allowed Claim shall have received a  
10 total of one-hundred and twenty (120) such payments, the holder of the Class 6(a)(1) Allowed  
11 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
12 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
13 Date, the holder of the Class 6(a)(1) Allowed Claim shall receive payment equal to the greater of:  
14 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
15 payments made by the Reorganized Debtor to the holder of the Class 6(a)(1) Allowed Claim  
16 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
17 the holder of the Class 6(a)(1) claim under this Plan, to provide the holder of the Class 6(a)(1)  
18 Allowed Claim with the present value of the Class 6(a)(1) Allowed Claim as of the Effective Date  
19 as determined by the Bankruptcy Court at the Confirmation Hearing.

20 (c) **Impairment.** The Class 6(a)(1) claim is impaired; and the holder  
21 of the Class 6(a)(1) Claim is entitled to vote on the Plan.

22 3.7.2 **Class 6(a)(2)**

23 (a) **Classification.** Class 6(a)(2) consists of the Allowed Secured  
24 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
25 unavoidable second lien against the real property of Pacific Property Assets located at 709 E. 3rd  
26 Avenue, Long Beach, California.

27 (b) **Treatment.**

1 (i) **Security Interests.** The Class 6(a)(2) Allowed Secured  
2 Claims shall continue to be secured by the real property that presently secures the Class 6(a)(2)  
3 Allowed Secured Claim pursuant to the terms and conditions of the trust deed securing such  
4 Claims as of the Petition Date, and the personal property security interests granted to the holders  
5 of the Class 6(a)(2) Allowed Secured Claims in such trust deed, which security interests shall  
6 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
7 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
8 the Class 6(a)(2) Allowed Secured Claims, any lien held by the holder of the Class 6(a)(2)  
9 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by  
10 Pacific Property Assets for the purpose of paying any Allowed Administrative Claims and  
11 Allowed Priority Claims for which such Debtor may be obligated pursuant to the terms of this  
12 Plan. In the event that the amount of such Cash exceeds the amount required to pay all Allowed  
13 Administrative Claims and Allowed Priority Claims for which Pacific Property Assets is  
14 obligated pursuant to the terms of this Plan, any excess Cash shall be paid by such Debtor to  
15 Property Assets Operating Co.

16 (ii) **Claim Amount.** As of the Effective Date, the Class 6(a)(2)  
17 Allowed Secured Claims shall be assumed by Reorganized Pacific Property Assets subject to the  
18 following: (a) any defaults under the note evidencing the Class 6(a)(2) Allowed Secured Claims  
19 shall be deemed to have been cured in full; and (b) the amount of the Class 6(a)(2) Allowed  
20 Secured Claims shall be equal to the amount of such Secured Claims on the Petition Date plus  
21 any interest and other fees and charges accrued and unpaid on account of such Secured Claims  
22 from and after the Petition Date through the Effective Date less: (a) any payments on account of  
23 the Class 6(a)(2) Allowed Claims received by the holder of such Claims and (b) any set offs to  
24 which the Debtor may be entitled..

25 (iii) **Claim Payment.**

26 (1) **Section 1111(b) Election Not Made.** In the event  
27 that the holder of a Class 6(a)(2) Allowed Secured Claim does not elect to be treated in  
28 accordance with Bankruptcy Code section 1111(b), such holder of a Class 6(a)(2) Allowed

1 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
2 principal amount of such Class 6(a)(2) Allowed Secured Claim (exclusive of accrued and unpaid  
3 interest as of the Effective Date), which shall be delivered to Property Assets Operating Co. as  
4 soon as practicable following the later of: (a) the Effective Date or (b) the date upon which all  
5 Claims filed as Class 6(a)(2) Claims become Allowed Claims or are subject to a Final Order  
6 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
7 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
8 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
9 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
10 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
11 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
12 received by each holder of a Class 6(a)(2) Allowed Claim, the holders of Class 6(a)(2) Allowed  
13 Claims shall be entitled to receive payments of Net Cash (as defined in the Property Assets  
14 Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the Property  
15 Assets Operating Co. Operating Agreement, all of which shall be credited to the principal  
16 amounts due under such Second Trust Deed Holder Amended and Restated Note.

17 (2) **Section 1111(b) Election Made.** In the event that a  
18 holder of the Class 6(a)(2) Allowed Secured Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), such Class 6(a)(2) Allowed Claim shall receive a Second Trust  
20 Deed Holder Amended and Restated Note, in the principal amount such that the present value of  
21 said note is equal to the amount of each holder's Class 6(a)(2) Allowed Secured Claim and the  
22 total of all payments due pursuant to such note shall be equal to the amount of such holder's  
23 Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as practicable  
24 following the later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class  
25 6(a)(2) Claims become Allowed Claims or are subject to a Final Order disallowing those Claims.  
26 Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended and Restated  
27 Note to the individual authorized to enforce the rights of the payees of that note in accordance  
28 with the provisions of California Civil Code section 2941.9 upon its receipt of a "Majority Action

1 Affidavit” in accordance with California Civil Code section 2941.9(d) specifying the individual to  
2 whom such note should be delivered. In addition to the payments provided for in the Second  
3 Trust Deed Holder Amended and Restated Note to be received by each holder of a Class 6(a)(2)  
4 Allowed Secured Claim, the holders of Class 6(a)(2) Allowed Secured Claims shall be entitled to  
5 receive payments of Net Cash (as defined in the Property Assets Operating Co. Operating  
6 Agreement, Exhibit 2 hereto) pursuant to the terms of the Property Assets Operating Co.  
7 Operating Agreement, all of which shall be credited to the principal amounts due under such  
8 Second Trust Deed Holder Amended and Restated Note.

9 (c) **Impairment.** The Class 6(a)(2) Claims are impaired; and the  
10 holders of the Class 6(a)(2) Claims are entitled to vote on the Plan.

11 3.7.3 **Class 6(a)(3)**

12 (a) **Classification.** Class 6(a)(3) consists of the Allowed Claim of  
13 California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is secured  
14 by a perfected, unavoidable lien against the real property of Pacific Property Assets located at  
15 1959 Chestnut Avenue, Long Beach, California.

16 (b) **Treatment.**

17 (i) **Security Interests.** The Class 6(a)(3) Allowed Claim shall  
18 continue to be secured by the real property that presently secures the Class 6(a)(3) Allowed Claim  
19 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
20 and the personal property security interests granted to the holder of the Class 6(a)(3) Allowed  
21 Claim in such trust deed, which security interests shall have the same priority as such security  
22 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
23 Class 6(a)(3) Allowed Claim is adequately protected by the security interest in the Debtor’s real  
24 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
25 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
26 trust deed securing the Class 6(a)(3) Allowed Claim, any lien held by the holder of the Class  
27 6(a)(3) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
28 thereof and such Cash shall be used by Pacific Property Assets for the purpose of paying any

1 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
2 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
3 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
4 which Pacific Property Assets is obligated pursuant to the terms of this Plan, any excess Cash  
5 shall be paid by such Debtor to Property Assets Operating Co.

6 (ii) **Claim Amount.** As of the Effective Date, the Class 6(a)(3)  
7 Allowed Claim shall be assumed by Reorganized Pacific Property Assets subject to the following:

8 (a) any defaults under the note evidencing the Class 6(a)(3) Allowed Claim shall be deemed to  
9 have been cured in full; and (b) the amount of the Class 6(a)(3) Allowed Claim shall be equal to  
10 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
11 accrued and unpaid on account of such Claim from and after the Petition Date through the  
12 Effective Date less: (a) any payments on account of the Class 6(a)(3) Allowed Claim received by  
13 the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
14 6(a)(3) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
15 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
16 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
17 percent (6.5%) per annum.

18 (iii) **Claim Payment.**

19 (1) **Section 1111(b) Election Not Made.** In the event  
20 that the holder of the Class 6(a)(3) Allowed Claim does not elect to be treated in accordance with  
21 Bankruptcy Code section 1111(b), the Class 6(a)(3) Allowed Claim shall be paid as follows: (a)  
22 commencing on the first day of the first month following the Effective Date, and continuing on  
23 the first day of each month thereafter until the holder of the Class 6(a)(3) Allowed Claim shall  
24 have received a total of thirty six (36) such payments, the holder of the Class 6(a)(3) Allowed  
25 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
26 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
27 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
28 Class 6(a)(3) Allowed Claim shall have received a total of eighty four (84) such payments, the

1 holder of the Class 6(a)(3) Allowed Claim shall receive a payment equal to an amount that, if  
2 paid each and every month for three hundred sixty (360) months, would repay such claim and  
3 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
4 the tenth anniversary of the Effective Date, the holder of the Class 6(a)(3) Allowed Claim shall  
5 receive payment of any amounts remaining unpaid on account of such Claim.

6 (2) **Section 1111(b) Election Made.** In the event that  
7 the holder of the Class 6(a)(3) Allowed Claim elects to be treated in accordance with Bankruptcy  
8 Code section 1111(b), the Class 6(a)(3) Allowed Claim shall be paid as follows: (a) commencing  
9 on the first day of the first month following the Effective Date, and continuing on the first day of  
10 each month thereafter until the holder of the Class 6(a)(3) Allowed Claim shall have received a  
11 total of one-hundred and twenty (120) such payments, the holder of the Class 6(a)(3) Allowed  
12 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
13 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
14 Date, the holder of the Class 6(a)(3) Allowed Claim shall receive payment equal to the greater of:  
15 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
16 payments made by the Reorganized Debtor to the holder of the Class 6(a)(3) Allowed Claim  
17 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
18 the holder of the Class 6(a)(3) claim under this Plan, to provide the holder of the Class 6(a)(3)  
19 Allowed Claim with the present value of the Class 6(a)(3) Allowed Claim as of the Effective Date  
20 as determined by the Bankruptcy Court at the Confirmation Hearing.

21 (c) **Impairment.** The Class 6(a)(3) claim is impaired; and the holder  
22 of the Class 6(a)(3) Claim is entitled to vote on the Plan.

23 3.7.4 **Class 6(a)(4)**

24 (a) **Classification.** Class 6(a)(4) consists of the Allowed Secured  
25 Claims of all holders of notes secured by a perfected, unavoidable second lien against the real  
26 property of Pacific Property Assets located at 1959 Chestnut Avenue, Long Beach, California and  
27 1349 Ohio Avenue, Long Beach, California.

28 (b) **Treatment.**

1 (i) **Security Interests.** The Class 6(a)(4) Allowed Secured  
2 Claims shall continue to be secured by the real property that presently secures the Class 6(a)(4)  
3 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
4 Claims as of the Petition Date, and the personal property security interests granted to the holders  
5 of the Class 6(a)(4) Allowed Secured Claims in such trust deed, which security interests shall  
6 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
7 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
8 the Class 6(a)(4) Allowed Secured Claims, any lien held by the holder of the Class 6(a)(4)  
9 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by  
10 Pacific Property Assets for the purpose of paying any Allowed Administrative Claims and  
11 Allowed Priority Claims for which such Debtor may be obligated pursuant to the terms of this  
12 Plan. In the event that the amount of such Cash exceeds the amount required to pay all Allowed  
13 Administrative Claims and Allowed Priority Claims for which Pacific Property Assets is  
14 obligated pursuant to the terms of this Plan, any excess Cash shall be paid by such Debtor to  
15 Property Assets Operating Co.

16 (ii) **Claim Amount.** As of the Effective Date, the Class 6(a)(4)  
17 Allowed Secured Claims shall be assumed by Reorganized Pacific Property Assets subject to the  
18 following: (a) any defaults under the note evidencing the Class 6(a)(4) Allowed Secured Claims  
19 shall be deemed to have been cured in full; and (b) the amount of the Class 6(a)(4) Allowed  
20 Secured Claims shall be equal to the amount of such Secured Claims on the Petition Date plus  
21 any interest and other fees and charges accrued and unpaid on account of such Secured Claims  
22 from and after the Petition Date through the Effective Date less: (a) any payments on account of  
23 the Class 6(a)(4) Allowed Claims received by the holder of such Claims and (b) any set offs to  
24 which the Debtor may be entitled..

25 (iii) **Claim Payment.**

26 (1) **Section 1111(b) Election Not Made.** In the event  
27 that a holder of a Class 6(a)(4) Allowed Secured Claim does not elect to be treated in accordance  
28 with Bankruptcy Code section 1111(b), such holder of a Class 6(a)(4) Allowed Secured Claim

1 shall receive a Second Trust Deed Holder Amended and Restated Note, in the principal amount of  
2 such Class 6(a)(4) Allowed Secured Claim (exclusive of accrued and unpaid interest as of the  
3 Effective Date), which shall be delivered to Property Assets Operating Co. as soon as practicable  
4 following the later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class  
5 6(a)(4) Claims become Allowed Claims or are subject to a Final Order disallowing those Claims.  
6 Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended and Restated  
7 Note to the individual authorized to enforce the rights of the payees of that note in accordance  
8 with the provisions of California Civil Code section 2941.9 upon its receipt of a "Majority Action  
9 Affidavit" in accordance with California Civil Code section 2941.9(d) specifying the individual to  
10 whom such note should be delivered. In addition to the payments provided for in the Second  
11 Trust Deed Holder Amended and Restated Note to be received by each holder of a Class 6(a)(4)  
12 Allowed Claim, the holders of Class 6(a)(4) Allowed Claims shall be entitled to receive payments  
13 of Net Cash (as defined in the Property Assets Operating Co. Operating Agreement, Exhibit 2  
14 hereto) pursuant to the terms of the Property Assets Operating Co. Operating Agreement, all of  
15 which shall be credited to the principal amounts due under such Second Trust Deed Holder  
16 Amended and Restated Note.

17 (2) **Section 1111(b) Election Made.** In the event that a  
18 holder of the Class 6(a)(4) Allowed Secured Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), such Class 6(a)(4) Allowed Claim shall receive a Second Trust  
20 Deed Holder Amended and Restated Note, in the principal amount such that the present value of  
21 said note is equal to the amount of each holder's Class 6(a)(4) Allowed Secured Claim and the  
22 total of all payments due pursuant to such note shall be equal to the amount of such holder's  
23 Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as practicable  
24 following the later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class  
25 6(a)(4) Claims become Allowed Claims or are subject to a Final Order disallowing those Claims.  
26 Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended and Restated  
27 Note to the individual authorized to enforce the rights of the payees of that note in accordance  
28 with the provisions of California Civil Code section 2941.9 upon its receipt of a "Majority Action



1 Affidavit” in accordance with California Civil Code section 2941.9(d) specifying the individual to  
2 whom such note should be delivered. In addition to the payments provided for in the Second  
3 Trust Deed Holder Amended and Restated Note to be received by each holder of a Class 6(a)(4)  
4 Allowed Secured Claim, the holders of Class 6(a)(4) Allowed Secured Claims shall be entitled to  
5 receive payments of Net Cash (as defined in the Property Assets Operating Co. Operating  
6 Agreement, Exhibit 2 hereto) pursuant to the terms of the Property Assets Operating Co.  
7 Operating Agreement, all of which shall be credited to the principal amounts due under such  
8 Second Trust Deed Holder Amended and Restated Note.

9 (c) **Impairment.** The Class 6(a)(4) Claims are impaired; and the  
10 holders of the Class 6(a)(4) Claims are entitled to vote on the Plan.

11 3.7.5 **Class 6(a)(5)**

12 (a) **Classification.** Class 6(a)(5) consists of the Allowed Claim of  
13 California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is secured  
14 by a perfected, unavoidable lien against the real property of Pacific Property Assets located at  
15 1349 Ohio Avenue, Long Beach, California.

16 (b) **Treatment.**

17 (i) **Security Interests.** The Class 6(a)(5) Allowed Claim shall  
18 continue to be secured by the real property that presently secures the Class 6(a)(5) Allowed Claim  
19 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
20 and the personal property security interests granted to the holder of the Class 6(a)(5) Allowed  
21 Claim in such trust deed, which security interests shall have the same priority as such security  
22 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
23 Class 6(a)(5) Allowed Claim is adequately protected by the security interest in the Debtor’s real  
24 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
25 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
26 trust deed securing the Class 6(a)(5) Allowed Claim, any lien held by the holder of the Class  
27 6(a)(5) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
28 thereof and such Cash shall be used by Pacific Property Assets for the purpose of paying any

1 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
2 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
3 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
4 which Pacific Property Assets is obligated pursuant to the terms of this Plan, any excess Cash  
5 shall be paid by such Debtor to Property Assets Operating Co.

6 (ii) **Claim Amount.** As of the Effective Date, the Class 6(a)(5)  
7 Allowed Claim shall be assumed by Reorganized Pacific Property Assets subject to the following:

8 (a) any defaults under the note evidencing the Class 6(a)(5) Allowed Claim shall be deemed to  
9 have been cured in full; and (b) the amount of the Class 6(a)(5) Allowed Claim shall be equal to  
10 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
11 accrued and unpaid on account of such Claim from and after the Petition Date through the  
12 Effective Date less: (a) any payments on account of the Class 6(a)(5) Allowed Claim received by  
13 the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
14 6(a)(5) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
15 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
16 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
17 percent (6.5%) per annum.

18 (iii) **Claim Payment.**

19 (1) **Section 1111(b) Election Not Made.** In the event  
20 that the holder of the Class 6(a)(5) Allowed Claim does not elect to be treated in accordance with  
21 Bankruptcy Code section 1111(b), the Class 6(a)(5) Allowed Claim shall be paid as follows: (a)  
22 commencing on the first day of the first month following the Effective Date, and continuing on  
23 the first day of each month thereafter until the holder of the Class 6(a)(5) Allowed Claim shall  
24 have received a total of thirty six (36) such payments, the holder of the Class 6(a)(5) Allowed  
25 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
26 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
27 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
28 Class 6(a)(5) Allowed Claim shall have received a total of eighty four (84) such payments, the

1 holder of the Class 6(a)(5) Allowed Claim shall receive a payment equal to an amount that, if  
2 paid each and every month for three hundred sixty (360) months, would repay such claim and  
3 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
4 the tenth anniversary of the Effective Date, the holder of the Class 6(a)(5) Allowed Claim shall  
5 receive payment of any amounts remaining unpaid on account of such Claim.

6 (2) **Section 1111(b) Election Made.** In the event that  
7 the holder of the Class 6(a)(5) Allowed Claim elects to be treated in accordance with Bankruptcy  
8 Code section 1111(b), the Class 6(a)(5) Allowed Claim shall be paid as follows: (a) commencing  
9 on the first day of the first month following the Effective Date, and continuing on the first day of  
10 each month thereafter until the holder of the Class 6(a)(5) Allowed Claim shall have received a  
11 total of one-hundred and twenty (120) such payments, the holder of the Class 6(a)(5) Allowed  
12 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
13 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
14 Date, the holder of the Class 6(a)(5) Allowed Claim shall receive payment equal to the greater of:  
15 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
16 payments made by the Reorganized Debtor to the holder of the Class 6(a)(5) Allowed Claim  
17 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
18 the holder of the Class 6(a)(5) claim under this Plan, to provide the holder of the Class 6(a)(5)  
19 Allowed Claim with the present value of the Class 6(a)(5) Allowed Claim as of the Effective Date  
20 as determined by the Bankruptcy Court at the Confirmation Hearing.

21 (c) **Impairment.** The Class 6(a)(5) claim is impaired; and the holder  
22 of the Class 6(a)(5) Claim is entitled to vote on the Plan.

23 3.7.6 **Class 6(a)(6)**

24 (a) **Classification.** Class 6(a)(6) consists of the Allowed Secured  
25 Claim of Affinity Bank to the extent that such Claim is secured by a perfected, unavoidable lien  
26 against the real property of Pacific Property Assets located at 125 E. 8th Street, Long Beach,  
27 California.

28 (b) **Treatment.**

1 (i) **Security Interests.** The Class 6(a)(6) Allowed Claim shall  
2 continue to be secured by the real property that presently secures the Class 6(a)(6) Allowed Claim  
3 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
4 and the personal property security interests granted to the holder of the Class 6(a)(6) Allowed  
5 Claim in such trust deed, which security interests shall have the same priority as such security  
6 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
7 Class 6(a)(6) Allowed Claim is adequately protected by the security interest in the Debtor's real  
8 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
9 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
10 trust deed securing the Class 6(a)(6) Allowed Claim, any lien held by the holder of the Class  
11 6(a)(6) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
12 thereof and such Cash shall be used by Pacific Property Assets for the purpose of paying any  
13 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
14 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
15 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
16 which Pacific Property Assets is obligated pursuant to the terms of this Plan, any excess Cash  
17 shall be paid by such Debtor to Property Assets Operating Co.

18 (ii) **Claim Amount.** As of the Effective Date, the Class 6(a)(6)  
19 Allowed Claim shall be assumed by Reorganized Pacific Property Assets subject to the following:  
20 (a) any defaults under the note evidencing the Class 6(a)(6) Allowed Claim shall be deemed to  
21 have been cured in full; and (b) the amount of the Class 6(a)(6) Allowed Claim shall be equal to  
22 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
23 accrued and unpaid on account of such Claim from and after the Petition Date through the  
24 Effective Date less: (a) any payments on account of the Class 6(a)(6) Allowed Claim received by  
25 the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
26 6(a)(6) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
27 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as

1 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
2 percent (6.5%) per annum.

3 (iii) **Claim Payment.**

4 (1) **Section 1111(b) Election Not Made.** In the event  
5 that the holder of the Class 6(a)(6) Allowed Claim does not elect to be treated in accordance with  
6 Bankruptcy Code section 1111(b), the Class 6(a)(6) Allowed Claim shall be paid as follows: (a)  
7 commencing on the first day of the first month following the Effective Date, and continuing on  
8 the first day of each month thereafter until the holder of the Class 6(a)(6) Allowed Claim shall  
9 have received a total of thirty six (36) such payments, the holder of the Class 6(a)(6) Allowed  
10 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
11 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
12 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
13 Class 6(a)(6) Allowed Claim shall have received a total of eighty four (84) such payments, the  
14 holder of the Class 6(a)(6) Allowed Claim shall receive a payment equal to an amount that, if  
15 paid each and every month for three hundred sixty (360) months, would repay such claim and  
16 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
17 the tenth anniversary of the Effective Date, the holder of the Class 6(a)(6) Allowed Claim shall  
18 receive payment of any amounts remaining unpaid on account of such Claim.

19 (2) **Section 1111(b) Election Made.** In the event that  
20 the holder of the Class 6(a)(6) Allowed Claim elects to be treated in accordance with Bankruptcy  
21 Code section 1111(b), the Class 6(a)(6) Allowed Claim shall be paid as follows: (a) commencing  
22 on the first day of the first month following the Effective Date, and continuing on the first day of  
23 each month thereafter until the holder of the Class 6(a)(6) Allowed Claim shall have received a  
24 total of one-hundred and twenty (120) such payments, the holder of the Class 6(a)(6) Allowed  
25 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
26 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
27 Date, the holder of the Class 6(a)(6) Allowed Claim shall receive payment equal to the greater of:  
28 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all

1 payments made by the Reorganized Debtor to the holder of the Class 6(a)(6) Allowed Claim  
2 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
3 the holder of the Class 6(a)(6) claim under this Plan, to provide the holder of the Class 6(a)(6)  
4 Allowed Claim with the present value of the Class 6(a)(6) Allowed Claim as of the Effective Date  
5 as determined by the Bankruptcy Court at the Confirmation Hearing.

6 (c) **Impairment.** The Class 6(a)(6) claim is impaired; and the holder  
7 of the Class 6(a)(6) Claim is entitled to vote on the Plan.

8 3.7.7 **Class 6(a)(7)**

9 (a) **Classification.** Class 6(a)(7) consists of the Allowed Claim of JP  
10 Morgan Chase Bank, as successor to Washington Mutual Savings Bank, to the extent that such  
11 Claim is secured by a perfected, unavoidable lien against the real property of Pacific Property  
12 Assets located at 2211 East Camelback Road, Phoenix, Arizona.

13 (b) **Treatment.**

14 (i) **Security Interests.** The Class 6(a)(7) Allowed Claim shall  
15 continue to be secured by the real property that presently secures the Class 6(a)(7) Allowed Claim  
16 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
17 and the personal property security interests granted to the holder of the Class 6(a)(7) Allowed  
18 Claim in such trust deed, which security interests shall have the same priority as such security  
19 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
20 Class 6(a)(7) Allowed Claim is adequately protected by the security interest in the Debtor's real  
21 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
22 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
23 trust deed securing the Class 6(a)(7) Allowed Claim, any lien held by the holder of the Class  
24 6(a)(7) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
25 thereof and such Cash shall be used by Pacific Property Assets for the purpose of paying any  
26 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
27 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
28 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for

1 which Pacific Property Assets is obligated pursuant to the terms of this Plan, any excess Cash  
2 shall be paid by such Debtor to Property Assets Operating Co.

3 (ii) **Claim Amount.** As of the Effective Date, the Class 6(a)(7)  
4 Allowed Claim shall be assumed by Reorganized Pacific Property Assets subject to the following:

5 (a) any defaults under the note evidencing the Class 6(a)(7) Allowed Claim shall be deemed to  
6 have been cured in full; and (b) the amount of the Class 6(a)(7) Allowed Claim shall be equal to  
7 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
8 accrued and unpaid on account of such Claim from and after the Petition Date through the  
9 Effective Date less: (a) any payments on account of the Class 6(a)(7) Allowed Claim received by  
10 the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
11 6(a)(7) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
12 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
13 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
14 percent (6.5%) per annum.

15 (iii) **Claim Payment.**

16 (1) **Section 1111(b) Election Not Made.** In the event  
17 that the holder of the Class 6(a)(7) Allowed Claim does not elect to be treated in accordance with  
18 Bankruptcy Code section 1111(b), the Class 6(a)(7) Allowed Claim shall be paid as follows: (a)  
19 commencing on the first day of the first month following the Effective Date, and continuing on  
20 the first day of each month thereafter until the holder of the Class 6(a)(7) Allowed Claim shall  
21 have received a total of thirty six (36) such payments, the holder of the Class 6(a)(7) Allowed  
22 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
23 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
24 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
25 Class 6(a)(7) Allowed Claim shall have received a total of eighty four (84) such payments, the  
26 holder of the Class 6(a)(7) Allowed Claim shall receive a payment equal to an amount that, if  
27 paid each and every month for three hundred sixty (360) months, would repay such claim and  
28 interest accruing on such claim in its entirety; and (c) on the first day of the first month following

1 the tenth anniversary of the Effective Date, the holder of the Class 6(a)(7) Allowed Claim shall  
2 receive payment of any amounts remaining unpaid on account of such Claim.

3 (2) **Section 1111(b) Election Made.** In the event that  
4 the holder of the Class 6(a)(7) Allowed Claim elects to be treated in accordance with Bankruptcy  
5 Code section 1111(b), the Class 6(a)(7) Allowed Claim shall be paid as follows: (a) commencing  
6 on the first day of the first month following the Effective Date, and continuing on the first day of  
7 each month thereafter until the holder of the Class 6(a)(7) Allowed Claim shall have received a  
8 total of one-hundred and twenty (120) such payments, the holder of the Class 6(a)(7) Allowed  
9 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
10 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
11 Date, the holder of the Class 6(a)(7) Allowed Claim shall receive payment equal to the greater of:  
12 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
13 payments made by the Reorganized Debtor to the holder of the Class 6(a)(7) Allowed Claim  
14 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
15 the holder of the Class 6(a)(7) claim under this Plan, to provide the holder of the Class 6(a)(7)  
16 Allowed Claim with the present value of the Class 6(a)(7) Allowed Claim as of the Effective Date  
17 as determined by the Bankruptcy Court at the Confirmation Hearing.

18 (c) **Impairment.** The Class 6(a)(7) claim is impaired; and the holder  
19 of the Class 6(a)(7) Claim is entitled to vote on the Plan.

20 3.7.8 **Class 6(a)(8)**

21 (a) **Classification.** Class 6(a)(8) consists of all Allowed Secured  
22 Claims against Pacific Property Assets not otherwise classified in this Article 3.7. Each of such  
23 Claims shall be deemed to be classified within its own separate subclass within Class 6(a)(8) and  
24 each such subclass shall be deemed to be a separate class for purposes of this Plan.

25 (b) **Treatment.** Within 30 days following the Effective Date, the  
26 Committee shall select, in its sole and absolute discretion, one of the following alternative  
27 treatments of each of the Allowed Claims within any of the subclasses in Class 6(a)(8): (a) to  
28 cause the Reorganized Debtor owning the property securing such claim to surrender such



1 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
2 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
3 and the Committee may agree in writing.

4 (c) **Impairment.** Class 6(a)(8) is impaired; and the holders of Class  
5 6(a)(8) Claims are entitled to vote on the Plan.

6 3.7.9 **Class 6(b).**

7 (a) **Classification.** Class 6(b) consists of all Allowed Employee  
8 Priority Claims against Pacific Property Assets.

9 (b) **Treatment.** In the event that all real properties owned by Pacific  
10 Property Assets are listed on a Notice of Abandonment, each holder of an Allowed Class 6(b)  
11 Claim shall receive its Pro Rata Share of any Cash held by Pacific Property Assets as of the  
12 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim  
13 against Pacific Property Assets, until such claim has been paid in full, without interest. In the  
14 event that all real properties owned by Pacific Property Assets are not listed on a Notice of  
15 Abandonment, each holder of an Allowed Class 6(b) Claim, unless the holder of such Claim have  
16 agreed to a different treatment with Pacific Property Assets, shall receive payment in full from  
17 Pacific Property Assets from Available Cash, Pro Rata, not less than quarterly, until such  
18 Allowed Claim shall have been paid in full; provided that each Allowed Class 6(b) Claim shall be  
19 paid in full, without interest, not later than one year following the Effective Date.

20 (c) **Impairment.** Class 6(b) is impaired; and the holders of Class 6(b)  
21 Claims are entitled to vote on the Plan.

22 3.7.10 **Class 6(c)**

23 (a) **Classification.** Class 6(c) consists of all Allowed Tenant Priority  
24 Claims against Pacific Property Assets.

25 (b) **Treatment.** In the event that all real properties owned by Pacific  
26 Property Assets are listed on a Notice of Abandonment, each holder of an Allowed Class 6(c)  
27 Claim shall receive its Pro Rata Share of any Cash held by Pacific Property Assets as of the  
28 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim

1 against Pacific Property Assets Properties, after payment in full of all Allowed Class 6(b) Claims,  
2 until such claim has been paid in full, without interest. In the event that all real properties owned  
3 by Pacific Property Assets are not listed on a Notice of Abandonment, each holder of an Allowed  
4 Class 6(c) Claim, unless the holder of such Claim have agreed to a different treatment with  
5 Pacific Property Assets, shall receive payment in full from Pacific Property Assets from  
6 Available Cash remaining after payment in full of all Allowed Class 16(b) Claims, Pro Rata, not  
7 less than quarterly, commencing upon the later of: (a) the date upon which such Claim would be  
8 required to be paid in accordance with its terms or (b) one year following the Effective Date, until  
9 such Allowed Claim shall have been paid in full, provided that each Allowed Class 6(c) Claim  
10 shall be paid in full, without interest, not later than the later of: (a) the date upon which such  
11 Claim would be required to be paid in accordance with its terms or (b) eighteen months following  
12 the Effective Date.

13 (c) **Impairment.** Class 6(c) is impaired; and the holders of Class 6(c)  
14 Claims are entitled to vote on the Plan.

15 3.7.11 **Class 6(d)**

16 (a) **Classification.** Class 6(d) consists of all Allowed Unsecured  
17 Claims against Pacific Property Assets for which one or more of the other Debtors are also jointly  
18 and severally liable

19 (b) **Treatment.** In the event that all real properties owned by Pacific  
20 Property Assets are listed on a Notice of Abandonment, each holder of an Allowed Class 6(d)  
21 Claim shall receive, together with the holders of the Allowed Class 6(e) Claims, its Pro Rata  
22 Share of any Cash held by Pacific Property Assets as of the Effective Date, other than Cash  
23 subject to a security interest securing an Allowed Secured Claim against Pacific Property Assets,  
24 after payment in full of all Allowed Class 6(b) Claims and all Allowed Class 6(c) Claims. In the  
25 event that all real properties owned by Pacific Property Assets are not listed on a Notice of  
26 Abandonment: (i) each holder of an Allowed Class 6(d) Claim who elected to receive an  
27 ownership interest in Property Assets Operation Co. on account of its Allowed Claim against a  
28 Debtor other than Pacific Property Assets shall not receive any further distribution from Pacific

1 Property Assets on account of such claim, and (ii) each holder of an Allowed Class 6(d) Claim  
2 who elected to receive a promissory note on account of such claim against such Debtor shall  
3 receive a promissory note from Pacific Property Assets in an amount equal to the lesser of: (x)  
4 for the Liquidation Value of such Class 6(d) claim as determined at the Confirmation Hearing or  
5 (y) the amount of the Allowed Class 6(d) Claim less the amount of any promissory notes received  
6 by the holder of the Allowed Class 6(d) Claim from one or more of the Debtors, other than  
7 Pacific Property Assets, jointly and severally liable with Pacific Property Assets on account of the  
8 Allowed Class 6(d) Claim. The foregoing note will be due and payable on or before the tenth  
9 (10th) anniversary of the Effective Date of the Plan, with interest thereon at the federal judgment  
10 rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as  
11 may be determined and fixed in the Confirmation Order.

12 (c) **Impairment.** Class 6(d) is impaired; and the holders of Class 6(d)  
13 Claims are entitled to vote on the Plan.

14 3.7.12 **Class 6(e)**

15 (a) **Classification.** Class 6(e) consists of all Allowed Unsecured  
16 Claims against Pacific Property Assets other than those classified in Class 6(d).

17 (b) **Treatment.** In the event that all real properties owned by Pacific  
18 Property Assets are listed on a Notice of Abandonment, each holder of an Allowed Class 6(e)  
19 Claim shall receive, together with the holders of the Allowed Class 6(d) Claims, its Pro Rata  
20 Share of any Cash held by Pacific Property Assets as of the Effective Date, other than Cash  
21 subject to a security interest securing an Allowed Secured Claim against Pacific Property Assets,  
22 after payment in full of all Allowed Class 6(b) Claims and all Allowed Class 6(c) Claims. In the  
23 event that all real properties owned by Pacific Property Assets are not listed on a Notice of  
24 Abandonment, each holder of an Allowed Class 6(e) Claim shall receive, at the holder's election,  
25 either: (i) an interest in Property Assets Operating Co. as provided in the Operating Agreement of  
26 Property Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class  
27 6(e) Claim or (ii) a promissory note from Pacific Property Assets for the Liquidation Value of  
28 such Class 6(e) claim as determined at the Confirmation Hearing, which note will be due and

1 payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with interest  
2 thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the  
3 Effective Date, or such other rate as may be determined and fixed in the Confirmation Order. The  
4 election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
5 Committee not later than ten (10) days following the entry of the Confirmation Order. Any  
6 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
7 (i), above.

8 (c) **Impairment.** Class 6(e) is impaired; and the holders of Class 6(e)  
9 Claims are entitled to vote on the Plan.

10 3.7.13 **Class 6(f)**

11 (a) **Classification.** Class 6(f) consists of all Allowed Claims against  
12 Pacific Property Assets subordinated pursuant to the provisions of Bankruptcy Code section  
13 510(c).

14 (b) **Treatment.** No distributions shall be made on account of any  
15 Class 6(f) Claim.

16 (c) **Impairment.** Class 6(f) is impaired; and the holders of Class 6(f)  
17 Claims are not entitled to vote on the Plan.

18 3.7.14 **Class 6(g)**

19 (a) **Classification.** Class 6(g) consists of all Allowed Interests in  
20 Pacific Property Assets.

21 (b) **Treatment.** No distributions shall be made on account of any  
22 Class 6(g) Interest. No distributions shall be made on account of any Class 6(g) Interest nor shall  
23 any property interests be received or retained on account of such interest. As of the Effective  
24 Date: (i) all existing membership interests in Pacific Property Assets will be deemed cancelled  
25 and (ii) 100% of the ownership interest in Pacific Property Assets will be vested in Property  
26 Assets Operating Co.

27 (c) **Impairment.** Class 6(g) is impaired; and the holders of Class 6(g)  
28 Interests are not entitled to vote on the Plan.

1           **3.8 Pacific Property Assets II**

2                   **3.8.1 Class 7(a)(1)**

3                           **(a) Classification.** Class 7(a)(1) consists of the Allowed Secured  
4 Claim of Bank of America, to the extent that such Claim is secured by a perfected, unavoidable  
5 lien against the real property of Pacific Property Assets II located at 1121 Daisy Street, Long  
6 Beach, California.

7                           **(b) Treatment.**

8                                   **(i) Security Interests.** The Class 7(a)(1) Allowed Claim shall  
9 continue to be secured by the real property that presently secures the Class 7(a)(1) Allowed Claim  
10 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
11 and the personal property security interests granted to the holder of the Class 7(a)(1) Allowed  
12 Claim in such trust deed, which security interests shall have the same priority as such security  
13 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
14 Class 7(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
15 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
16 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
17 trust deed securing the Class 7(a)(1) Allowed Claim, any lien held by the holder of the Class  
18 7(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
19 thereof and such Cash shall be used by Pacific Property Assets II for the purpose of paying any  
20 Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
21 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
22 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
23 which Pacific Property Assets II is obligated pursuant to the terms of this Plan, any excess Cash  
24 shall be paid by such Debtor to Property Assets Operating Co.

25                                   **(ii) Claim Amount.** As of the Effective Date, the Class 7(a)(1)  
26 Allowed Claim shall be assumed by Reorganized Pacific Property Assets II subject to the  
27 following: (a) any defaults under the note evidencing the Class 7(a)(1) Allowed Claim shall be  
28 deemed to have been cured in full; and (b) the amount of the Class 7(a)(1) Allowed Claim shall

1 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
2 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
3 the Effective Date less: (a) any payments on account of the Class 7(a)(1) Allowed Claim  
4 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
5 The Class 7(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
6 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
7 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
8 and one-half percent (6.5%) per annum.

9 (iii) **Claim Payment.**

10 (1) **Section 1111(b) Election Not Made.** In the event  
11 that the holder of the Class 7(a)(1) Allowed Claim does not elect to be treated in accordance with  
12 Bankruptcy Code section 1111(b), the Class 7(a)(1) Allowed Claim shall be paid as follows: (a)  
13 commencing on the first day of the first month following the Effective Date, and continuing on  
14 the first day of each month thereafter until the holder of the Class 7(a)(1) Allowed Claim shall  
15 have received a total of thirty six (36) such payments, the holder of the Class 7(a)(1) Allowed  
16 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
17 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
18 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
19 Class 7(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
20 holder of the Class 7(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
21 paid each and every month for three hundred sixty (360) months, would repay such claim and  
22 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
23 the tenth anniversary of the Effective Date, the holder of the Class 7(a)(1) Allowed Claim shall  
24 receive payment of any amounts remaining unpaid on account of such Claim.

25 (2) **Section 1111(b) Election Made.** In the event that  
26 the holder of the Class 7(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
27 Code section 1111(b), the Class 7(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
28 on the first day of the first month following the Effective Date, and continuing on the first day of

1 each month thereafter until the holder of the Class 7(a)(1) Allowed Claim shall have received a  
2 total of one-hundred and twenty (120) such payments, the holder of the Class 7(a)(1) Allowed  
3 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
4 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
5 Date, the holder of the Class 7(a)(1) Allowed Claim shall receive payment equal to the greater of:  
6 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
7 payments made by the Reorganized Debtor to the holder of the Class 7(a)(1) Allowed Claim  
8 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
9 the holder of the Class 7(a)(1) claim under this Plan, to provide the holder of the Class 7(a)(1)  
10 Allowed Claim with the present value of the Class 7(a)(1) Allowed Claim as of the Effective Date  
11 as determined by the Bankruptcy Court at the Confirmation Hearing.

12 (c) **Impairment.** The Class 7(a)(1) claim is impaired; and the holder  
13 of the Class 7(a)(1) Claim is entitled to vote on the Plan.

14 3.8.2 **Class 7(a)(2)**

15 (a) **Classification.** Class 7(a)(2) consists of the Allowed Secured  
16 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
17 unavoidable second lien against the real property of Pacific Property Assets II located at 1121  
18 Daisy Street, Long Beach, California.

19 (b) **Treatment.**

20 (i) **Security Interests.** The Class 7(a)(2) Allowed Secured  
21 Claims shall continue to be secured by the real property that presently secures the Class 7(a)(2)  
22 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
23 Claims as of the Petition Date, and the personal property security interests granted to the holders  
24 of the Class 7(a)(2) Allowed Secured Claims in such trust deed, which security interests shall  
25 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
26 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
27 the Class 7(a)(2) Allowed Secured Claims, any lien held by the holder of the Class 7(a)(2)  
28 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by

1 Pacific Property Assets II for the purpose of paying any Allowed Administrative Claims and  
2 Allowed Priority Claims for which such Debtor may be obligated pursuant to the terms of this  
3 Plan. In the event that the amount of such Cash exceeds the amount required to pay all Allowed  
4 Administrative Claims and Allowed Priority Claims for which Pacific Property Assets II is  
5 obligated pursuant to the terms of this Plan, any excess Cash shall be paid by such Debtor to  
6 Property Assets Operating Co.

7 (ii) **Claim Amount.** As of the Effective Date, the Class 7(a)(2)  
8 Allowed Secured Claims shall be assumed by Reorganized Pacific Property Assets II subject to  
9 the following: (a) any defaults under the note evidencing the Class 7(a)(2) Allowed Secured  
10 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 7(a)(2)  
11 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
12 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
13 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
14 account of the Class 7(a)(2) Allowed Claims received by the holder of such Claims and (b) any  
15 set offs to which the Debtor may be entitled..

16 (iii) **Claim Payment.**

17 (1) **Section 1111(b) Election Not Made.** In the event  
18 that a holder of a Class 7(a)(2) Allowed Secured Claim does not elect to be treated in accordance  
19 with Bankruptcy Code section 1111(b), such holder of a Class 7(a)(2) Allowed Secured Claim  
20 shall receive a Second Trust Deed Holder Amended and Restated Note, in the principal amount of  
21 such Class 7(a)(2) Allowed Secured Claim (exclusive of accrued and unpaid interest as of the  
22 Effective Date), which shall be delivered to Property Assets Operating Co. as soon as practicable  
23 following the later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class  
24 7(a)(2) Claims become Allowed Claims or are subject to a Final Order disallowing those Claims.  
25 Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended and Restated  
26 Note to the individual authorized to enforce the rights of the payees of that note in accordance  
27 with the provisions of California Civil Code section 2941.9 upon its receipt of a "Majority Action  
28 Affidavit" in accordance with California Civil Code section 2941.9(d) specifying the individual to



1 whom such note should be delivered. In addition to the payments provided for in the Second  
2 Trust Deed Holder Amended and Restated Note to be received by each holder of a Class 7(a)(2)  
3 Allowed Claim, the holders of Class 7(a)(2) Allowed Claims shall be entitled to receive payments  
4 of Net Cash (as defined in the Property Assets Operating Co. Operating Agreement, Exhibit 2  
5 hereto) pursuant to the terms of the Property Assets Operating Co. Operating Agreement, all of  
6 which shall be credited to the principal amounts due under such Second Trust Deed Holder  
7 Amended and Restated Note.

8 (c) **Section 1111(b) Election Made.** In the event that a holder of the  
9 Class 7(a)(2) Allowed Secured Claim elects to be treated in accordance with Bankruptcy Code  
10 section 1111(b), such Class 7(a)(2) Allowed Claim shall receive a Second Trust Deed Holder  
11 Amended and Restated Note, in the principal amount such that the present value of said note is  
12 equal to the amount of each holder's Class 7(a)(2) Allowed Secured Claim and the total of all  
13 payments due pursuant to such note shall be equal to the amount of such holder's Allowed Claim,  
14 which shall be delivered to Property Assets Operating Co. as soon as practicable following the  
15 later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class 7(a)(2) Claims  
16 become Allowed Claims or are subject to a Final Order disallowing those Claims. Pacific Assets  
17 Operating Co. shall deliver the Second Trust Deed Holder Amended and Restated Note to the  
18 individual authorized to enforce the rights of the payees of that note in accordance with the  
19 provisions of California Civil Code section 2941.9 upon its receipt of a "Majority Action  
20 Affidavit" in accordance with California Civil Code section 2941.9(d) specifying the individual to  
21 whom such note should be delivered. In addition to the payments provided for in the Second  
22 Trust Deed Holder Amended and Restated Note to be received by each holder of a Class 7(a)(2)  
23 Allowed Secured Claim, the holders of Class 7(a)(2) Allowed Secured Claims shall be entitled to  
24 receive payments of Net Cash (as defined in the Property Assets Operating Co. Operating  
25 Agreement, Exhibit 2 hereto) pursuant to the terms of the Property Assets Operating Co.  
26 Operating Agreement, all of which shall be credited to the principal amounts due under such  
27 Second Trust Deed Holder Amended and Restated Note.

1 (d) **Impairment.** The Class 7(a)(2) Claims are impaired; and the  
2 holders of the Class 7(a)(2) Claims are entitled to vote on the Plan.

3 3.8.3 **Class 7(a)(3)**

4 (a) **Classification.** Class 7(a)(3) consists of all Allowed Secured  
5 Claims against Pacific Property Assets II not otherwise classified in this Article 3.8. Each of such  
6 Claims shall be deemed to be classified within its own separate subclass within Class 7(a)(3) and  
7 each such subclass shall be deemed to be a separate class for purposes of this Plan.

8 (b) **Treatment.** Within 30 days following the Effective Date, the  
9 Committee shall select, in its sole and absolute discretion, one of the following alternative  
10 treatments of each of the Allowed Claims within any of the subclasses in Class 7(a)(3): (a) to  
11 cause the Reorganized Debtor owning the property securing such claim to surrender such  
12 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
13 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
14 and the Committee may agree in writing.

15 (c) **Impairment.** Class 7(a)(3) is impaired; and the holders of Class  
16 7(a)(3) Claims are entitled to vote on the Plan.

17 3.8.4 **Class 7(b).**

18 (a) **Classification.** Class 7(b) consists of all Allowed Employee  
19 Priority Claims against Pacific Property Assets II.

20 (b) **Treatment.** In the event that all real properties owned by Pacific  
21 Property Assets II are listed on a Notice of Abandonment, each holder of an Allowed Class 7(b)  
22 Claim shall receive its Pro Rata Share of any Cash held by Pacific Property Assets II as of the  
23 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim  
24 against Pacific Property Assets II, until such claim has been paid in full, without interest. In the  
25 event that all real properties owned by Pacific Property Assets II are not listed on a Notice of  
26 Abandonment, each holder of an Allowed Class 7(b) Claim, unless the holder of such Claim have  
27 agreed to a different treatment with Pacific Property Assets II, shall receive payment in full from  
28 Pacific Property Assets II from Available Cash, Pro Rata, not less than quarterly, until such

1 Allowed Claim shall have been paid in full; provided that each Allowed Class 7(b) Claim shall be  
2 paid in full, without interest, not later than one year following the Effective Date.

3 (c) **Impairment.** Class 7(b) is impaired; and the holders of Class 7(b)  
4 Claims are entitled to vote on the Plan.

5 3.8.5 **Class 7(c)**

6 (a) **Classification.** Class 7(c) consists of all Allowed Tenant Priority  
7 Claims against Pacific Property Assets II.

8 (b) **Treatment.** In the event that all real properties owned by Pacific  
9 Property Assets II are listed on a Notice of Abandonment, each holder of an Allowed Class 7(c)  
10 Claim shall receive its Pro Rata Share of any Cash held by Pacific Property Assets II as of the  
11 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim  
12 against Pacific Property Assets II, after payment in full of all Allowed Class 7(b) Claims, until  
13 such claim has been paid in full, without interest. In the event that all real properties owned by  
14 Pacific Property Assets II are not listed on a Notice of Abandonment, each holder of an Allowed  
15 Class 1(c) Claim, unless the holder of such Claim have agreed to a different treatment with  
16 Pacific Property Assets II, shall receive payment in full from Pacific Property Assets II from  
17 Available Cash remaining after payment in full of all Allowed Class 1(b) Claims, Pro Rata, not  
18 less than quarterly, commencing upon the later of: (a) the date upon which such Claim would be  
19 required to be paid in accordance with its terms or (b) one year following the Effective Date, until  
20 such Allowed Claim shall have been paid in full, provided that each Allowed Class 7(c) Claim  
21 shall be paid in full, without interest, not later than the later of: (a) the date upon which such  
22 Claim would be required to be paid in accordance with its terms or (b) eighteen months following  
23 the Effective Date.

24 (c) **Impairment.** Class 7(c) is impaired; and the holders of Class 7(c)  
25 Claims are entitled to vote on the Plan.

26 3.8.6 **Class 7(d)**

27  
28

1 (a) **Classification.** Class 7(d) consists of all Allowed Unsecured  
2 Claims against Pacific Property Assets II for which one or both of Pacific Property Assets and/or  
3 PPA Holdings are also jointly and severally liable.

4 (b) **Treatment.** In the event that all real properties owned by Pacific  
5 Property Assets II are listed on a Notice of Abandonment, each holder of an Allowed Class 7(d)  
6 Claim shall receive, together with the holders of the Allowed Class 7(e) Claims, its Pro Rata  
7 Share of any Cash held by Pacific Property Assets II as of the Effective Date, other than Cash  
8 subject to a security interest securing an Allowed Secured Claim against Pacific Property Assets  
9 II, after payment in full of all Allowed Class 7(b) Claims and all Allowed Class 7(c) Claims. In  
10 the event that all real properties owned by Pacific Property Assets II are not listed on a Notice of  
11 Abandonment, each holder of an Allowed Class 7(d) Claim shall receive, at the holder's election,  
12 either: (i) an interest in Property Assets Operating Co. as provided in the Operating Agreement of  
13 Property Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class  
14 7(d) Claim and shall not receive any distribution from any other Debtor who may also be liable  
15 on account of such Allowed Claim; or (ii) a promissory note from Pacific Property Assets II for  
16 the Liquidation Value of such Class 7(d) claim as determined at the Confirmation Hearing, which  
17 note will be due and payable on or before the tenth (10th) anniversary of the Effective Date of the  
18 Plan, with interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a)  
19 in effect on the Effective Date, or such other rate as may be determined and fixed in the  
20 Confirmation Order. The election to select option (i) or option (ii) must be made in writing  
21 delivered to counsel for the Committee not later than ten (10) days following the entry of the  
22 Confirmation Order. Any claimant who fails to make a timely election shall be conclusively  
23 deemed to have selected option (i), above.

24 (c) **Impairment.** Class 7(d) is impaired; and the holders of Class 7(d)  
25 Claims are entitled to vote on the Plan.

26 3.8.7 **Class 7(e)**

27 (a) **Classification.** Class 7(e) consists of all Allowed Unsecured  
28 Claims against Pacific Property Assets II other than those classified in Class 7(d).

1 (b) **Treatment.** In the event that all real properties owned by Pacific  
2 Property Assets II are listed on a Notice of Abandonment, each holder of an Allowed Class 7(e)  
3 Claim shall receive, together with the holders of Allowed Class 7(d) Claims, its Pro Rata Share of  
4 any Cash held by Pacific Property Assets II as of the Effective Date, other than Cash subject to a  
5 security interest securing an Allowed Secured Claim against Pacific Property Assets II, after  
6 payment in full of all Allowed Class 7(b) Claims and all Allowed Class 7(c) Claims. In the event  
7 that all real properties owned by Pacific Property Assets II are not listed on a Notice of  
8 Abandonment, each holder of an Allowed Class 7(e) Claim shall receive a promissory note from  
9 2130 Group for the Liquidation Value of the Claim as determined at the Confirmation Hearing,  
10 which note will be due and payable on or before the tenth (10th) anniversary of the Effective Date  
11 of the Plan, with interest thereon at the federal judgment rate as provided in 28 U.S.C. Section  
12 1961(a) in effect on the Effective Date, or such other rate as may be determined and fixed in the  
13 Confirmation Order in full satisfaction of such Allowed Class 7(e) Claim.

14 (c) **Impairment.** Class 7(e) is impaired; and the holders of Class 7(e)  
15 Claims are entitled to vote on this Plan.

16 3.8.8 **Class 7(f)**

17 (a) **Classification.** Class 7(f) consists of all Allowed Claims against  
18 Pacific Property Assets II subordinated pursuant to the provisions of Bankruptcy Code section  
19 510(c).

20 (b) **Treatment.** No distributions shall be made on account of any  
21 Class 7(f) Claim.

22 (c) **Impairment.** Class 7(f) is impaired; and the holders of Class 7(f)  
23 Claims are not entitled to vote on the Plan.

24 3.8.9 **Class 7(g)**

25 (a) **Classification.** Class 7(g) consists of all Allowed Interests in  
26 Pacific Property Assets II.

27 (b) **Treatment.** No distributions shall be made on account of any  
28 Class 7(g) Interest. No distributions shall be made on account of any Class 7(g) Interest nor shall

1 any property interests be received or retained on account of such interest. As of the Effective  
2 Date: (i) all existing membership interests in Pacific Property Assets II will be deemed cancelled  
3 and (ii) 100% of the ownership interest in Pacific Property Assets II will be vested in Property  
4 Assets Operating Co.

5 (c) **Impairment.** Class 7(g) is impaired; and the holders of Class 7(g)  
6 Interests are not entitled to vote on the Plan.

7 **3.9 PPA Arizona I**

8 **3.9.1 Class 8(a)(1)**

9 (a) **Classification.** Class 8(a)(1) consists of the Allowed Secured  
10 Claim of Bank of America, to the extent that such Claim is secured by a perfected, unavoidable  
11 lien against the real property of PPA Arizona I located at 151 E. 1st Street, Mesa, Arizona.

12 (b) **Treatment.**

13 (i) **Security Interests.** The Class 8(a)(1) Allowed Claim shall  
14 continue to be secured by the real property that presently secures the Class 8(a)(1) Allowed Claim  
15 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
16 and the personal property security interests granted to the holder of the Class 8(a)(1) Allowed  
17 Claim in such trust deed, which security interests shall have the same priority as such security  
18 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
19 Class 8(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
20 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
21 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
22 trust deed securing the Class 8(a)(1) Allowed Claim, any lien held by the holder of the Class  
23 8(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
24 thereof and such Cash shall be used by PPA Arizona I for the purpose of paying any Allowed  
25 Administrative Claims and Allowed Priority Claims for which such Debtor may be obligated  
26 pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds the amount  
27 required to pay all Allowed Administrative Claims and Allowed Priority Claims for which PPA

1 Arizona I is obligated pursuant to the terms of this Plan, any excess Cash shall be paid by such  
2 Debtor to Property Assets Operating Co.

3 (ii) **Claim Amount.** As of the Effective Date, the Class 8(a)(1)  
4 Allowed Claim shall be assumed by Reorganized PPA Arizona I subject to the following: (a) any  
5 defaults under the note evidencing the Class 8(a)(1) Allowed Claim shall be deemed to have been  
6 cured in full; and (b) the amount of the Class 8(a)(1) Allowed Claim shall be equal to the amount  
7 of such Claim on the Petition Date plus any interest and other fees and charges accrued and  
8 unpaid on account of such Claim from and after the Petition Date through the Effective Date less:  
9 (a) any payments on account of the Class 8(a)(1) Allowed Claim received by the holder of such  
10 claim and (b) any set offs to which the Debtor may be entitled. The Class 8(a)(1) Allowed Claim  
11 shall bear interest from and after the Effective Date at a rate equal to the greater of: (a) four and  
12 one-half percent (4.5%) per annum or (b) such higher rate of interest as the Bankruptcy Court  
13 may determine at the Confirmation Hearing, not to exceed six and one-half percent (6.5%) per  
14 annum.

15 (iii) **Claim Payment.**

16 (1) **Section 1111(b) Election Not Made.** In the event  
17 that the holder of the Class 8(a)(1) Allowed Claim does not elect to be treated in accordance with  
18 Bankruptcy Code section 1111(b), the Class 8(a)(1) Allowed Claim shall be paid as follows: (a)  
19 commencing on the first day of the first month following the Effective Date, and continuing on  
20 the first day of each month thereafter until the holder of the Class 8(a)(1) Allowed Claim shall  
21 have received a total of thirty six (36) such payments, the holder of the Class 8(a)(1) Allowed  
22 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
23 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
24 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
25 Class 8(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
26 holder of the Class 8(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
27 paid each and every month for three hundred sixty (360) months, would repay such claim and  
28 interest accruing on such claim in its entirety; and (c) on the first day of the first month following

1 the tenth anniversary of the Effective Date, the holder of the Class 8(a)(1) Allowed Claim shall  
2 receive payment of any amounts remaining unpaid on account of such Claim.

3 (2) **Section 1111(b) Election Made.** In the event that  
4 the holder of the Class 8(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
5 Code section 1111(b), the Class 8(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
6 on the first day of the first month following the Effective Date, and continuing on the first day of  
7 each month thereafter until the holder of the Class 8(a)(1) Allowed Claim shall have received a  
8 total of one-hundred and twenty (120) such payments, the holder of the Class 8(a)(1) Allowed  
9 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
10 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
11 Date, the holder of the Class 8(a)(1) Allowed Claim shall receive payment equal to the greater of:  
12 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
13 payments made by the Reorganized Debtor to the holder of the Class 8(a)(1) Allowed Claim  
14 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
15 the holder of the Class 8(a)(1) claim under this Plan, to provide the holder of the Class 8(a)(1)  
16 Allowed Claim with the present value of the Class 8(a)(1) Allowed Claim as of the Effective Date  
17 as determined by the Bankruptcy Court at the Confirmation Hearing.

18 (c) **Impairment.** The Class 8(a)(1) claim is impaired; and the holder  
19 of the Class 8(a)(1) Claim is entitled to vote on the Plan.

20 3.9.2 **Class 8(a)(2)**

21 (a) **Classification.** Class 8(a)(2) consists of all Allowed Secured  
22 Claims against PPA Arizona I not otherwise classified in this Article 3.9. Each of such Claims  
23 shall be deemed to be classified within its own separate subclass within Class 8(a)(2) and each  
24 such subclass shall be deemed to be a separate class for purposes of this Plan.

25 (b) **Treatment.** Within 30 days following the Effective Date, the  
26 Committee shall select, in its sole and absolute discretion, one of the following alternative  
27 treatments of each of the Allowed Claims within any of the subclasses in Class 8(a)(2): (a) to  
28 cause the Reorganized Debtor owning the property securing such claim to surrender such



1 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
2 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
3 and the Committee may agree in writing.

4 (c) **Impairment.** Class 8(a)(2) is impaired; and the holders of Class  
5 8(a)(2) Claims are entitled to vote on the Plan.

6 3.9.3 **Class 8(b).**

7 (a) **Classification.** Class 8(b) consists of all Allowed Employee  
8 Priority Claims against PPA Arizona I.

9 (b) **Treatment.** In the event that all real properties owned by PPA  
10 Arizona I are listed on a Notice of Abandonment, each holder of an Allowed Class 8(b) Claim  
11 shall receive its Pro Rata Share of any Cash held by PPA Arizona I as of the Effective Date, other  
12 than Cash subject to a security interest securing an Allowed Secured Claim against PPA Arizona  
13 I, until such claim has been paid in full, without interest. In the event that all real properties  
14 owned by PPA Arizona I are not listed on a Notice of Abandonment, each holder of an Allowed  
15 Class 8(b) Claim, unless the holder of such Claim have agreed to a different treatment with PPA  
16 Arizona I, shall receive payment in full from PPA Arizona I from Available Cash, Pro Rata, not  
17 less than quarterly, until such Allowed Claim shall have been paid in full; provided that each  
18 Allowed Class 8(b) Claim shall be paid in full, without interest, not later than one year following  
19 the Effective Date.

20 (c) **Impairment.** Class 8(b) is impaired; and the holders of Class 8(b)  
21 Claims are entitled to vote on the Plan.

22 3.9.4 **Class 8(c)**

23 (a) **Classification.** Class 8(c) consists of all Allowed Tenant Priority  
24 Claims against PPA Arizona I.

25 (b) **Treatment.** In the event that all real properties owned by PPA  
26 Arizona I are listed on a Notice of Abandonment, each holder of an Allowed Class 8(c) Claim  
27 shall receive its Pro Rata Share of any Cash held by PPA Arizona I as of the Effective Date, other  
28 than Cash subject to a security interest securing an Allowed Secured Claim against PPA Arizona I

1 Properties, after payment in full of all Allowed Class 8(b) Claims, until such claim has been paid  
2 in full, without interest. In the event that all real properties owned by PPA Arizona I are not  
3 listed on a Notice of Abandonment, each holder of an Allowed Class 8(c) Claim, unless the  
4 holder of such Claim have agreed to a different treatment with PPA Arizona I, shall receive  
5 payment in full from PPA Arizona I from Available Cash remaining after payment in full of all  
6 Allowed Class 8(b) Claims, Pro Rata, not less than quarterly, commencing upon the later of: (a)  
7 the date upon which such Claim would be required to be paid in accordance with its terms or (b)  
8 one year following the Effective Date, until such Allowed Claim shall have been paid in full,  
9 provided that each Allowed Class 8(c) Claim shall be paid in full, without interest, not later than  
10 the later of: (a) the date upon which such Claim would be required to be paid in accordance with  
11 its terms or (b) eighteen months following the Effective Date.

12 (c) **Impairment.** Class 8(c) is impaired; and the holders of Class 8(c)  
13 Claims are entitled to vote on the Plan.

14 3.9.5 **Class 8(d)**

15 (a) **Classification.** Class 8(d) consists of all Allowed Unsecured  
16 Claims against PPA Arizona I for which one or both of Pacific Property Assets and/or PPA  
17 Holdings are also jointly and severally liable.

18 (b) **Treatment.** In the event that all real properties owned by PPA  
19 Arizona I are listed on a Notice of Abandonment, each holder of an Allowed Class 8(d) Claim  
20 shall receive, together with the holders of the Allowed Class 8(e) Claims, its Pro Rata Share of  
21 any Cash held by PPA Arizona I as of the Effective Date, other than Cash subject to a security  
22 interest securing an Allowed Secured Claim against PPA Arizona I, after payment in full of all  
23 Allowed Class 8(b) Claims and all Allowed Class 8(c) Claims. In the event that all real  
24 properties owned by PPA Arizona I are not listed on a Notice of Abandonment, each holder of an  
25 Allowed Class 8(d) Claim shall receive, at the holder's election, either: (i) an interest in Property  
26 Assets Operating Co. as provided in the Operating Agreement of Property Assets Operating Co.,  
27 Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 8(d) Claim and shall not receive  
28 any distribution from any other Debtor who may also be liable on account of such Allowed

1 Claim; or (ii) a promissory note from PPA Arizona I for the Liquidation Value of such Class 1(d)  
2 claim as determined at the Confirmation Hearing, which note will be due and payable on or  
3 before the tenth (10th) anniversary of the Effective Date of the Plan, with interest thereon at the  
4 federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or  
5 such other rate as may be determined and fixed in the Confirmation Order. The election to select  
6 option (i) or option (ii) must be made in writing delivered to counsel for the Committee not later  
7 than ten (10) days following the entry of the Confirmation Order. Any claimant who fails to  
8 make a timely election shall be conclusively deemed to have selected option (i), above.

9 (c) **Impairment.** Class 8(d) is impaired; and the holders of Class 8(d)  
10 Claims are entitled to vote on the Plan.

11 3.9.6 **Class 8(e)**

12 (a) **Classification.** Class 8(e) consists of all Allowed Unsecured  
13 Claims against PPA Arizona I other than those classified in Class 8(d).

14 (b) **Treatment.** In the event that all real properties owned by PPA  
15 Arizona I are listed on a Notice of Abandonment, each holder of an Allowed Class 8(e) Claim  
16 shall receive, together with the holders of Allowed Class 8(d) Claims, its Pro Rata Share of any  
17 Cash held by PPA Arizona I as of the Effective Date, other than Cash subject to a security interest  
18 securing an Allowed Secured Claim against PPA Arizona I, after payment in full of all Allowed  
19 Class 8(b) Claims and all Allowed Class 8(c) Claims. In the event that all real properties owned  
20 by PPA Arizona I are not listed on a Notice of Abandonment, each holder of an Allowed Class  
21 8(e) Claim shall receive a promissory note from PPA Arizona I for the Liquidation Value of the  
22 Claim as determined at the Confirmation Hearing, which note will be due and payable on or  
23 before the tenth (10th) anniversary of the Effective Date of the Plan, with interest thereon at the  
24 federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or  
25 such other rate as may be determined and fixed in the Confirmation Order in full satisfaction of  
26 such Allowed Class 8(e) Claim.

27 (c) **Impairment.** Class 8(e) is impaired; and the holders of Class 8(e)  
28 Claims are entitled to vote on this Plan.

1                   3.9.7    **Class 8(f)**

2                   (a)    **Classification.** Class 8(f) consists of all Allowed Claims against  
3 PPA Arizona I subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

4                   (b)    **Treatment.** No distributions shall be made on account of any  
5 Class 8(f) Claim.

6                   (c)    **Impairment.** Class 8(f) is impaired; and the holders of Class 8(f)  
7 Claims are not entitled to vote on the Plan.

8                   3.9.8    **Class 8(g)**

9                   (a)    **Classification.** Class 8(g) consists of all Allowed Interests in PPA  
10 Arizona I.

11                   (b)    **Treatment.** No distributions shall be made on account of any  
12 Class 8(g) Interest. No distributions shall be made on account of any Class 8(g) Interest nor shall  
13 any property interests be received or retained on account of such interest. As of the Effective  
14 Date: (i) all existing membership interests in PPA Arizona I will be deemed cancelled and (ii)  
15 100% of the ownership interest in PPA Arizona I will be vested in Property Assets Operating Co.

16                   (c)    **Impairment.** Class 8(g) is impaired; and the holders of Class 8(g)  
17 Interests are not entitled to vote on the Plan.

18                   **3.10 PPA Arizona II**

19                   3.10.1   **Class 9(a)(1)**

20                   (a)    **Classification.** Class 9(a)(1) consists of the Allowed Secured  
21 Claim of Bank of America, to the extent that such Claim is secured by a perfected, unavoidable  
22 lien against the real property of PPA Arizona II located at 1415 N. Country Club Drive, Mesa,  
23 Arizona.

24                   (b)    **Treatment.**

25                   (i)    **Security Interests.** The Class 9(a)(1) Allowed Claim shall  
26 continue to be secured by the real property that presently secures the Class 9(a)(1) Allowed Claim  
27 pursuant to the terms and conditions of the trust deed securing such Claim as of the Petition Date,  
28 and the personal property security interests granted to the holder of the Class 9(a)(1) Allowed

1 Claim in such trust deed, which security interests shall have the same priority as such security  
2 interests had as of the Petition Date. In the event that the Bankruptcy Court determines that the  
3 Class 9(a)(1) Allowed Claim is adequately protected by the security interest in the Debtor's real  
4 property securing such Claim, to the extent that, as of the Effective Date, the Debtors, or any of  
5 them, hold Cash consisting of rents, issues or profits from the real property encumbered by the  
6 trust deed securing the Class 9(a)(1) Allowed Claim, any lien held by the holder of the Class  
7 9(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits and the proceeds  
8 thereof and such Cash shall be used by PPA Arizona II for the purpose of paying any Allowed  
9 Administrative Claims and Allowed Priority Claims for which such Debtor may be obligated  
10 pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds the amount  
11 required to pay all Allowed Administrative Claims and Allowed Priority Claims for which PPA  
12 Arizona II is obligated pursuant to the terms of this Plan, any excess Cash shall be paid by such  
13 Debtor to Property Assets Operating Co.

14 (ii) **Claim Amount.** As of the Effective Date, the Class 9(a)(1)  
15 Allowed Claim shall be assumed by Reorganized PPA Arizona II subject to the following: (a)  
16 any defaults under the note evidencing the Class 9(a)(1) Allowed Claim shall be deemed to have  
17 been cured in full; and (b) the amount of the Class 9(a)(1) Allowed Claim shall be equal to the  
18 amount of such Claim on the Petition Date plus any interest and other fees and charges accrued  
19 and unpaid on account of such Claim from and after the Petition Date through the Effective Date  
20 less: (a) any payments on account of the Class 9(a)(1) Allowed Claim received by the holder of  
21 such claim and (b) any set offs to which the Debtor may be entitled. The Class 9(a)(1) Allowed  
22 Claim shall bear interest from and after the Effective Date at a rate equal to the greater of: (a)  
23 four and one-half percent (4.5%) per annum or (b) such higher rate of interest as the Bankruptcy  
24 Court may determine at the Confirmation Hearing, not to exceed six and one-half percent (6.5%)  
25 per annum.

26 (iii) **Claim Payment.**

27 (1) **Section 1111(b) Election Not Made.** In the event  
28 that the holder of the Class 9(a)(1) Allowed Claim does not elect to be treated in accordance with

1 Bankruptcy Code section 1111(b), the Class 9(a)(1) Allowed Claim shall be paid as follows: (a)  
2 commencing on the first day of the first month following the Effective Date, and continuing on  
3 the first day of each month thereafter until the holder of the Class 9(a)(1) Allowed Claim shall  
4 have received a total of thirty six (36) such payments, the holder of the Class 9(a)(1) Allowed  
5 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
6 Plan; (b) commencing on the first day of the first month following the third anniversary of the  
7 Effective Date, and continuing on the first day of each month thereafter until the holder of the  
8 Class 9(a)(1) Allowed Claim shall have received a total of eighty four (84) such payments, the  
9 holder of the Class 9(a)(1) Allowed Claim shall receive a payment equal to an amount that, if  
10 paid each and every month for three hundred sixty (360) months, would repay such claim and  
11 interest accruing on such claim in its entirety; and (c) on the first day of the first month following  
12 the tenth anniversary of the Effective Date, the holder of the Class 9(a)(1) Allowed Claim shall  
13 receive payment of any amounts remaining unpaid on account of such Claim.

14 (2) **Section 1111(b) Election Made.** In the event that  
15 the holder of the Class 9(a)(1) Allowed Claim elects to be treated in accordance with Bankruptcy  
16 Code section 1111(b), the Class 9(a)(1) Allowed Claim shall be paid as follows: (a) commencing  
17 on the first day of the first month following the Effective Date, and continuing on the first day of  
18 each month thereafter until the holder of the Class 9(a)(1) Allowed Claim shall have received a  
19 total of one-hundred and twenty (120) such payments, the holder of the Class 9(a)(1) Allowed  
20 Claim shall receive a payment equal to the interest accrued on such claim under the terms of this  
21 Plan; and (b) on the first day of the first month following the tenth anniversary of the Effective  
22 Date, the holder of the Class 9(a)(1) Allowed Claim shall receive payment equal to the greater of:  
23 (a) the amount of such holder's Allowed Claim in accordance with Section 1111(b)(2) less all  
24 payments made by the Reorganized Debtor to the holder of the Class 9(a)(1) Allowed Claim  
25 under the terms of this Plan; and (b) the amount necessary, together with all payments made to  
26 the holder of the Class 9(a)(1) claim under this Plan, to provide the holder of the Class 9(a)(1)  
27 Allowed Claim with the present value of the Class 9(a)(1) Allowed Claim as of the Effective Date  
28 as determined by the Bankruptcy Court at the Confirmation Hearing.

1 (c) **Impairment.** The Class 9(a)(1) claim is impaired; and the holder  
2 of the Class 9(a)(1) Claim is entitled to vote on the Plan.

3 3.10.2 **Class 9(a)(2)**

4 (a) **Classification.** Class 9(a)(2) consists of all Allowed Secured  
5 Claims against PPA Arizona II not otherwise classified in this Article 3.10. Each of such Claims  
6 shall be deemed to be classified within its own separate subclass within Class 9(a)(2) and each  
7 such subclass shall be deemed to be a separate class for purposes of this Plan.

8 (b) **Treatment.** Within 30 days following the Effective Date, the  
9 Committee shall select, in its sole and absolute discretion, one of the following alternative  
10 treatments of each of the Allowed Claims within any of the subclasses in Class 9(a)(2): (a) to  
11 cause the Reorganized Debtor owning the property securing such claim to surrender such  
12 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
13 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
14 and the Committee may agree in writing.

15 (c) **Impairment.** Class 9(a)(2) is impaired; and the holders of Class  
16 9(a)(2) Claims are entitled to vote on the Plan.

17 3.10.3 **Class 9(b).**

18 (a) **Classification.** Class 9(b) consists of all Allowed Employee  
19 Priority Claims against PPA Arizona II.

20 (b) **Treatment.** In the event that all real properties owned by PPA  
21 Arizona II are listed on a Notice of Abandonment, each holder of an Allowed Class 9(b) Claim  
22 shall receive its Pro Rata Share of any Cash held by PPA Arizona II as of the Effective Date,  
23 other than Cash subject to a security interest securing an Allowed Secured Claim against PPA  
24 Arizona II, until such claim has been paid in full, without interest. In the event that all real  
25 properties owned by PPA Arizona II are not listed on a Notice of Abandonment, each holder of  
26 an Allowed Class 9(b) Claim, unless the holder of such Claim have agreed to a different treatment  
27 with PPA Arizona II, shall receive payment in full from PPA Arizona II from Available Cash, Pro  
28 Rata, not less than quarterly, until such Allowed Claim shall have been paid in full; provided that

1 each Allowed Class 9(b) Claim shall be paid in full, without interest, not later than one year  
2 following the Effective Date.

3 (c) **Impairment.** Class 9(b) is impaired; and the holders of Class 9(b)  
4 Claims are entitled to vote on the Plan.

5 3.10.4 **Class 9(c)**

6 (a) **Classification.** Class 9(c) consists of all Allowed Tenant Priority  
7 Claims against PPA Arizona II.

8 (b) **Treatment.** In the event that all real properties owned by PPA  
9 Arizona II are listed on a Notice of Abandonment, each holder of an Allowed Class 9(c) Claim  
10 shall receive its Pro Rata Share of any Cash held by PPA Arizona II as of the Effective Date,  
11 other than Cash subject to a security interest securing an Allowed Secured Claim against PPA  
12 Arizona II Properties, after payment in full of all Allowed Class 9(b) Claims, until such claim has  
13 been paid in full, without interest. In the event that all real properties owned by PPA Arizona II  
14 are not listed on a Notice of Abandonment, each holder of an Allowed Class 9(c) Claim, unless  
15 the holder of such Claim have agreed to a different treatment with PPA Arizona II, shall receive  
16 payment in full from PPA Arizona II from Available Cash remaining after payment in full of all  
17 Allowed Class 9(b) Claims, Pro Rata, not less than quarterly, commencing upon the later of: (a)  
18 the date upon which such Claim would be required to be paid in accordance with its terms or (b)  
19 one year following the Effective Date, until such Allowed Claim shall have been paid in full,  
20 provided that each Allowed Class 9(c) Claim shall be paid in full, without interest, not later than  
21 the later of: (a) the date upon which such Claim would be required to be paid in accordance with  
22 its terms or (b) eighteen months following the Effective Date.

23 (c) **Impairment.** Class 9(c) is impaired; and the holders of Class 9(c)  
24 Claims are entitled to vote on the Plan.

25 3.10.5 **Class 9(d)**

26 (a) **Classification.** Class 9(d) consists of all Allowed Unsecured  
27 Claims against PPA Arizona II for which one or both of Pacific Property Assets and/or PPA  
28 Holdings are also jointly and severally liable.



1 (b) **Treatment.** In the event that all real properties owned by PPA  
2 Arizona II are listed on a Notice of Abandonment, each holder of an Allowed Class 9(d) Claim  
3 shall receive, together with the holders of the Allowed Class 9(e) Claims, its Pro Rata Share of  
4 any Cash held by PPA Arizona II as of the Effective Date, other than Cash subject to a security  
5 interest securing an Allowed Secured Claim against PPA Arizona II, after payment in full of all  
6 Allowed Class 9(b) Claims and all Allowed Class 9(c) Claims. In the event that all real  
7 properties owned by PPA Arizona II are not listed on a Notice of Abandonment, each holder of  
8 an Allowed Class 9(d) Claim shall receive, at the holder's election, either: (i) an interest in  
9 Property Assets Operating Co. as provided in the Operating Agreement of Property Assets  
10 Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 9(d) Claim and  
11 shall not receive any distribution from any other Debtor who may also be liable on account of  
12 such Allowed Claim; or (ii) a promissory note from PPA Arizona II for the Liquidation Value of  
13 such Class 1(d) claim as determined at the Confirmation Hearing, which note will be due and  
14 payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with interest  
15 thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the  
16 Effective Date, or such other rate as may be determined and fixed in the Confirmation Order. The  
17 election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
18 Committee not later than ten (10) days following the entry of the Confirmation Order. Any  
19 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
20 (i), above.

21 (c) **Impairment.** Class 9(d) is impaired; and the holders of Class 9(d)  
22 Claims are entitled to vote on the Plan.

23 3.10.6 **Class 9(e)**

24 (a) **Classification.** Class 9(e) consists of all Allowed Unsecured  
25 Claims against PPA Arizona II other than those classified in Class 9(d).

26 (b) **Treatment.** In the event that all real properties owned by PPA  
27 Arizona II are listed on a Notice of Abandonment, each holder of an Allowed Class 9(e) Claim  
28 shall receive, together with the holders of Allowed Class 9(d) Claims, its Pro Rata Share of any

1 Cash held by PPA Arizona II as of the Effective Date, other than Cash subject to a security  
2 interest securing an Allowed Secured Claim against PPA Arizona II, after payment in full of all  
3 Allowed Class 9(b) Claims and all Allowed Class 9(c) Claims. In the event that all real  
4 properties owned by PPA Arizona II are not listed on a Notice of Abandonment, each holder of  
5 an Allowed Class 9(e) Claim shall receive a promissory note from PPA Arizona II for the  
6 Liquidation Value of the Claim as determined at the Confirmation Hearing, which note will be  
7 due and payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with  
8 interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on  
9 the Effective Date, or such other rate as may be determined and fixed in the Confirmation Order  
10 in full satisfaction of such Allowed Class 9(e) Claim.

11 (c) **Impairment.** Class 9(e) is impaired; and the holders of Class 9(e)  
12 Claims are entitled to vote on this Plan.

13 3.10.7 **Class 9(f)**

14 (a) **Classification.** Class 9(f) consists of all Allowed Claims against  
15 PPA Arizona II subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

16 (b) **Treatment.** No distributions shall be made on account of any  
17 Class 9(f) Claim.

18 (c) **Impairment.** Class 9(f) is impaired; and the holders of Class 9(f)  
19 Claims are not entitled to vote on the Plan.

20 3.10.8 **Class 9(g)**

21 (a) **Classification.** Class 9(g) consists of all Allowed Interests in PPA  
22 Arizona II..

23 (b) **Treatment.** No distributions shall be made on account of any  
24 Class 9(g) Interest. No distributions shall be made on account of any Class 9(g) Interest nor shall  
25 any property interests be received or retained on account of such interest. As of the Effective  
26 Date: (i) all existing membership interests in PPA Arizona I will be deemed cancelled and (ii)  
27 100% of the ownership interest in PPA Arizona I will be vested in Property Assets Operating Co.

1 (c) **Impairment.** Class 9(g) is impaired; and the holders of Class 9(g)  
2 Interests are not entitled to vote on the Plan.

3 **3.11 PPA Holdings**

4 3.11.1 **Class 10(a)(1)**

5 (a) **Classification.** Class 10(a)(1) consists of the Allowed Secured  
6 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
7 against the real property of PPA Holdings located at 1352 Molino, Long Beach, California.

8 (b) **Treatment.**

9 (i) **Security Interests.** The Class 10(a)(1) Allowed Claim  
10 shall continue to be secured by the real property that presently secures the Class 10(a)(1) Allowed  
11 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
12 Petition Date, and the personal property security interests granted to the holder of the Class  
13 10(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
14 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
15 determines that the Class 10(a)(1) Allowed Claim is adequately protected by the security interest  
16 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
17 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
18 encumbered by the trust deed securing the Class 10(a)(1) Allowed Claim, any lien held by the  
19 holder of the Class 10(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
20 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
21 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
22 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
23 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
24 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
25 by such Debtor to Property Assets Operating Co.

26 (ii) **Claim Amount.** As of the Effective Date, the Class  
27 10(a)(1) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
28 (a) any defaults under the note evidencing the Class 10(a)(1) Allowed Claim shall be deemed to

1 have been cured in full; and (b) the amount of the Class 10(a)(1) Allowed Claim shall be equal to  
2 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
3 accrued and unpaid on account of such Claim from and after the Petition Date through the  
4 Effective Date less: (a) any payments on account of the Class 10(a)(1) Allowed Claim received  
5 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
6 10(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
7 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
8 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
9 percent (6.5%) per annum.

10 (iii) **Claim Payment.**

11 (1) **Section 1111(b) Election Not Made.** In the event  
12 that the holder of the Class 10(a)(1) Allowed Claim does not elect to be treated in accordance  
13 with Bankruptcy Code section 1111(b), the Class 10(a)(1) Allowed Claim shall be paid as  
14 follows: (a) commencing on the first day of the first month following the Effective Date, and  
15 continuing on the first day of each month thereafter until the holder of the Class 10(a)(1) Allowed  
16 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(1)  
17 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
18 terms of this Plan; (b) commencing on the first day of the first month following the third  
19 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
20 the holder of the Class 10(a)(1) Allowed Claim shall have received a total of eighty four (84) such  
21 payments, the holder of the Class 10(a)(1) Allowed Claim shall receive a payment equal to an  
22 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
23 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
24 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(1)  
25 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
26 Claim.

27 (2) **Section 1111(b) Election Made.** In the event that  
28 the holder of the Class 10(a)(1) Allowed Claim elects to be treated in accordance with

1 Bankruptcy Code section 1111(b), the Class 10(a)(1) Allowed Claim shall be paid as follows: (a)  
2 commencing on the first day of the first month following the Effective Date, and continuing on  
3 the first day of each month thereafter until the holder of the Class 10(a)(1) Allowed Claim shall  
4 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
5 10(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
6 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
7 the Effective Date, the holder of the Class 10(a)(1) Allowed Claim shall receive payment equal to  
8 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
9 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(1)  
10 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
11 payments made to the holder of the Class 10(a)(1) claim under this Plan, to provide the holder of  
12 the Class 10(a)(1) Allowed Claim with the present value of the Class 10(a)(1) Allowed Claim as  
13 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

14 (c) **Impairment.** The Class 10(a)(1) claim is impaired; and the holder  
15 of the Class 10(a)(1) Claim is entitled to vote on the Plan.

16 3.11.2 **Class 10(a)(2)**

17 (a) **Classification.** Class 10(a)(2) consists of the Allowed Secured  
18 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
19 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
20 3552 Lou Ella Lane, Riverside, California.

21 (b) **Treatment.**

22 (i) **Security Interests.** The Class 10(a)(2) Allowed Claim  
23 shall continue to be secured by the real property that presently secures the Class 10(a)(2) Allowed  
24 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
25 Petition Date, and the personal property security interests granted to the holder of the Class  
26 10(a)(2) Allowed Claim in such trust deed, which security interests shall have the same priority as  
27 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
28 determines that the Class 10(a)(2) Allowed Claim is adequately protected by the security interest

1 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
2 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
3 encumbered by the trust deed securing the Class 10(a)(2) Allowed Claim, any lien held by the  
4 holder of the Class 10(a)(2) Allowed Claim shall cease to exist upon such rents, issues or profits  
5 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
6 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
7 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
8 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
9 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
10 by such Debtor to Property Assets Operating Co.

11 (ii) **Claim Amount.** As of the Effective Date, the Class  
12 10(a)(2) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
13 (a) any defaults under the note evidencing the Class 10(a)(2) Allowed Claim shall be deemed to  
14 have been cured in full; and (b) the amount of the Class 10(a)(2) Allowed Claim shall be equal to  
15 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
16 accrued and unpaid on account of such Claim from and after the Petition Date through the  
17 Effective Date less: (a) any payments on account of the Class 10(a)(2) Allowed Claim received  
18 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
19 10(a)(2) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
20 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
21 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
22 percent (6.5%) per annum.

23 (iii) **Claim Payment.**  
24 (1) **Section 1111(b) Election Not Made.** In the event  
25 that the holder of the Class 10(a)(2) Allowed Claim does not elect to be treated in accordance  
26 with Bankruptcy Code section 1111(b), the Class 10(a)(2) Allowed Claim shall be paid as  
27 follows: (a) commencing on the first day of the first month following the Effective Date, and  
28 continuing on the first day of each month thereafter until the holder of the Class 10(a)(2) Allowed

1 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(2)  
2 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
3 terms of this Plan; (b) commencing on the first day of the first month following the third  
4 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
5 the holder of the Class 10(a)(2) Allowed Claim shall have received a total of eighty four (84) such  
6 payments, the holder of the Class 10(a)(2) Allowed Claim shall receive a payment equal to an  
7 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
8 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
9 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(2)  
10 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
11 Claim.

12 (2) **Section 1111(b) Election Made.** In the event that  
13 the holder of the Class 10(a)(2) Allowed Claim elects to be treated in accordance with  
14 Bankruptcy Code section 1111(b), the Class 10(a)(2) Allowed Claim shall be paid as follows: (a)  
15 commencing on the first day of the first month following the Effective Date, and continuing on  
16 the first day of each month thereafter until the holder of the Class 10(a)(2) Allowed Claim shall  
17 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
18 10(a)(2) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
19 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
20 the Effective Date, the holder of the Class 10(a)(2) Allowed Claim shall receive payment equal to  
21 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
22 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(2)  
23 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
24 payments made to the holder of the Class 10(a)(2) claim under this Plan, to provide the holder of  
25 the Class 10(a)(2) Allowed Claim with the present value of the Class 10(a)(2) Allowed Claim as  
26 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

27 (c) **Impairment.** The Class 10(a)(2) claim is impaired; and the holder  
28 of the Class 10(a)(2) Claim is entitled to vote on the Plan.

1                                   3.11.3   **Class 10(a)(3)**

2                                   (a)    **Classification.** Class 10(a)(3) consists of the Allowed Secured  
3 Claim of Cathay Bank to the extent that such Claim is secured by a perfected, unavoidable lien  
4 against the real property of PPA Holdings located at 1754-66 Loma Vista, Riverside, California.

5                                   (b)    **Treatment.**

6                                   (i)    **Security Interests.** The Class 10(a)(3) Allowed Claim  
7 shall continue to be secured by the real property that presently secures the Class 10(a)(3) Allowed  
8 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
9 Petition Date, and the personal property security interests granted to the holder of the Class  
10 10(a)(3) Allowed Claim in such trust deed, which security interests shall have the same priority as  
11 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
12 determines that the Class 10(a)(3) Allowed Claim is adequately protected by the security interest  
13 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
14 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
15 encumbered by the trust deed securing the Class 10(a)(3) Allowed Claim, any lien held by the  
16 holder of the Class 10(a)(3) Allowed Claim shall cease to exist upon such rents, issues or profits  
17 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
18 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
19 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
20 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
21 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
22 by such Debtor to Property Assets Operating Co.

23                                   (ii)   **Claim Amount.** As of the Effective Date, the Class  
24 10(a)(3) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
25 (a) any defaults under the note evidencing the Class 10(a)(3) Allowed Claim shall be deemed to  
26 have been cured in full; and (b) the amount of the Class 10(a)(3) Allowed Claim shall be equal to  
27 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
28 accrued and unpaid on account of such Claim from and after the Petition Date through the



1 Effective Date less: (a) any payments on account of the Class 10(a)(3) Allowed Claim received  
2 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
3 10(a)(3) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
4 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
5 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
6 percent (6.5%) per annum.

7 (iii) **Claim Payment.**

8 (1) **Section 1111(b) Election Not Made.** In the event  
9 that the holder of the Class 10(a)(3) Allowed Claim does not elect to be treated in accordance  
10 with Bankruptcy Code section 1111(b), the Class 10(a)(3) Allowed Claim shall be paid as  
11 follows: (a) commencing on the first day of the first month following the Effective Date, and  
12 continuing on the first day of each month thereafter until the holder of the Class 10(a)(3) Allowed  
13 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(3)  
14 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
15 terms of this Plan; (b) commencing on the first day of the first month following the third  
16 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
17 the holder of the Class 10(a)(3) Allowed Claim shall have received a total of eighty four (84) such  
18 payments, the holder of the Class 10(a)(3) Allowed Claim shall receive a payment equal to an  
19 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
20 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
21 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(3)  
22 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
23 Claim.

24 (2) **Section 1111(b) Election Made.** In the event that  
25 the holder of the Class 10(a)(3) Allowed Claim elects to be treated in accordance with  
26 Bankruptcy Code section 1111(b), the Class 10(a)(3) Allowed Claim shall be paid as follows: (a)  
27 commencing on the first day of the first month following the Effective Date, and continuing on  
28 the first day of each month thereafter until the holder of the Class 10(a)(3) Allowed Claim shall

1 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
2 10(a)(3) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
3 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
4 the Effective Date, the holder of the Class 10(a)(3) Allowed Claim shall receive payment equal to  
5 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
6 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(3)  
7 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
8 payments made to the holder of the Class 10(a)(3) claim under this Plan, to provide the holder of  
9 the Class 10(a)(3) Allowed Claim with the present value of the Class 10(a)(3) Allowed Claim as  
10 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

11 (c) **Impairment.** The Class 10(a)(3) claim is impaired; and the holder  
12 of the Class 10(a)(3) Claim is entitled to vote on the Plan.

13 3.11.4 **Class 10(a)(4)**

14 (a) **Classification.** Class 10(a)(4) consists of the Allowed Secured  
15 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
16 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at 709  
17 Elm, Long Beach, California.

18 (b) **Treatment.**

19 (i) **Security Interests.** The Class 10(a)(4) Allowed Claim  
20 shall continue to be secured by the real property that presently secures the Class 10(a)(4) Allowed  
21 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
22 Petition Date, and the personal property security interests granted to the holder of the Class  
23 10(a)(4) Allowed Claim in such trust deed, which security interests shall have the same priority as  
24 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
25 determines that the Class 10(a)(4) Allowed Claim is adequately protected by the security interest  
26 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
27 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
28 encumbered by the trust deed securing the Class 10(a)(4) Allowed Claim, any lien held by the

1 holder of the Class 10(a)(4) Allowed Claim shall cease to exist upon such rents, issues or profits  
2 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
3 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
4 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
5 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
6 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
7 by such Debtor to Property Assets Operating Co.

8 (ii) **Claim Amount.** As of the Effective Date, the Class  
9 10(a)(4) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
10 (a) any defaults under the note evidencing the Class 10(a)(4) Allowed Claim shall be deemed to  
11 have been cured in full; and (b) the amount of the Class 10(a)(4) Allowed Claim shall be equal to  
12 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
13 accrued and unpaid on account of such Claim from and after the Petition Date through the  
14 Effective Date less: (a) any payments on account of the Class 10(a)(4) Allowed Claim received  
15 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
16 10(a)(4) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
17 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
18 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
19 percent (6.5%) per annum.

20 (iii) **Claim Payment.**

21 (1) **Section 1111(b) Election Not Made.** In the event  
22 that the holder of the Class 10(a)(4) Allowed Claim does not elect to be treated in accordance  
23 with Bankruptcy Code section 1111(b), the Class 10(a)(4) Allowed Claim shall be paid as  
24 follows: (a) commencing on the first day of the first month following the Effective Date, and  
25 continuing on the first day of each month thereafter until the holder of the Class 10(a)(4) Allowed  
26 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(4)  
27 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
28 terms of this Plan; (b) commencing on the first day of the first month following the third

1 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
2 the holder of the Class 10(a)(4) Allowed Claim shall have received a total of eighty four (84) such  
3 payments, the holder of the Class 10(a)(4) Allowed Claim shall receive a payment equal to an  
4 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
5 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
6 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(4)  
7 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
8 Claim.

9 (2) **Section 1111(b) Election Made.** In the event that  
10 the holder of the Class 10(a)(4) Allowed Claim elects to be treated in accordance with  
11 Bankruptcy Code section 1111(b), the Class 10(a)(4) Allowed Claim shall be paid as follows: (a)  
12 commencing on the first day of the first month following the Effective Date, and continuing on  
13 the first day of each month thereafter until the holder of the Class 10(a)(4) Allowed Claim shall  
14 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
15 10(a)(4) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
16 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
17 the Effective Date, the holder of the Class 10(a)(4) Allowed Claim shall receive payment equal to  
18 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
19 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(4)  
20 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
21 payments made to the holder of the Class 10(a)(4) claim under this Plan, to provide the holder of  
22 the Class 10(a)(4) Allowed Claim with the present value of the Class 10(a)(4) Allowed Claim as  
23 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

24 (c) **Impairment.** The Class 10(a)(4) claim is impaired; and the holder  
25 of the Class 10(a)(4) Claim is entitled to vote on the Plan.

26 3.11.5 **Class 10(a)(5)**

1 (a) **Classification.** Class 10(a)(5) consists of the Allowed Secured  
2 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
3 against the real property of PPA Holdings located at 2065 Linden, Riverside, California.

4 (b) **Treatment.**

5 (i) **Security Interests.** The Class 10(a)(5) Allowed Claim  
6 shall continue to be secured by the real property that presently secures the Class 10(a)(5) Allowed  
7 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
8 Petition Date, and the personal property security interests granted to the holder of the Class  
9 10(a)(5) Allowed Claim in such trust deed, which security interests shall have the same priority as  
10 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
11 determines that the Class 10(a)(5) Allowed Claim is adequately protected by the security interest  
12 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
13 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
14 encumbered by the trust deed securing the Class 10(a)(5) Allowed Claim, any lien held by the  
15 holder of the Class 10(a)(5) Allowed Claim shall cease to exist upon such rents, issues or profits  
16 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
17 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
18 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
19 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
20 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
21 by such Debtor to Property Assets Operating Co.

22 (ii) **Claim Amount.** As of the Effective Date, the Class  
23 10(a)(5) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
24 (a) any defaults under the note evidencing the Class 10(a)(5) Allowed Claim shall be deemed to  
25 have been cured in full; and (b) the amount of the Class 10(a)(5) Allowed Claim shall be equal to  
26 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
27 accrued and unpaid on account of such Claim from and after the Petition Date through the  
28 Effective Date less: (a) any payments on account of the Class 10(a)(5) Allowed Claim received

1 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
2 10(a)(5) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
3 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
4 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
5 percent (6.5%) per annum.

6 (iii) **Claim Payment.**

7 (1) **Section 1111(b) Election Not Made.** In the event  
8 that the holder of the Class 10(a)(5) Allowed Claim does not elect to be treated in accordance  
9 with Bankruptcy Code section 1111(b), the Class 10(a)(5) Allowed Claim shall be paid as  
10 follows: (a) commencing on the first day of the first month following the Effective Date, and  
11 continuing on the first day of each month thereafter until the holder of the Class 10(a)(5) Allowed  
12 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(5)  
13 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
14 terms of this Plan; (b) commencing on the first day of the first month following the third  
15 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
16 the holder of the Class 10(a)(5) Allowed Claim shall have received a total of eighty four (84) such  
17 payments, the holder of the Class 10(a)(5) Allowed Claim shall receive a payment equal to an  
18 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
19 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
20 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(5)  
21 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
22 Claim.

23 (2) **Section 1111(b) Election Made.** In the event that  
24 the holder of the Class 10(a)(5) Allowed Claim elects to be treated in accordance with  
25 Bankruptcy Code section 1111(b), the Class 10(a)(5) Allowed Claim shall be paid as follows: (a)  
26 commencing on the first day of the first month following the Effective Date, and continuing on  
27 the first day of each month thereafter until the holder of the Class 10(a)(5) Allowed Claim shall  
28 have received a total of one-hundred and twenty (120) such payments, the holder of the Class

1 10(a)(5) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
2 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
3 the Effective Date, the holder of the Class 10(a)(5) Allowed Claim shall receive payment equal to  
4 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
5 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(5)  
6 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
7 payments made to the holder of the Class 10(a)(5) claim under this Plan, to provide the holder of  
8 the Class 10(a)(5) Allowed Claim with the present value of the Class 10(a)(5) Allowed Claim as  
9 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

10 (c) **Impairment.** The Class 10(a)(5) claim is impaired; and the holder  
11 of the Class 10(a)(5) Claim is entitled to vote on the Plan.

12 3.11.6 **Class 10(a)(6)**

13 (a) **Classification.** Class 10(a)(6) consists of the Allowed Secured  
14 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
15 against the real property of PPA Holdings located at 3439 Anderson, Riverside, California.

16 (b) **Treatment.**

17 (i) **Security Interests.** The Class 10(a)(6) Allowed Claim  
18 shall continue to be secured by the real property that presently secures the Class 10(a)(6) Allowed  
19 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
20 Petition Date, and the personal property security interests granted to the holder of the Class  
21 10(a)(6) Allowed Claim in such trust deed, which security interests shall have the same priority as  
22 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
23 determines that the Class 10(a)(6) Allowed Claim is adequately protected by the security interest  
24 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
25 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
26 encumbered by the trust deed securing the Class 10(a)(6) Allowed Claim, any lien held by the  
27 holder of the Class 10(a)(6) Allowed Claim shall cease to exist upon such rents, issues or profits  
28 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying

1 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
2 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
3 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
4 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
5 by such Debtor to Property Assets Operating Co.

6 (ii) **Claim Amount.** As of the Effective Date, the Class  
7 10(a)(6) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
8 (a) any defaults under the note evidencing the Class 10(a)(6) Allowed Claim shall be deemed to  
9 have been cured in full; and (b) the amount of the Class 10(a)(6) Allowed Claim shall be equal to  
10 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
11 accrued and unpaid on account of such Claim from and after the Petition Date through the  
12 Effective Date less: (a) any payments on account of the Class 10(a)(6) Allowed Claim received  
13 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
14 10(a)(6) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
15 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
16 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
17 percent (6.5%) per annum.

18 (iii) **Claim Payment.**  
19 (1) **Section 1111(b) Election Not Made.** In the event  
20 that the holder of the Class 10(a)(6) Allowed Claim does not elect to be treated in accordance  
21 with Bankruptcy Code section 1111(b), the Class 10(a)(6) Allowed Claim shall be paid as  
22 follows: (a) commencing on the first day of the first month following the Effective Date, and  
23 continuing on the first day of each month thereafter until the holder of the Class 10(a)(6) Allowed  
24 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(6)  
25 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
26 terms of this Plan; (b) commencing on the first day of the first month following the third  
27 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
28 the holder of the Class 10(a)(6) Allowed Claim shall have received a total of eighty four (84) such



1 payments, the holder of the Class 10(a)(6) Allowed Claim shall receive a payment equal to an  
2 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
3 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
4 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(6)  
5 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
6 Claim.

7 (2) **Section 1111(b) Election Made.** In the event that  
8 the holder of the Class 10(a)(6) Allowed Claim elects to be treated in accordance with  
9 Bankruptcy Code section 1111(b), the Class 10(a)(6) Allowed Claim shall be paid as follows: (a)  
10 commencing on the first day of the first month following the Effective Date, and continuing on  
11 the first day of each month thereafter until the holder of the Class 10(a)(6) Allowed Claim shall  
12 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
13 10(a)(6) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
14 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
15 the Effective Date, the holder of the Class 10(a)(6) Allowed Claim shall receive payment equal to  
16 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
17 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(6)  
18 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
19 payments made to the holder of the Class 10(a)(6) claim under this Plan, to provide the holder of  
20 the Class 10(a)(6) Allowed Claim with the present value of the Class 10(a)(6) Allowed Claim as  
21 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

22 (c) **Impairment.** The Class 10(a)(6) claim is impaired; and the holder  
23 of the Class 10(a)(6) Claim is entitled to vote on the Plan.

24 3.11.7 **Class 10(a)(7)**

25 (a) **Classification.** Class 10(a)(7) consists of the Allowed Secured  
26 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
27 against the real property of PPA Holdings located at 1740 Loma Vista, Riverside, California.

28 (b) **Treatment.**

1 (i) **Security Interests.** The Class 10(a)(7) Allowed Claim  
2 shall continue to be secured by the real property that presently secures the Class 10(a)(7) Allowed  
3 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
4 Petition Date, and the personal property security interests granted to the holder of the Class  
5 10(a)(7) Allowed Claim in such trust deed, which security interests shall have the same priority as  
6 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
7 determines that the Class 10(a)(7) Allowed Claim is adequately protected by the security interest  
8 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
9 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
10 encumbered by the trust deed securing the Class 10(a)(7) Allowed Claim, any lien held by the  
11 holder of the Class 10(a)(7) Allowed Claim shall cease to exist upon such rents, issues or profits  
12 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
13 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
14 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
15 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
16 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
17 by such Debtor to Property Assets Operating Co.

18 (ii) **Claim Amount.** As of the Effective Date, the Class  
19 10(a)(7) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
20 (a) any defaults under the note evidencing the Class 10(a)(7) Allowed Claim shall be deemed to  
21 have been cured in full; and (b) the amount of the Class 10(a)(7) Allowed Claim shall be equal to  
22 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
23 accrued and unpaid on account of such Claim from and after the Petition Date through the  
24 Effective Date less: (a) any payments on account of the Class 10(a)(7) Allowed Claim received  
25 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
26 10(a)(7) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
27 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as

1 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
2 percent (6.5%) per annum.

3 (iii) **Claim Payment.**

4 (1) **Section 1111(b) Election Not Made.** In the event  
5 that the holder of the Class 10(a)(7) Allowed Claim does not elect to be treated in accordance  
6 with Bankruptcy Code section 1111(b), the Class 10(a)(7) Allowed Claim shall be paid as  
7 follows: (a) commencing on the first day of the first month following the Effective Date, and  
8 continuing on the first day of each month thereafter until the holder of the Class 10(a)(7) Allowed  
9 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(7)  
10 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
11 terms of this Plan; (b) commencing on the first day of the first month following the third  
12 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
13 the holder of the Class 10(a)(7) Allowed Claim shall have received a total of eighty four (84) such  
14 payments, the holder of the Class 10(a)(7) Allowed Claim shall receive a payment equal to an  
15 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
16 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
17 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(7)  
18 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
19 Claim.

20 (2) **Section 1111(b) Election Made.** In the event that  
21 the holder of the Class 10(a)(7) Allowed Claim elects to be treated in accordance with  
22 Bankruptcy Code section 1111(b), the Class 10(a)(7) Allowed Claim shall be paid as follows: (a)  
23 commencing on the first day of the first month following the Effective Date, and continuing on  
24 the first day of each month thereafter until the holder of the Class 10(a)(7) Allowed Claim shall  
25 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
26 10(a)(7) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
27 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
28 the Effective Date, the holder of the Class 10(a)(7) Allowed Claim shall receive payment equal to

1 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
2 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(7)  
3 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
4 payments made to the holder of the Class 10(a)(7) claim under this Plan, to provide the holder of  
5 the Class 10(a)(7) Allowed Claim with the present value of the Class 10(a)(7) Allowed Claim as  
6 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

7 (c) **Impairment.** The Class 10(a)(7) claim is impaired; and the holder  
8 of the Class 10(a)(7) Claim is entitled to vote on the Plan.

9 3.11.8 **Class 10(a)(8)**

10 (a) **Classification.** Class 10(a)(8) consists of the Allowed Secured  
11 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
12 against the real property of PPA Holdings located at 1765 Cedar, Long Beach, California.

13 (b) **Treatment.**

14 (i) **Security Interests.** The Class 10(a)(8) Allowed Claim  
15 shall continue to be secured by the real property that presently secures the Class 10(a)(8) Allowed  
16 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
17 Petition Date, and the personal property security interests granted to the holder of the Class  
18 10(a)(8) Allowed Claim in such trust deed, which security interests shall have the same priority as  
19 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
20 determines that the Class 10(a)(8) Allowed Claim is adequately protected by the security interest  
21 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
22 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
23 encumbered by the trust deed securing the Class 10(a)(8) Allowed Claim, any lien held by the  
24 holder of the Class 10(a)(8) Allowed Claim shall cease to exist upon such rents, issues or profits  
25 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
26 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
27 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
28 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for

1 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
2 by such Debtor to Property Assets Operating Co.

3 (ii) **Claim Amount.** As of the Effective Date, the Class  
4 10(a)(8) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
5 (a) any defaults under the note evidencing the Class 10(a)(8) Allowed Claim shall be deemed to  
6 have been cured in full; and (b) the amount of the Class 10(a)(8) Allowed Claim shall be equal to  
7 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
8 accrued and unpaid on account of such Claim from and after the Petition Date through the  
9 Effective Date less: (a) any payments on account of the Class 10(a)(8) Allowed Claim received  
10 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
11 10(a)(8) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
12 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
13 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
14 percent (6.5%) per annum.

15 (iii) **Claim Payment.**

16 (1) **Section 1111(b) Election Not Made.** In the event  
17 that the holder of the Class 10(a)(8) Allowed Claim does not elect to be treated in accordance  
18 with Bankruptcy Code section 1111(b), the Class 10(a)(8) Allowed Claim shall be paid as  
19 follows: (a) commencing on the first day of the first month following the Effective Date, and  
20 continuing on the first day of each month thereafter until the holder of the Class 10(a)(8) Allowed  
21 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(8)  
22 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
23 terms of this Plan; (b) commencing on the first day of the first month following the third  
24 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
25 the holder of the Class 10(a)(8) Allowed Claim shall have received a total of eighty four (84) such  
26 payments, the holder of the Class 10(a)(8) Allowed Claim shall receive a payment equal to an  
27 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
28 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first

1 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(8)  
2 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
3 Claim.

4 (2) **Section 1111(b) Election Made.** In the event that  
5 the holder of the Class 10(a)(8) Allowed Claim elects to be treated in accordance with  
6 Bankruptcy Code section 1111(b), the Class 10(a)(8) Allowed Claim shall be paid as follows: (a)  
7 commencing on the first day of the first month following the Effective Date, and continuing on  
8 the first day of each month thereafter until the holder of the Class 10(a)(8) Allowed Claim shall  
9 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
10 10(a)(8) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
11 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
12 the Effective Date, the holder of the Class 10(a)(8) Allowed Claim shall receive payment equal to  
13 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
14 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(8)  
15 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
16 payments made to the holder of the Class 10(a)(8) claim under this Plan, to provide the holder of  
17 the Class 10(a)(8) Allowed Claim with the present value of the Class 10(a)(8) Allowed Claim as  
18 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

19 (c) **Impairment.** The Class 10(a)(8) claim is impaired; and the holder  
20 of the Class 10(a)(8) Claim is entitled to vote on the Plan.

21 3.11.9 **Class 10(a)(9)**

22 (a) **Classification.** Class 10(a)(9) consists of the Allowed Secured  
23 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
24 against the real property of PPA Holdings located at 2045 Linden, Riverside, California.

25 (b) **Treatment.**

26 (i) **Security Interests.** The Class 10(a)(9) Allowed Claim  
27 shall continue to be secured by the real property that presently secures the Class 10(a)(9) Allowed  
28 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the

1 Petition Date, and the personal property security interests granted to the holder of the Class  
2 10(a)(9) Allowed Claim in such trust deed, which security interests shall have the same priority as  
3 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
4 determines that the Class 10(a)(9) Allowed Claim is adequately protected by the security interest  
5 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
6 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
7 encumbered by the trust deed securing the Class 10(a)(9) Allowed Claim, any lien held by the  
8 holder of the Class 10(a)(9) Allowed Claim shall cease to exist upon such rents, issues or profits  
9 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
10 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
11 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
12 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
13 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
14 by such Debtor to Property Assets Operating Co.

15 (ii) **Claim Amount.** As of the Effective Date, the Class  
16 10(a)(9) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the following:  
17 (a) any defaults under the note evidencing the Class 10(a)(9) Allowed Claim shall be deemed to  
18 have been cured in full; and (b) the amount of the Class 10(a)(9) Allowed Claim shall be equal to  
19 the amount of such Claim on the Petition Date plus any interest and other fees and charges  
20 accrued and unpaid on account of such Claim from and after the Petition Date through the  
21 Effective Date less: (a) any payments on account of the Class 10(a)(9) Allowed Claim received  
22 by the holder of such claim and (b) any set offs to which the Debtor may be entitled. The Class  
23 10(a)(9) Allowed Claim shall bear interest from and after the Effective Date at a rate equal to the  
24 greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of interest as  
25 the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six and one-half  
26 percent (6.5%) per annum.

27 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that the holder of the Class 10(a)(9) Allowed Claim does not elect to be treated in accordance  
3 with Bankruptcy Code section 1111(b), the Class 10(a)(9) Allowed Claim shall be paid as  
4 follows: (a) commencing on the first day of the first month following the Effective Date, and  
5 continuing on the first day of each month thereafter until the holder of the Class 10(a)(9) Allowed  
6 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 10(a)(9)  
7 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
8 terms of this Plan; (b) commencing on the first day of the first month following the third  
9 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
10 the holder of the Class 10(a)(9) Allowed Claim shall have received a total of eighty four (84) such  
11 payments, the holder of the Class 10(a)(9) Allowed Claim shall receive a payment equal to an  
12 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
13 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
14 month following the tenth anniversary of the Effective Date, the holder of the Class 10(a)(9)  
15 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
16 Claim.

17 (2) **Section 1111(b) Election Made.** In the event that  
18 the holder of the Class 10(a)(9) Allowed Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 10(a)(9) Allowed Claim shall be paid as follows: (a)  
20 commencing on the first day of the first month following the Effective Date, and continuing on  
21 the first day of each month thereafter until the holder of the Class 10(a)(9) Allowed Claim shall  
22 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
23 10(a)(9) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
24 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
25 the Effective Date, the holder of the Class 10(a)(9) Allowed Claim shall receive payment equal to  
26 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
27 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 10(a)(9)  
28 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all



1 payments made to the holder of the Class 10(a)(9) claim under this Plan, to provide the holder of  
2 the Class 10(a)(9) Allowed Claim with the present value of the Class 10(a)(9) Allowed Claim as  
3 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

4 (c) **Impairment.** The Class 10(a)(9) claim is impaired; and the holder  
5 of the Class 10(a)(9) Claim is entitled to vote on the Plan.

6 3.11.10 **Class 10(a)(10)**

7 (a) **Classification.** Class 10(a)(10) consists of the Allowed Secured  
8 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
9 against the real property of PPA Holdings located at 3735 Kansas, Riverside, California.

10 (b) **Treatment.**

11 (i) **Security Interests.** The Class 10(a)(10) Allowed Claim  
12 shall continue to be secured by the real property that presently secures the Class 10(a)(10)  
13 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
14 the Petition Date, and the personal property security interests granted to the holder of the Class  
15 10(a)(10) Allowed Claim in such trust deed, which security interests shall have the same priority  
16 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
17 determines that the Class 10(a)(10) Allowed Claim is adequately protected by the security interest  
18 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
19 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
20 encumbered by the trust deed securing the Class 10(a)(10) Allowed Claim, any lien held by the  
21 holder of the Class 10(a)(10) Allowed Claim shall cease to exist upon such rents, issues or profits  
22 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
23 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
24 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
25 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
26 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
27 by such Debtor to Property Assets Operating Co.

1 (ii) **Claim Amount.** As of the Effective Date, the Class  
2 10(a)(10) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
3 following: (a) any defaults under the note evidencing the Class 10(a)(10) Allowed Claim shall be  
4 deemed to have been cured in full; and (b) the amount of the Class 10(a)(10) Allowed Claim shall  
5 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
6 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
7 the Effective Date less: (a) any payments on account of the Class 10(a)(10) Allowed Claim  
8 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
9 The Class 10(a)(10) Allowed Claim shall bear interest from and after the Effective Date at a rate  
10 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
11 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
12 and one-half percent (6.5%) per annum.

13 (iii) **Claim Payment.**

14 (1) **Section 1111(b) Election Not Made.** In the event  
15 that the holder of the Class 10(a)(10) Allowed Claim does not elect to be treated in accordance  
16 with Bankruptcy Code section 1111(b), the Class 10(a)(10) Allowed Claim shall be paid as  
17 follows: (a) commencing on the first day of the first month following the Effective Date, and  
18 continuing on the first day of each month thereafter until the holder of the Class 10(a)(10)  
19 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
20 10(a)(10) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
21 under the terms of this Plan; (b) commencing on the first day of the first month following the  
22 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
23 until the holder of the Class 10(a)(10) Allowed Claim shall have received a total of eighty four  
24 (84) such payments, the holder of the Class 10(a)(10) Allowed Claim shall receive a payment  
25 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
26 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
27 of the first month following the tenth anniversary of the Effective Date, the holder of the Class

28

1 10(a)(10) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
2 such Claim.

3 (2) **Section 1111(b) Election Made.** In the event that  
4 the holder of the Class 10(a)(10) Allowed Claim elects to be treated in accordance with  
5 Bankruptcy Code section 1111(b), the Class 10(a)(10) Allowed Claim shall be paid as follows:  
6 (a) commencing on the first day of the first month following the Effective Date, and continuing  
7 on the first day of each month thereafter until the holder of the Class 10(a)(10) Allowed Claim  
8 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
9 Class 10(a)(10) Allowed Claim shall receive a payment equal to the interest accrued on such  
10 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
11 anniversary of the Effective Date, the holder of the Class 10(a)(10) Allowed Claim shall receive  
12 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
13 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
14 Class 10(a)(10) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
15 together with all payments made to the holder of the Class 10(a)(10) claim under this Plan, to  
16 provide the holder of the Class 10(a)(10) Allowed Claim with the present value of the Class  
17 10(a)(10) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
18 Confirmation Hearing.

19 (c) **Impairment.** The Class 10(a)(10) claim is impaired; and the  
20 holder of the Class 10(a)(10) Claim is entitled to vote on the Plan.

21 3.11.11 **Class 10(a)(11)**

22 (a) **Classification.** Class 10(a)(11) consists of the Allowed Secured  
23 Claim of La Jolla Bank to the extent that such Claim is secured by a perfected, unavoidable lien  
24 against the real property of PPA Holdings located at 924 Gaviota, Long Beach, California.

25 (b) **Treatment.**

26 (i) **Security Interests.** The Class 10(a)(11) Allowed Claim  
27 shall continue to be secured by the real property that presently secures the Class 10(a)(11)  
28 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of

1 the Petition Date, and the personal property security interests granted to the holder of the Class  
2 10(a)(11) Allowed Claim in such trust deed, which security interests shall have the same priority  
3 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
4 determines that the Class 10(a)(11) Allowed Claim is adequately protected by the security interest  
5 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
6 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
7 encumbered by the trust deed securing the Class 10(a)(11) Allowed Claim, any lien held by the  
8 holder of the Class 10(a)(11) Allowed Claim shall cease to exist upon such rents, issues or profits  
9 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
10 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
11 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
12 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
13 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
14 by such Debtor to Property Assets Operating Co.

15 (ii) **Claim Amount.** As of the Effective Date, the Class  
16 10(a)(11) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
17 following: (a) any defaults under the note evidencing the Class 10(a)(11) Allowed Claim shall be  
18 deemed to have been cured in full; and (b) the amount of the Class 10(a)(11) Allowed Claim shall  
19 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
20 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
21 the Effective Date less: (a) any payments on account of the Class 10(a)(11) Allowed Claim  
22 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
23 The Class 10(a)(11) Allowed Claim shall bear interest from and after the Effective Date at a rate  
24 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
25 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
26 and one-half percent (6.5%) per annum.

27 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that the holder of the Class 10(a)(11) Allowed Claim does not elect to be treated in accordance  
3 with Bankruptcy Code section 1111(b), the Class 10(a)(11) Allowed Claim shall be paid as  
4 follows: (a) commencing on the first day of the first month following the Effective Date, and  
5 continuing on the first day of each month thereafter until the holder of the Class 10(a)(11)  
6 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
7 10(a)(11) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
8 under the terms of this Plan; (b) commencing on the first day of the first month following the  
9 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
10 until the holder of the Class 10(a)(11) Allowed Claim shall have received a total of eighty four  
11 (84) such payments, the holder of the Class 10(a)(11) Allowed Claim shall receive a payment  
12 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
13 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
14 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
15 10(a)(11) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
16 such Claim.

17 (2) **Section 1111(b) Election Made.** In the event that  
18 the holder of the Class 10(a)(11) Allowed Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 10(a)(11) Allowed Claim shall be paid as follows:  
20 (a) commencing on the first day of the first month following the Effective Date, and continuing  
21 on the first day of each month thereafter until the holder of the Class 10(a)(11) Allowed Claim  
22 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
23 Class 10(a)(11) Allowed Claim shall receive a payment equal to the interest accrued on such  
24 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
25 anniversary of the Effective Date, the holder of the Class 10(a)(11) Allowed Claim shall receive  
26 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
27 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
28 Class 10(a)(11) Allowed Claim under the terms of this Plan; and (b) the amount necessary,

1 together with all payments made to the holder of the Class 10(a)(11) claim under this Plan, to  
2 provide the holder of the Class 10(a)(11) Allowed Claim with the present value of the Class  
3 10(a)(11) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
4 Confirmation Hearing.

5 (c) **Impairment.** The Class 10(a)(11) claim is impaired; and the  
6 holder of the Class 10(a)(11) Claim is entitled to vote on the Plan.

7 3.11.12 **Class 10(a)(12)**

8 (a) **Classification.** Class 10(a)(12) consists of the Allowed Secured  
9 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
10 against the real property of PPA Holdings located at 630 Nebraska, Long Beach, California.

11 (b) **Treatment.**

12 (i) **Security Interests.** The Class 10(a)(12) Allowed Claim  
13 shall continue to be secured by the real property that presently secures the Class 10(a)(12)  
14 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
15 the Petition Date, and the personal property security interests granted to the holder of the Class  
16 10(a)(12) Allowed Claim in such trust deed, which security interests shall have the same priority  
17 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
18 determines that the Class 10(a)(12) Allowed Claim is adequately protected by the security interest  
19 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
20 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
21 encumbered by the trust deed securing the Class 10(a)(12) Allowed Claim, any lien held by the  
22 holder of the Class 10(a)(12) Allowed Claim shall cease to exist upon such rents, issues or profits  
23 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
24 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
25 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
26 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
27 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
28 by such Debtor to Property Assets Operating Co.

1 (ii) **Claim Amount.** As of the Effective Date, the Class  
2 10(a)(12) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
3 following: (a) any defaults under the note evidencing the Class 10(a)(12) Allowed Claim shall be  
4 deemed to have been cured in full; and (b) the amount of the Class 10(a)(12) Allowed Claim shall  
5 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
6 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
7 the Effective Date less: (a) any payments on account of the Class 10(a)(12) Allowed Claim  
8 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
9 The Class 10(a)(12) Allowed Claim shall bear interest from and after the Effective Date at a rate  
10 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
11 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
12 and one-half percent (6.5%) per annum.

13 (iii) **Claim Payment.**

14 (1) **Section 1111(b) Election Not Made.** In the event  
15 that the holder of the Class 10(a)(12) Allowed Claim does not elect to be treated in accordance  
16 with Bankruptcy Code section 1111(b), the Class 10(a)(12) Allowed Claim shall be paid as  
17 follows: (a) commencing on the first day of the first month following the Effective Date, and  
18 continuing on the first day of each month thereafter until the holder of the Class 10(a)(12)  
19 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
20 10(a)(12) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
21 under the terms of this Plan; (b) commencing on the first day of the first month following the  
22 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
23 until the holder of the Class 10(a)(12) Allowed Claim shall have received a total of eighty four  
24 (84) such payments, the holder of the Class 10(a)(12) Allowed Claim shall receive a payment  
25 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
26 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
27 of the first month following the tenth anniversary of the Effective Date, the holder of the Class

28

1 10(a)(12) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
2 such Claim.

3 (2) **Section 1111(b) Election Made.** In the event that  
4 the holder of the Class 10(a)(12) Allowed Claim elects to be treated in accordance with  
5 Bankruptcy Code section 1111(b), the Class 10(a)(12) Allowed Claim shall be paid as follows:  
6 (a) commencing on the first day of the first month following the Effective Date, and continuing  
7 on the first day of each month thereafter until the holder of the Class 10(a)(12) Allowed Claim  
8 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
9 Class 10(a)(12) Allowed Claim shall receive a payment equal to the interest accrued on such  
10 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
11 anniversary of the Effective Date, the holder of the Class 10(a)(12) Allowed Claim shall receive  
12 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
13 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
14 Class 10(a)(12) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
15 together with all payments made to the holder of the Class 10(a)(12) claim under this Plan, to  
16 provide the holder of the Class 10(a)(12) Allowed Claim with the present value of the Class  
17 10(a)(12) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
18 Confirmation Hearing.

19 (c) **Impairment.** The Class 10(a)(12) claim is impaired; and the  
20 holder of the Class 10(a)(12) Claim is entitled to vote on the Plan.

21 3.11.13 **Class 10(a)(13)**

22 (a) **Classification.** Class 10(a)(13) consists of the Allowed Secured  
23 Claim of Cathay Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
24 against the real property of PPA Holdings located at 3626 Pacific Coast Highway, Long Beach,  
25 California.

26 (b) **Treatment.**

27 (i) **Security Interests.** The Class 10(a)(13) Allowed Claim  
28 shall continue to be secured by the real property that presently secures the Class 10(a)(13)



1 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
2 the Petition Date, and the personal property security interests granted to the holder of the Class  
3 10(a)(13) Allowed Claim in such trust deed, which security interests shall have the same priority  
4 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
5 determines that the Class 10(a)(13) Allowed Claim is adequately protected by the security interest  
6 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
7 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
8 encumbered by the trust deed securing the Class 10(a)(13) Allowed Claim, any lien held by the  
9 holder of the Class 10(a)(13) Allowed Claim shall cease to exist upon such rents, issues or profits  
10 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
11 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
12 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
13 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
14 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
15 by such Debtor to Property Assets Operating Co.

16 (ii) **Claim Amount.** As of the Effective Date, the Class  
17 10(a)(13) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
18 following: (a) any defaults under the note evidencing the Class 10(a)(13) Allowed Claim shall be  
19 deemed to have been cured in full; and (b) the amount of the Class 10(a)(13) Allowed Claim shall  
20 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
21 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
22 the Effective Date less: (a) any payments on account of the Class 10(a)(13) Allowed Claim  
23 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
24 The Class 10(a)(13) Allowed Claim shall bear interest from and after the Effective Date at a rate  
25 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
26 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
27 and one-half percent (6.5%) per annum.

28 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that the holder of the Class 10(a)(13) Allowed Claim does not elect to be treated in accordance  
3 with Bankruptcy Code section 1111(b), the Class 10(a)(13) Allowed Claim shall be paid as  
4 follows: (a) commencing on the first day of the first month following the Effective Date, and  
5 continuing on the first day of each month thereafter until the holder of the Class 10(a)(13)  
6 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
7 10(a)(13) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
8 under the terms of this Plan; (b) commencing on the first day of the first month following the  
9 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
10 until the holder of the Class 10(a)(13) Allowed Claim shall have received a total of eighty four  
11 (84) such payments, the holder of the Class 10(a)(13) Allowed Claim shall receive a payment  
12 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
13 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
14 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
15 10(a)(13) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
16 such Claim.

17 (2) **Section 1111(b) Election Made.** In the event that  
18 the holder of the Class 10(a)(13) Allowed Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 10(a)(13) Allowed Claim shall be paid as follows:  
20 (a) commencing on the first day of the first month following the Effective Date, and continuing  
21 on the first day of each month thereafter until the holder of the Class 10(a)(13) Allowed Claim  
22 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
23 Class 10(a)(13) Allowed Claim shall receive a payment equal to the interest accrued on such  
24 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
25 anniversary of the Effective Date, the holder of the Class 10(a)(13) Allowed Claim shall receive  
26 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
27 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
28 Class 10(a)(13) Allowed Claim under the terms of this Plan; and (b) the amount necessary,

1 together with all payments made to the holder of the Class 10(a)(13) claim under this Plan, to  
2 provide the holder of the Class 10(a)(13) Allowed Claim with the present value of the Class  
3 10(a)(13) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
4 Confirmation Hearing.

5 (c) **Impairment.** The Class 10(a)(13) claim is impaired; and the  
6 holder of the Class 10(a)(13) Claim is entitled to vote on the Plan.

7 3.11.14 **Class 10(a)(14)**

8 (a) **Classification.** Class 10(a)(14) consists of the Allowed Secured  
9 Claim of Affinity Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
10 against the real property of PPA Holdings located at 125 E. 8th Street, Long Beach, California.

11 (b) **Treatment.**

12 (i) **Security Interests.** The Class 10(a)(14) Allowed Claim  
13 shall continue to be secured by the real property that presently secures the Class 10(a)(14)  
14 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
15 the Petition Date, and the personal property security interests granted to the holder of the Class  
16 10(a)(14) Allowed Claim in such trust deed, which security interests shall have the same priority  
17 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
18 determines that the Class 10(a)(14) Allowed Claim is adequately protected by the security interest  
19 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
20 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
21 encumbered by the trust deed securing the Class 10(a)(14) Allowed Claim, any lien held by the  
22 holder of the Class 10(a)(14) Allowed Claim shall cease to exist upon such rents, issues or profits  
23 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
24 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
25 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
26 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
27 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
28 by such Debtor to Property Assets Operating Co.

1 (ii) **Claim Amount.** As of the Effective Date, the Class  
2 10(a)(14) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
3 following: (a) any defaults under the note evidencing the Class 10(a)(14) Allowed Claim shall be  
4 deemed to have been cured in full; and (b) the amount of the Class 10(a)(14) Allowed Claim shall  
5 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
6 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
7 the Effective Date less: (a) any payments on account of the Class 10(a)(14) Allowed Claim  
8 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
9 The Class 10(a)(14) Allowed Claim shall bear interest from and after the Effective Date at a rate  
10 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
11 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
12 and one-half percent (6.5%) per annum.

13 (iii) **Claim Payment.**

14 (1) **Section 1111(b) Election Not Made.** In the event  
15 that the holder of the Class 10(a)(14) Allowed Claim does not elect to be treated in accordance  
16 with Bankruptcy Code section 1111(b), the Class 10(a)(14) Allowed Claim shall be paid as  
17 follows: (a) commencing on the first day of the first month following the Effective Date, and  
18 continuing on the first day of each month thereafter until the holder of the Class 10(a)(14)  
19 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
20 10(a)(14) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
21 under the terms of this Plan; (b) commencing on the first day of the first month following the  
22 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
23 until the holder of the Class 10(a)(14) Allowed Claim shall have received a total of eighty four  
24 (84) such payments, the holder of the Class 10(a)(14) Allowed Claim shall receive a payment  
25 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
26 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
27 of the first month following the tenth anniversary of the Effective Date, the holder of the Class

28

1 10(a)(14) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
2 such Claim.

3 (2) **Section 1111(b) Election Made.** In the event that  
4 the holder of the Class 10(a)(14) Allowed Claim elects to be treated in accordance with  
5 Bankruptcy Code section 1111(b), the Class 10(a)(14) Allowed Claim shall be paid as follows:  
6 (a) commencing on the first day of the first month following the Effective Date, and continuing  
7 on the first day of each month thereafter until the holder of the Class 10(a)(14) Allowed Claim  
8 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
9 Class 10(a)(14) Allowed Claim shall receive a payment equal to the interest accrued on such  
10 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
11 anniversary of the Effective Date, the holder of the Class 10(a)(14) Allowed Claim shall receive  
12 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
13 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
14 Class 10(a)(14) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
15 together with all payments made to the holder of the Class 10(a)(14) claim under this Plan, to  
16 provide the holder of the Class 10(a)(14) Allowed Claim with the present value of the Class  
17 10(a)(14) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
18 Confirmation Hearing.

19 (c) **Impairment.** The Class 10(a)(14) claim is impaired; and the  
20 holder of the Class 10(a)(14) Claim is entitled to vote on the Plan.

21 **3.11.15 Class 10(a)(15)**

22 (a) **Classification.** Class 10(a)(15) consists of the Allowed Secured  
23 Claim of Affinity Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
24 against the real property of PPA Holdings located at 1856 Loma Vista, Riverside, California.

25 (b) **Treatment.**

26 (i) **Security Interests.** The Class 10(a)(15) Allowed Claim  
27 shall continue to be secured by the real property that presently secures the Class 10(a)(15)  
28 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of

1 the Petition Date, and the personal property security interests granted to the holder of the Class  
2 10(a)(15) Allowed Claim in such trust deed, which security interests shall have the same priority  
3 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
4 determines that the Class 10(a)(15) Allowed Claim is adequately protected by the security interest  
5 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
6 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
7 encumbered by the trust deed securing the Class 10(a)(15) Allowed Claim, any lien held by the  
8 holder of the Class 10(a)(15) Allowed Claim shall cease to exist upon such rents, issues or profits  
9 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
10 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
11 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
12 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
13 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
14 by such Debtor to Property Assets Operating Co.

15 (ii) **Claim Amount.** As of the Effective Date, the Class  
16 10(a)(15) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
17 following: (a) any defaults under the note evidencing the Class 10(a)(15) Allowed Claim shall be  
18 deemed to have been cured in full; and (b) the amount of the Class 10(a)(15) Allowed Claim shall  
19 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
20 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
21 the Effective Date less: (a) any payments on account of the Class 10(a)(15) Allowed Claim  
22 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
23 The Class 10(a)(15) Allowed Claim shall bear interest from and after the Effective Date at a rate  
24 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
25 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
26 and one-half percent (6.5%) per annum.

27 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that the holder of the Class 10(a)(15) Allowed Claim does not elect to be treated in accordance  
3 with Bankruptcy Code section 1111(b), the Class 10(a)(15) Allowed Claim shall be paid as  
4 follows: (a) commencing on the first day of the first month following the Effective Date, and  
5 continuing on the first day of each month thereafter until the holder of the Class 10(a)(15)  
6 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
7 10(a)(15) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
8 under the terms of this Plan; (b) commencing on the first day of the first month following the  
9 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
10 until the holder of the Class 10(a)(15) Allowed Claim shall have received a total of eighty four  
11 (84) such payments, the holder of the Class 10(a)(15) Allowed Claim shall receive a payment  
12 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
13 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
14 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
15 10(a)(15) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
16 such Claim.

17 (2) **Section 1111(b) Election Made.** In the event that  
18 the holder of the Class 10(a)(15) Allowed Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 10(a)(15) Allowed Claim shall be paid as follows:  
20 (a) commencing on the first day of the first month following the Effective Date, and continuing  
21 on the first day of each month thereafter until the holder of the Class 10(a)(15) Allowed Claim  
22 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
23 Class 10(a)(15) Allowed Claim shall receive a payment equal to the interest accrued on such  
24 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
25 anniversary of the Effective Date, the holder of the Class 10(a)(15) Allowed Claim shall receive  
26 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
27 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
28 Class 10(a)(15) Allowed Claim under the terms of this Plan; and (b) the amount necessary,

1 together with all payments made to the holder of the Class 10(a)(15) claim under this Plan, to  
2 provide the holder of the Class 10(a)(15) Allowed Claim with the present value of the Class  
3 10(a)(15) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
4 Confirmation Hearing.

5 (c) **Impairment.** The Class 10(a)(15) claim is impaired; and the  
6 holder of the Class 10(a)(15) Claim is entitled to vote on the Plan.

7 3.11.16 **Class 10(a)(16)**

8 (a) **Classification.** Class 10(a)(16) consists of the Allowed Secured  
9 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
10 against the real property of PPA Holdings located at 3486 Anderson Avenue, Riverside,  
11 California.

12 (b) **Treatment.**

13 (i) **Security Interests.** The Class 10(a)(16) Allowed Claim  
14 shall continue to be secured by the real property that presently secures the Class 10(a)(16)  
15 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
16 the Petition Date, and the personal property security interests granted to the holder of the Class  
17 10(a)(16) Allowed Claim in such trust deed, which security interests shall have the same priority  
18 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
19 determines that the Class 10(a)(16) Allowed Claim is adequately protected by the security interest  
20 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
21 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
22 encumbered by the trust deed securing the Class 10(a)(16) Allowed Claim, any lien held by the  
23 holder of the Class 10(a)(16) Allowed Claim shall cease to exist upon such rents, issues or profits  
24 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
25 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
26 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
27 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for



1 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
2 by such Debtor to Property Assets Operating Co.

3 (ii) **Claim Amount.** As of the Effective Date, the Class  
4 10(a)(16) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
5 following: (a) any defaults under the note evidencing the Class 10(a)(16) Allowed Claim shall be  
6 deemed to have been cured in full; and (b) the amount of the Class 10(a)(16) Allowed Claim shall  
7 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
8 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
9 the Effective Date less: (a) any payments on account of the Class 10(a)(16) Allowed Claim  
10 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
11 The Class 10(a)(16) Allowed Claim shall bear interest from and after the Effective Date at a rate  
12 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
13 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
14 and one-half percent (6.5%) per annum.

15 (iii) **Claim Payment.**

16 (1) **Section 1111(b) Election Not Made.** In the event  
17 that the holder of the Class 10(a)(16) Allowed Claim does not elect to be treated in accordance  
18 with Bankruptcy Code section 1111(b), the Class 10(a)(16) Allowed Claim shall be paid as  
19 follows: (a) commencing on the first day of the first month following the Effective Date, and  
20 continuing on the first day of each month thereafter until the holder of the Class 10(a)(16)  
21 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
22 10(a)(16) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
23 under the terms of this Plan; (b) commencing on the first day of the first month following the  
24 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
25 until the holder of the Class 10(a)(16) Allowed Claim shall have received a total of eighty four  
26 (84) such payments, the holder of the Class 10(a)(16) Allowed Claim shall receive a payment  
27 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
28 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day

1 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
2 10(a)(16) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
3 such Claim.

4 (2) **Section 1111(b) Election Made.** In the event that  
5 the holder of the Class 10(a)(16) Allowed Claim elects to be treated in accordance with  
6 Bankruptcy Code section 1111(b), the Class 10(a)(16) Allowed Claim shall be paid as follows:

7 (a) commencing on the first day of the first month following the Effective Date, and continuing  
8 on the first day of each month thereafter until the holder of the Class 10(a)(16) Allowed Claim  
9 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
10 Class 10(a)(16) Allowed Claim shall receive a payment equal to the interest accrued on such  
11 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
12 anniversary of the Effective Date, the holder of the Class 10(a)(16) Allowed Claim shall receive  
13 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
14 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
15 Class 10(a)(16) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
16 together with all payments made to the holder of the Class 10(a)(16) claim under this Plan, to  
17 provide the holder of the Class 10(a)(16) Allowed Claim with the present value of the Class  
18 10(a)(16) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
19 Confirmation Hearing.

20 (c) **Impairment.** The Class 10(a)(16) claim is impaired; and the  
21 holder of the Class 10(a)(16) Claim is entitled to vote on the Plan.

22 3.11.17 **Class 10(a)(17)**

23 (a) **Classification.** Class 10(a)(17) consists of the Allowed Secured  
24 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
25 against the real property of PPA Holdings located at 3460 Anderson Avenue, Riverside  
26 California.

27 (b) **Treatment.**

1 (i) **Security Interests.** The Class 10(a)(17) Allowed Claim  
2 shall continue to be secured by the real property that presently secures the Class 10(a)(17)  
3 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
4 the Petition Date, and the personal property security interests granted to the holder of the Class  
5 10(a)(17) Allowed Claim in such trust deed, which security interests shall have the same priority  
6 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
7 determines that the Class 10(a)(17) Allowed Claim is adequately protected by the security interest  
8 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
9 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
10 encumbered by the trust deed securing the Class 10(a)(17) Allowed Claim, any lien held by the  
11 holder of the Class 10(a)(17) Allowed Claim shall cease to exist upon such rents, issues or profits  
12 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
13 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
14 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
15 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
16 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
17 by such Debtor to Property Assets Operating Co.

18 (ii) **Claim Amount.** As of the Effective Date, the Class  
19 10(a)(17) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
20 following: (a) any defaults under the note evidencing the Class 10(a)(17) Allowed Claim shall be  
21 deemed to have been cured in full; and (b) the amount of the Class 10(a)(17) Allowed Claim shall  
22 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
23 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
24 the Effective Date less: (a) any payments on account of the Class 10(a)(17) Allowed Claim  
25 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
26 The Class 10(a)(17) Allowed Claim shall bear interest from and after the Effective Date at a rate  
27 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of

1 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
2 and one-half percent (6.5%) per annum.

3 (iii) **Claim Payment.**

4 (1) **Section 1111(b) Election Not Made.** In the event  
5 that the holder of the Class 10(a)(17) Allowed Claim does not elect to be treated in accordance  
6 with Bankruptcy Code section 1111(b), the Class 10(a)(17) Allowed Claim shall be paid as  
7 follows: (a) commencing on the first day of the first month following the Effective Date, and  
8 continuing on the first day of each month thereafter until the holder of the Class 10(a)(17)  
9 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
10 10(a)(17) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
11 under the terms of this Plan; (b) commencing on the first day of the first month following the  
12 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
13 until the holder of the Class 10(a)(17) Allowed Claim shall have received a total of eighty four  
14 (84) such payments, the holder of the Class 10(a)(17) Allowed Claim shall receive a payment  
15 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
16 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
17 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
18 10(a)(17) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
19 such Claim.

20 (2) **Section 1111(b) Election Made.** In the event that  
21 the holder of the Class 10(a)(17) Allowed Claim elects to be treated in accordance with  
22 Bankruptcy Code section 1111(b), the Class 10(a)(17) Allowed Claim shall be paid as follows:  
23 (a) commencing on the first day of the first month following the Effective Date, and continuing  
24 on the first day of each month thereafter until the holder of the Class 10(a)(17) Allowed Claim  
25 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
26 Class 10(a)(17) Allowed Claim shall receive a payment equal to the interest accrued on such  
27 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
28 anniversary of the Effective Date, the holder of the Class 10(a)(17) Allowed Claim shall receive

1 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
2 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
3 Class 10(a)(17) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
4 together with all payments made to the holder of the Class 10(a)(17) claim under this Plan, to  
5 provide the holder of the Class 10(a)(17) Allowed Claim with the present value of the Class  
6 10(a)(17) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
7 Confirmation Hearing.

8 (c) **Impairment.** The Class 10(a)(17) claim is impaired; and the  
9 holder of the Class 10(a)(17) Claim is entitled to vote on the Plan.

10 3.11.18 **Class 10(a)(18)**

11 (a) **Classification.** Class 10(a)(18) consists of the Allowed Secured  
12 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
13 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
14 2005 Linden Street, Riverside, California.

15 (b) **Treatment.**

16 (i) **Security Interests.** The Class 10(a)(18) Allowed Claim  
17 shall continue to be secured by the real property that presently secures the Class 10(a)(18)  
18 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
19 the Petition Date, and the personal property security interests granted to the holder of the Class  
20 10(a)(18) Allowed Claim in such trust deed, which security interests shall have the same priority  
21 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
22 determines that the Class 10(a)(18) Allowed Claim is adequately protected by the security interest  
23 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
24 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
25 encumbered by the trust deed securing the Class 10(a)(18) Allowed Claim, any lien held by the  
26 holder of the Class 10(a)(18) Allowed Claim shall cease to exist upon such rents, issues or profits  
27 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
28 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be

1 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
2 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
3 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
4 by such Debtor to Property Assets Operating Co.

5 (ii) **Claim Amount.** As of the Effective Date, the Class  
6 10(a)(18) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
7 following: (a) any defaults under the note evidencing the Class 10(a)(18) Allowed Claim shall be  
8 deemed to have been cured in full; and (b) the amount of the Class 10(a)(18) Allowed Claim shall  
9 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
10 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
11 the Effective Date less: (a) any payments on account of the Class 10(a)(18) Allowed Claim  
12 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
13 The Class 10(a)(18) Allowed Claim shall bear interest from and after the Effective Date at a rate  
14 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
15 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
16 and one-half percent (6.5%) per annum.

17 (iii) **Claim Payment.**

18 (1) **Section 1111(b) Election Not Made.** In the event  
19 that the holder of the Class 10(a)(18) Allowed Claim does not elect to be treated in accordance  
20 with Bankruptcy Code section 1111(b), the Class 10(a)(18) Allowed Claim shall be paid as  
21 follows: (a) commencing on the first day of the first month following the Effective Date, and  
22 continuing on the first day of each month thereafter until the holder of the Class 10(a)(18)  
23 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
24 10(a)(18) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
25 under the terms of this Plan; (b) commencing on the first day of the first month following the  
26 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
27 until the holder of the Class 10(a)(18) Allowed Claim shall have received a total of eighty four  
28 (84) such payments, the holder of the Class 10(a)(18) Allowed Claim shall receive a payment

1 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
2 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
3 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
4 10(a)(18) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
5 such Claim.

6 (2) **Section 1111(b) Election Made.** In the event that  
7 the holder of the Class 10(a)(18) Allowed Claim elects to be treated in accordance with

8 Bankruptcy Code section 1111(b), the Class 10(a)(18) Allowed Claim shall be paid as follows:

9 (a) commencing on the first day of the first month following the Effective Date, and continuing

10 on the first day of each month thereafter until the holder of the Class 10(a)(18) Allowed Claim

11 shall have received a total of one-hundred and twenty (120) such payments, the holder of the

12 Class 10(a)(18) Allowed Claim shall receive a payment equal to the interest accrued on such

13 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth

14 anniversary of the Effective Date, the holder of the Class 10(a)(18) Allowed Claim shall receive

15 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance

16 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the

17 Class 10(a)(18) Allowed Claim under the terms of this Plan; and (b) the amount necessary,

18 together with all payments made to the holder of the Class 10(a)(18) claim under this Plan, to

19 provide the holder of the Class 10(a)(18) Allowed Claim with the present value of the Class

20 10(a)(18) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the

21 Confirmation Hearing.

22 (c) **Impairment.** The Class 10(a)(18) claim is impaired; and the  
23 holder of the Class 10(a)(18) Claim is entitled to vote on the Plan.

24 **3.11.19 Class 10(a)(19)**

25 (a) **Classification.** Class 10(a)(19) consists of the Allowed Secured

26 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,

27 unavoidable second priority lien against the real property of PPA Holdings located at 2005

28 Linden Street, Riverside, California.

1 (b) **Treatment.**

2 (i) **Security Interests.** The Class 10(a)(19) Allowed Secured  
3 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(19)  
4 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
5 Claims as of the Petition Date, and the personal property security interests granted to the holders  
6 of the Class 10(a)(19) Allowed Secured Claims in such trust deed, which security interests shall  
7 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
8 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
9 the Class 10(a)(19) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(19)  
10 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
11 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
12 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
13 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
14 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
15 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

16 (ii) **Claim Amount.** As of the Effective Date, the Class  
17 10(a)(19) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
18 following: (a) any defaults under the note evidencing the Class 10(a)(19) Allowed Secured  
19 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(19)  
20 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
21 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
22 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
23 account of the Class 10(a)(19) Allowed Claims received by the holder of such Claims and (b) any  
24 set offs to which the Debtor may be entitled..

25 (iii) **Claim Payment.**

26 (1) **Section 1111(b) Election Not Made.** In the event  
27 that a holder of a Class 10(a)(19) Allowed Secured Claim does not elect to be treated in  
28 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(19) Allowed



1 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
2 principal amount of such Class 10(a)(19) Allowed Secured Claim (exclusive of accrued and  
3 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
4 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
5 which all Claims filed as Class 10(a)(19) Claims become Allowed Claims or are subject to a Final  
6 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
7 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
8 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
9 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
10 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
11 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
12 received by each holder of a Class 10(a)(19) Allowed Claim, the holders of Class 10(a)(19)  
13 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
14 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
15 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
16 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

17 (2) **Section 1111(b) Election Made.** In the event that a  
18 holder of the Class 10(a)(19) Allowed Secured Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), such Class 10(a)(19) Allowed Claim shall receive a Second  
20 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
21 value of said note is equal to the amount of each holder's Class 10(a)(19) Allowed Secured Claim  
22 and the total of all payments due pursuant to such note shall be equal to the amount of such  
23 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
24 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
25 filed as Class 10(a)(19) Claims become Allowed Claims or are subject to a Final Order  
26 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
27 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
28 payees of that note in accordance with the provisions of California Civil Code section 2941.9

1 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
2 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
3 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
4 received by each holder of a Class 10(a)(19) Allowed Secured Claim, the holders of Class  
5 10(a)(19) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
6 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
7 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
8 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

9 (c) **Impairment.** The Class 10(a)(19) Claims are impaired; and the  
10 holders of the Class 10(a)(19) Claims are entitled to vote on the Plan.

11 3.11.20 **Class 10(a)(20)**

12 (a) **Classification.** Class 10(a)(20) consists of the Allowed Secured  
13 Claim of Universal Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
14 against the real property of PPA Holdings located at 1525 Pine Street, Riverside, California.

15 (b) **Treatment.**

16 (i) **Security Interests.** The Class 10(a)(20) Allowed Claim  
17 shall continue to be secured by the real property that presently secures the Class 10(a)(20)  
18 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
19 the Petition Date, and the personal property security interests granted to the holder of the Class  
20 10(a)(20) Allowed Claim in such trust deed, which security interests shall have the same priority  
21 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
22 determines that the Class 10(a)(20) Allowed Claim is adequately protected by the security interest  
23 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
24 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
25 encumbered by the trust deed securing the Class 10(a)(20) Allowed Claim, any lien held by the  
26 holder of the Class 10(a)(20) Allowed Claim shall cease to exist upon such rents, issues or profits  
27 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
28 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be

1 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
2 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
3 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
4 by such Debtor to Property Assets Operating Co.

5 (ii) **Claim Amount.** As of the Effective Date, the Class  
6 10(a)(20) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
7 following: (a) any defaults under the note evidencing the Class 10(a)(20) Allowed Claim shall be  
8 deemed to have been cured in full; and (b) the amount of the Class 10(a)(20) Allowed Claim shall  
9 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
10 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
11 the Effective Date less: (a) any payments on account of the Class 10(a)(20) Allowed Claim  
12 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
13 The Class 10(a)(20) Allowed Claim shall bear interest from and after the Effective Date at a rate  
14 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
15 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
16 and one-half percent (6.5%) per annum.

17 (iii) **Claim Payment.**

18 (1) **Section 1111(b) Election Not Made.** In the event  
19 that the holder of the Class 10(a)(20) Allowed Claim does not elect to be treated in accordance  
20 with Bankruptcy Code section 1111(b), the Class 10(a)(20) Allowed Claim shall be paid as  
21 follows: (a) commencing on the first day of the first month following the Effective Date, and  
22 continuing on the first day of each month thereafter until the holder of the Class 10(a)(20)  
23 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
24 10(a)(20) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
25 under the terms of this Plan; (b) commencing on the first day of the first month following the  
26 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
27 until the holder of the Class 10(a)(20) Allowed Claim shall have received a total of eighty four  
28 (84) such payments, the holder of the Class 10(a)(20) Allowed Claim shall receive a payment

1 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
2 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
3 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
4 10(a)(20) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
5 such Claim.

6 (2) **Section 1111(b) Election Made.** In the event that  
7 the holder of the Class 10(a)(20) Allowed Claim elects to be treated in accordance with

8 Bankruptcy Code section 1111(b), the Class 10(a)(20) Allowed Claim shall be paid as follows:

9 (a) commencing on the first day of the first month following the Effective Date, and continuing

10 on the first day of each month thereafter until the holder of the Class 10(a)(20) Allowed Claim

11 shall have received a total of one-hundred and twenty (120) such payments, the holder of the

12 Class 10(a)(20) Allowed Claim shall receive a payment equal to the interest accrued on such

13 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth

14 anniversary of the Effective Date, the holder of the Class 10(a)(20) Allowed Claim shall receive

15 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance

16 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the

17 Class 10(a)(20) Allowed Claim under the terms of this Plan; and (b) the amount necessary,

18 together with all payments made to the holder of the Class 10(a)(20) claim under this Plan, to

19 provide the holder of the Class 10(a)(20) Allowed Claim with the present value of the Class

20 10(a)(20) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the

21 Confirmation Hearing.

22 (c) **Impairment.** The Class 10(a)(20) claim is impaired; and the  
23 holder of the Class 10(a)(20) Claim is entitled to vote on the Plan.

24 **3.11.21 Class 10(a)(21)**

25 (a) **Classification.** Class 10(a)(21) consists of the Allowed Secured

26 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,

27 unavoidable second priority lien against the real property of PPA Holdings located at 1525 Pine

28 Street, Riverside, California.

1 (b) **Treatment.**

2 (i) **Security Interests.** The Class 10(a)(21) Allowed Secured  
3 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(21)  
4 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
5 Claims as of the Petition Date, and the personal property security interests granted to the holders  
6 of the Class 10(a)(21) Allowed Secured Claims in such trust deed, which security interests shall  
7 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
8 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
9 the Class 10(a)(21) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(21)  
10 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
11 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
12 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
13 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
14 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
15 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

16 (ii) **Claim Amount.** As of the Effective Date, the Class  
17 10(a)(21) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
18 following: (a) any defaults under the note evidencing the Class 10(a)(21) Allowed Secured  
19 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(21)  
20 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
21 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
22 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
23 account of the Class 10(a)(21) Allowed Claims received by the holder of such Claims and (b) any  
24 set offs to which the Debtor may be entitled.

25 (iii) **Claim Payment.**

26 (1) **Section 1111(b) Election Not Made.** In the event  
27 that a holder of a Class 10(a)(21) Allowed Secured Claim does not elect to be treated in  
28 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(21) Allowed

1 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
2 principal amount of such Class 10(a)(21) Allowed Secured Claim (exclusive of accrued and  
3 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
4 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
5 which all Claims filed as Class 10(a)(21) Claims become Allowed Claims or are subject to a Final  
6 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
7 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
8 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
9 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
10 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
11 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
12 received by each holder of a Class 10(a)(21) Allowed Claim, the holders of Class 10(a)(21)  
13 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
14 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
15 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
16 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

17 (2) **Section 1111(b) Election Made.** In the event that a  
18 holder of the Class 10(a)(21) Allowed Secured Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), such Class 10(a)(21) Allowed Claim shall receive a Second  
20 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
21 value of said note is equal to the amount of each holder's Class 10(a)(21) Allowed Secured Claim  
22 and the total of all payments due pursuant to such note shall be equal to the amount of such  
23 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
24 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
25 filed as Class 10(a)(21) Claims become Allowed Claims or are subject to a Final Order  
26 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
27 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
28 payees of that note in accordance with the provisions of California Civil Code section 2941.9

1 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
2 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
3 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
4 received by each holder of a Class 10(a)(21) Allowed Secured Claim, the holders of Class  
5 10(a)(21) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
6 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
7 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
8 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

9 (c) **Impairment.** The Class 10(a)(21) Claims are impaired; and the  
10 holders of the Class 10(a)(21) Claims are entitled to vote on the Plan.

11 3.11.22 **Class 10(a)(22)**

12 (a) **Classification.** Class 10(a)(22) consists of the Allowed Secured  
13 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
14 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
15 1742 Cherry Avenue, Long Beach, California.

16 (b) **Treatment.**

17 (i) **Security Interests.** The Class 10(a)(22) Allowed Claim  
18 shall continue to be secured by the real property that presently secures the Class 10(a)(22)  
19 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
20 the Petition Date, and the personal property security interests granted to the holder of the Class  
21 10(a)(22) Allowed Claim in such trust deed, which security interests shall have the same priority  
22 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
23 determines that the Class 10(a)(22) Allowed Claim is adequately protected by the security interest  
24 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
25 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
26 encumbered by the trust deed securing the Class 10(a)(22) Allowed Claim, any lien held by the  
27 holder of the Class 10(a)(22) Allowed Claim shall cease to exist upon such rents, issues or profits  
28 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying

1 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
2 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
3 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
4 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
5 by such Debtor to Property Assets Operating Co.

6 (ii) **Claim Amount.** As of the Effective Date, the Class  
7 10(a)(22) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
8 following: (a) any defaults under the note evidencing the Class 10(a)(22) Allowed Claim shall be  
9 deemed to have been cured in full; and (b) the amount of the Class 10(a)(22) Allowed Claim shall  
10 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
11 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
12 the Effective Date less: (a) any payments on account of the Class 10(a)(22) Allowed Claim  
13 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
14 The Class 10(a)(22) Allowed Claim shall bear interest from and after the Effective Date at a rate  
15 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
16 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
17 and one-half percent (6.5%) per annum.

18 (iii) **Claim Payment.**  
19 (1) **Section 1111(b) Election Not Made.** In the event  
20 that the holder of the Class 10(a)(22) Allowed Claim does not elect to be treated in accordance  
21 with Bankruptcy Code section 1111(b), the Class 10(a)(22) Allowed Claim shall be paid as  
22 follows: (a) commencing on the first day of the first month following the Effective Date, and  
23 continuing on the first day of each month thereafter until the holder of the Class 10(a)(22)  
24 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
25 10(a)(22) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
26 under the terms of this Plan; (b) commencing on the first day of the first month following the  
27 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
28 until the holder of the Class 10(a)(22) Allowed Claim shall have received a total of eighty four



1 (84) such payments, the holder of the Class 10(a)(22) Allowed Claim shall receive a payment  
2 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
3 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
4 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
5 10(a)(22) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
6 such Claim.

7 (2) **Section 1111(b) Election Made.** In the event that  
8 the holder of the Class 10(a)(22) Allowed Claim elects to be treated in accordance with  
9 Bankruptcy Code section 1111(b), the Class 10(a)(22) Allowed Claim shall be paid as follows:

10 (a) commencing on the first day of the first month following the Effective Date, and continuing  
11 on the first day of each month thereafter until the holder of the Class 10(a)(22) Allowed Claim  
12 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
13 Class 10(a)(22) Allowed Claim shall receive a payment equal to the interest accrued on such  
14 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
15 anniversary of the Effective Date, the holder of the Class 10(a)(22) Allowed Claim shall receive  
16 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
17 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
18 Class 10(a)(22) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
19 together with all payments made to the holder of the Class 10(a)(22) claim under this Plan, to  
20 provide the holder of the Class 10(a)(22) Allowed Claim with the present value of the Class  
21 10(a)(22) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
22 Confirmation Hearing.

23 (c) **Impairment.** The Class 10(a)(22) claim is impaired; and the  
24 holder of the Class 10(a)(22) Claim is entitled to vote on the Plan.

25 3.11.23 **Class 10(a)(23)**

26 (a) **Classification.** Class 10(a)(23) consists of the Allowed Secured  
27 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,

1 unavoidable second priority lien against the real property of PPA Holdings located at 1742  
2 Cherry Avenue, Long Beach, California.

3 (b) **Treatment.**

4 (i) **Security Interests.** The Class 10(a)(23) Allowed Secured  
5 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(23)  
6 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
7 Claims as of the Petition Date, and the personal property security interests granted to the holders  
8 of the Class 10(a)(23) Allowed Secured Claims in such trust deed, which security interests shall  
9 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
10 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
11 the Class 10(a)(23) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(23)  
12 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
13 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
14 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
15 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
16 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
17 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

18 (ii) **Claim Amount.** As of the Effective Date, the Class  
19 10(a)(23) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
20 following: (a) any defaults under the note evidencing the Class 10(a)(23) Allowed Secured  
21 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(23)  
22 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
23 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
24 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
25 account of the Class 10(a)(23) Allowed Claims received by the holder of such Claims and (b) any  
26 set offs to which the Debtor may be entitled..

27 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that a holder of a Class 10(a)(23) Allowed Secured Claim does not elect to be treated in  
3 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(23) Allowed  
4 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
5 principal amount of such Class 10(a)(23) Allowed Secured Claim (exclusive of accrued and  
6 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
7 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
8 which all Claims filed as Class 10(a)(23) Claims become Allowed Claims or are subject to a Final  
9 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
10 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
11 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
12 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
13 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
14 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
15 received by each holder of a Class 10(a)(23) Allowed Claim, the holders of Class 10(a)(23)  
16 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
17 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
18 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
19 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

20 (2) **Section 1111(b) Election Made.** In the event that a  
21 holder of the Class 10(a)(23) Allowed Secured Claim elects to be treated in accordance with  
22 Bankruptcy Code section 1111(b), such Class 10(a)(23) Allowed Claim shall receive a Second  
23 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
24 value of said note is equal to the amount of each holder's Class 10(a)(23) Allowed Secured Claim  
25 and the total of all payments due pursuant to such note shall be equal to the amount of such  
26 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
27 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
28 filed as Class 10(a)(23) Claims become Allowed Claims or are subject to a Final Order

1 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
2 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
3 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
4 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
5 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
6 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
7 received by each holder of a Class 10(a)(23) Allowed Secured Claim, the holders of Class  
8 10(a)(23) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
9 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
10 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
11 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

12 (c) **Impairment.** The Class 10(a)(23) Claims are impaired; and the  
13 holders of the Class 10(a)(23) Claims are entitled to vote on the Plan.

14 3.11.24 **Class 10(a)(24)**

15 (a) **Classification.** Class 10(a)(24) consists of the Allowed Secured  
16 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
17 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
18 1610 Cherry Avenue, Long Beach, California.

19 (b) **Treatment.**

20 (i) **Security Interests.** The Class 10(a)(24) Allowed Claim  
21 shall continue to be secured by the real property that presently secures the Class 10(a)(24)  
22 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
23 the Petition Date, and the personal property security interests granted to the holder of the Class  
24 10(a)(24) Allowed Claim in such trust deed, which security interests shall have the same priority  
25 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
26 determines that the Class 10(a)(24) Allowed Claim is adequately protected by the security interest  
27 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
28 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property

1 encumbered by the trust deed securing the Class 10(a)(24) Allowed Claim, any lien held by the  
2 holder of the Class 10(a)(24) Allowed Claim shall cease to exist upon such rents, issues or profits  
3 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
4 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
5 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
6 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
7 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
8 by such Debtor to Property Assets Operating Co.

9 (ii) **Claim Amount.** As of the Effective Date, the Class  
10 10(a)(24) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
11 following: (a) any defaults under the note evidencing the Class 10(a)(24) Allowed Claim shall be  
12 deemed to have been cured in full; and (b) the amount of the Class 10(a)(24) Allowed Claim shall  
13 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
14 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
15 the Effective Date less: (a) any payments on account of the Class 10(a)(24) Allowed Claim  
16 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
17 The Class 10(a)(24) Allowed Claim shall bear interest from and after the Effective Date at a rate  
18 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
19 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
20 and one-half percent (6.5%) per annum.

21 (iii) **Claim Payment.**

22 (1) **Section 1111(b) Election Not Made.** In the event  
23 that the holder of the Class 10(a)(24) Allowed Claim does not elect to be treated in accordance  
24 with Bankruptcy Code section 1111(b), the Class 10(a)(24) Allowed Claim shall be paid as  
25 follows: (a) commencing on the first day of the first month following the Effective Date, and  
26 continuing on the first day of each month thereafter until the holder of the Class 10(a)(24)  
27 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
28 10(a)(24) Allowed Claim shall receive a payment equal to the interest accrued on such claim

1 under the terms of this Plan; (b) commencing on the first day of the first month following the  
2 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
3 until the holder of the Class 10(a)(24) Allowed Claim shall have received a total of eighty four  
4 (84) such payments, the holder of the Class 10(a)(24) Allowed Claim shall receive a payment  
5 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
6 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
7 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
8 10(a)(24) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
9 such Claim.

10 (2) **Section 1111(b) Election Made.** In the event that  
11 the holder of the Class 10(a)(24) Allowed Claim elects to be treated in accordance with  
12 Bankruptcy Code section 1111(b), the Class 10(a)(24) Allowed Claim shall be paid as follows:  
13 (a) commencing on the first day of the first month following the Effective Date, and continuing  
14 on the first day of each month thereafter until the holder of the Class 10(a)(24) Allowed Claim  
15 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
16 Class 10(a)(24) Allowed Claim shall receive a payment equal to the interest accrued on such  
17 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
18 anniversary of the Effective Date, the holder of the Class 10(a)(24) Allowed Claim shall receive  
19 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
20 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
21 Class 10(a)(24) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
22 together with all payments made to the holder of the Class 10(a)(24) claim under this Plan, to  
23 provide the holder of the Class 10(a)(24) Allowed Claim with the present value of the Class  
24 10(a)(24) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
25 Confirmation Hearing.

26 (c) **Impairment.** The Class 10(a)(24) claim is impaired; and the  
27 holder of the Class 10(a)(24) Claim is entitled to vote on the Plan.

28 3.11.25 **Class 10(a)(25)**

1 (a) **Classification.** Class 10(a)(25) consists of the Allowed Secured  
2 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
3 unavoidable second priority lien against the real property of PPA Holdings located at 1610  
4 Cherry Avenue, Long Beach, California.

5 (b) **Treatment.**

6 (i) **Security Interests.** The Class 10(a)(25) Allowed Secured  
7 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(25)  
8 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
9 Claims as of the Petition Date, and the personal property security interests granted to the holders  
10 of the Class 10(a)(25) Allowed Secured Claims in such trust deed, which security interests shall  
11 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
12 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
13 the Class 10(a)(25) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(25)  
14 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
15 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
16 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
17 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
18 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
19 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

20 (ii) **Claim Amount.** As of the Effective Date, the Class  
21 10(a)(25) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
22 following: (a) any defaults under the note evidencing the Class 10(a)(25) Allowed Secured  
23 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(25)  
24 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
25 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
26 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
27 account of the Class 10(a)(25) Allowed Claims received by the holder of such Claims and (b) any  
28 set offs to which the Debtor may be entitled..

1 (iii) **Claim Payment.**

2 (1) **Section 1111(b) Election Not Made.** In the event  
3 that a holder of a Class 10(a)(25) Allowed Secured Claim does not elect to be treated in  
4 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(25) Allowed  
5 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
6 principal amount of such Class 10(a)(25) Allowed Secured Claim (exclusive of accrued and  
7 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
8 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
9 which all Claims filed as Class 10(a)(25) Claims become Allowed Claims or are subject to a Final  
10 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
11 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
12 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
13 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
14 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
15 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
16 received by each holder of a Class 10(a)(25) Allowed Claim, the holders of Class 10(a)(25)  
17 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
18 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
19 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
20 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

21 (2) **Section 1111(b) Election Made.** In the event that a  
22 holder of the Class 10(a)(25) Allowed Secured Claim elects to be treated in accordance with  
23 Bankruptcy Code section 1111(b), such Class 10(a)(25) Allowed Claim shall receive a Second  
24 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
25 value of said note is equal to the amount of each holder's Class 10(a)(25) Allowed Secured Claim  
26 and the total of all payments due pursuant to such note shall be equal to the amount of such  
27 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
28 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims



1 filed as Class 10(a)(25) Claims become Allowed Claims or are subject to a Final Order  
2 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
3 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
4 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
5 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
6 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
7 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
8 received by each holder of a Class 10(a)(25) Allowed Secured Claim, the holders of Class  
9 10(a)(25) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
10 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
11 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
12 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

13 (c) **Impairment.** The Class 10(a)(25) Claims are impaired; and the  
14 holders of the Class 10(a)(25) Claims are entitled to vote on the Plan.

15 3.11.26 **Class 10(a)(26)**

16 (a) **Classification.** Class 10(a)(26) consists of the Allowed Secured  
17 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
18 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
19 2225-2233 Pine Avenue, Long Beach, California.

20 (b) **Treatment.**

21 (i) **Security Interests.** The Class 10(a)(26) Allowed Claim  
22 shall continue to be secured by the real property that presently secures the Class 10(a)(26)  
23 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
24 the Petition Date, and the personal property security interests granted to the holder of the Class  
25 10(a)(26) Allowed Claim in such trust deed, which security interests shall have the same priority  
26 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
27 determines that the Class 10(a)(26) Allowed Claim is adequately protected by the security interest  
28 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the

1 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
2 encumbered by the trust deed securing the Class 10(a)(26) Allowed Claim, any lien held by the  
3 holder of the Class 10(a)(26) Allowed Claim shall cease to exist upon such rents, issues or profits  
4 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
5 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
6 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
7 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
8 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
9 by such Debtor to Property Assets Operating Co.

10 (ii) **Claim Amount.** As of the Effective Date, the Class  
11 10(a)(26) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
12 following: (a) any defaults under the note evidencing the Class 10(a)(26) Allowed Claim shall be  
13 deemed to have been cured in full; and (b) the amount of the Class 10(a)(26) Allowed Claim shall  
14 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
15 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
16 the Effective Date less: (a) any payments on account of the Class 10(a)(26) Allowed Claim  
17 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
18 The Class 10(a)(26) Allowed Claim shall bear interest from and after the Effective Date at a rate  
19 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
20 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
21 and one-half percent (6.5%) per annum.

22 (iii) **Claim Payment.**

23 (1) **Section 1111(b) Election Not Made.** In the event  
24 that the holder of the Class 10(a)(26) Allowed Claim does not elect to be treated in accordance  
25 with Bankruptcy Code section 1111(b), the Class 10(a)(26) Allowed Claim shall be paid as  
26 follows: (a) commencing on the first day of the first month following the Effective Date, and  
27 continuing on the first day of each month thereafter until the holder of the Class 10(a)(26)  
28 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class

1 10(a)(26) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
2 under the terms of this Plan; (b) commencing on the first day of the first month following the  
3 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
4 until the holder of the Class 10(a)(26) Allowed Claim shall have received a total of eighty four  
5 (84) such payments, the holder of the Class 10(a)(26) Allowed Claim shall receive a payment  
6 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
7 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
8 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
9 10(a)(26) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
10 such Claim.

11 (2) **Section 1111(b) Election Made.** In the event that  
12 the holder of the Class 10(a)(26) Allowed Claim elects to be treated in accordance with  
13 Bankruptcy Code section 1111(b), the Class 10(a)(26) Allowed Claim shall be paid as follows:  
14 (a) commencing on the first day of the first month following the Effective Date, and continuing  
15 on the first day of each month thereafter until the holder of the Class 10(a)(26) Allowed Claim  
16 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
17 Class 10(a)(26) Allowed Claim shall receive a payment equal to the interest accrued on such  
18 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
19 anniversary of the Effective Date, the holder of the Class 10(a)(26) Allowed Claim shall receive  
20 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
21 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
22 Class 10(a)(26) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
23 together with all payments made to the holder of the Class 10(a)(26) claim under this Plan, to  
24 provide the holder of the Class 10(a)(26) Allowed Claim with the present value of the Class  
25 10(a)(26) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
26 Confirmation Hearing.

27 (c) **Impairment.** The Class 10(a)(26) claim is impaired; and the  
28 holder of the Class 10(a)(26) Claim is entitled to vote on the Plan.

1                                    3.11.27 **Class 10(a)(27)**

2                                    (a)     **Classification.** Class 10(a)(27) consists of the Allowed Secured  
3 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
4 unavoidable second priority lien against the real property of PPA Holdings located at 2225-2233  
5 Pine Avenue, Long Beach, California.

6                                    (b)     **Treatment.**

7                                    (i)     **Security Interests.** The Class 10(a)(27) Allowed Secured  
8 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(27)  
9 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
10 Claims as of the Petition Date, and the personal property security interests granted to the holders  
11 of the Class 10(a)(27) Allowed Secured Claims in such trust deed, which security interests shall  
12 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
13 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
14 the Class 10(a)(27) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(27)  
15 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
16 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
17 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
18 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
19 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
20 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

21                                    (ii)    **Claim Amount.** As of the Effective Date, the Class  
22 10(a)(27) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
23 following: (a) any defaults under the note evidencing the Class 10(a)(27) Allowed Secured  
24 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(27)  
25 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
26 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
27 Claims from and after the Petition Date through the Effective Date less: (a) any payments on

28

1 account of the Class 10(a)(27) Allowed Claims received by the holder of such Claims and (b) any  
2 set offs to which the Debtor may be entitled..

3 (iii) **Claim Payment.**

4 (1) **Section 1111(b) Election Not Made.** In the event  
5 that a holder of a Class 10(a)(27) Allowed Secured Claim does not elect to be treated in  
6 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(27) Allowed  
7 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
8 principal amount of such Class 10(a)(27) Allowed Secured Claim (exclusive of accrued and  
9 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
10 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
11 which all Claims filed as Class 10(a)(27) Claims become Allowed Claims or are subject to a Final  
12 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
13 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
14 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
15 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
16 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
17 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
18 received by each holder of a Class 10(a)(27) Allowed Claim, the holders of Class 10(a)(27)  
19 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
20 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
21 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
22 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

23 (2) **Section 1111(b) Election Made.** In the event that a  
24 holder of the Class 10(a)(27) Allowed Secured Claim elects to be treated in accordance with  
25 Bankruptcy Code section 1111(b), such Class 10(a)(27) Allowed Claim shall receive a Second  
26 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
27 value of said note is equal to the amount of each holder's Class 10(a)(27) Allowed Secured Claim  
28 and the total of all payments due pursuant to such note shall be equal to the amount of such

1 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
2 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
3 filed as Class 10(a)(27) Claims become Allowed Claims or are subject to a Final Order  
4 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
5 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
6 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
7 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
8 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
9 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
10 received by each holder of a Class 10(a)(27) Allowed Secured Claim, the holders of Class  
11 10(a)(27) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
12 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
13 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
14 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

15 (c) **Impairment.** The Class 10(a)(27) Claims are impaired; and the  
16 holders of the Class 10(a)(27) Claims are entitled to vote on the Plan.

17 3.11.28 **Class 10(a)(28)**

18 (a) **Classification.** Class 10(a)(28) consists of the Allowed Secured  
19 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
20 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
21 1725 Sherman Place, Long Beach California.

22 (b) **Treatment.**

23 (i) **Security Interests.** The Class 10(a)(28) Allowed Claim  
24 shall continue to be secured by the real property that presently secures the Class 10(a)(28)  
25 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
26 the Petition Date, and the personal property security interests granted to the holder of the Class  
27 10(a)(28) Allowed Claim in such trust deed, which security interests shall have the same priority  
28 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court

1 determines that the Class 10(a)(28) Allowed Claim is adequately protected by the security interest  
2 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
3 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
4 encumbered by the trust deed securing the Class 10(a)(28) Allowed Claim, any lien held by the  
5 holder of the Class 10(a)(28) Allowed Claim shall cease to exist upon such rents, issues or profits  
6 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
7 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
8 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
9 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
10 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
11 by such Debtor to Property Assets Operating Co.

12 (ii) **Claim Amount.** As of the Effective Date, the Class  
13 10(a)(28) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
14 following: (a) any defaults under the note evidencing the Class 10(a)(28) Allowed Claim shall be  
15 deemed to have been cured in full; and (b) the amount of the Class 10(a)(28) Allowed Claim shall  
16 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
17 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
18 the Effective Date less: (a) any payments on account of the Class 10(a)(28) Allowed Claim  
19 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
20 The Class 10(a)(28) Allowed Claim shall bear interest from and after the Effective Date at a rate  
21 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
22 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
23 and one-half percent (6.5%) per annum.

24 (iii) **Claim Payment.**

25 (1) **Section 1111(b) Election Not Made.** In the event  
26 that the holder of the Class 10(a)(28) Allowed Claim does not elect to be treated in accordance  
27 with Bankruptcy Code section 1111(b), the Class 10(a)(28) Allowed Claim shall be paid as  
28 follows: (a) commencing on the first day of the first month following the Effective Date, and

1 continuing on the first day of each month thereafter until the holder of the Class 10(a)(28)  
2 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
3 10(a)(28) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
4 under the terms of this Plan; (b) commencing on the first day of the first month following the  
5 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
6 until the holder of the Class 10(a)(28) Allowed Claim shall have received a total of eighty four  
7 (84) such payments, the holder of the Class 10(a)(28) Allowed Claim shall receive a payment  
8 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
9 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
10 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
11 10(a)(28) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
12 such Claim.

13 (2) **Section 1111(b) Election Made.** In the event that  
14 the holder of the Class 10(a)(28) Allowed Claim elects to be treated in accordance with  
15 Bankruptcy Code section 1111(b), the Class 10(a)(28) Allowed Claim shall be paid as follows:  
16 (a) commencing on the first day of the first month following the Effective Date, and continuing  
17 on the first day of each month thereafter until the holder of the Class 10(a)(28) Allowed Claim  
18 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
19 Class 10(a)(28) Allowed Claim shall receive a payment equal to the interest accrued on such  
20 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
21 anniversary of the Effective Date, the holder of the Class 10(a)(28) Allowed Claim shall receive  
22 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
23 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
24 Class 10(a)(28) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
25 together with all payments made to the holder of the Class 10(a)(28) claim under this Plan, to  
26 provide the holder of the Class 10(a)(28) Allowed Claim with the present value of the Class  
27 10(a)(28) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
28 Confirmation Hearing.



1 (c) **Impairment.** The Class 10(a)(28) claim is impaired; and the  
2 holder of the Class 10(a)(28) Claim is entitled to vote on the Plan.

3 3.11.29 **Class 10(a)(29)**

4 (a) **Classification.** Class 10(a)(29) consists of the Allowed Secured  
5 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
6 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
7 1365 Ohio Avenue, Long Beach, California.

8 (b) **Treatment.**

9 (i) **Security Interests.** The Class 10(a)(29) Allowed Claim  
10 shall continue to be secured by the real property that presently secures the Class 10(a)(29)  
11 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
12 the Petition Date, and the personal property security interests granted to the holder of the Class  
13 10(a)(29) Allowed Claim in such trust deed, which security interests shall have the same priority  
14 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
15 determines that the Class 10(a)(29) Allowed Claim is adequately protected by the security interest  
16 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
17 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
18 encumbered by the trust deed securing the Class 10(a)(29) Allowed Claim, any lien held by the  
19 holder of the Class 10(a)(29) Allowed Claim shall cease to exist upon such rents, issues or profits  
20 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
21 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
22 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
23 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
24 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
25 by such Debtor to Property Assets Operating Co.

26 (ii) **Claim Amount.** As of the Effective Date, the Class  
27 10(a)(29) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
28 following: (a) any defaults under the note evidencing the Class 10(a)(29) Allowed Claim shall be

1 deemed to have been cured in full; and (b) the amount of the Class 10(a)(29) Allowed Claim shall  
2 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
3 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
4 the Effective Date less: (a) any payments on account of the Class 10(a)(29) Allowed Claim  
5 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
6 The Class 10(a)(29) Allowed Claim shall bear interest from and after the Effective Date at a rate  
7 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
8 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
9 and one-half percent (6.5%) per annum.

10 (iii) **Claim Payment.**

11 (1) **Section 1111(b) Election Not Made.** In the event  
12 that the holder of the Class 10(a)(29) Allowed Claim does not elect to be treated in accordance  
13 with Bankruptcy Code section 1111(b), the Class 10(a)(29) Allowed Claim shall be paid as  
14 follows: (a) commencing on the first day of the first month following the Effective Date, and  
15 continuing on the first day of each month thereafter until the holder of the Class 10(a)(29)  
16 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
17 10(a)(29) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
18 under the terms of this Plan; (b) commencing on the first day of the first month following the  
19 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
20 until the holder of the Class 10(a)(29) Allowed Claim shall have received a total of eighty four  
21 (84) such payments, the holder of the Class 10(a)(29) Allowed Claim shall receive a payment  
22 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
23 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
24 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
25 10(a)(29) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
26 such Claim.

27 (2) **Section 1111(b) Election Made.** In the event that  
28 the holder of the Class 10(a)(29) Allowed Claim elects to be treated in accordance with

1 Bankruptcy Code section 1111(b), the Class 10(a)(29) Allowed Claim shall be paid as follows:  
2 (a) commencing on the first day of the first month following the Effective Date, and continuing  
3 on the first day of each month thereafter until the holder of the Class 10(a)(29) Allowed Claim  
4 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
5 Class 10(a)(29) Allowed Claim shall receive a payment equal to the interest accrued on such  
6 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
7 anniversary of the Effective Date, the holder of the Class 10(a)(29) Allowed Claim shall receive  
8 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
9 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
10 Class 10(a)(29) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
11 together with all payments made to the holder of the Class 10(a)(29) claim under this Plan, to  
12 provide the holder of the Class 10(a)(29) Allowed Claim with the present value of the Class  
13 10(a)(29) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
14 Confirmation Hearing.

15 (c) **Impairment.** The Class 10(a)(29) claim is impaired; and the  
16 holder of the Class 10(a)(29) Claim is entitled to vote on the Plan.

17 3.11.30 **Class 10(a)(30)**

18 (a) **Classification.** Class 10(a)(30) consists of the Allowed Secured  
19 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
20 unavoidable second priority lien against the real property of PPA Holdings located at 1365 Ohio  
21 Avenue, Long Beach, California.

22 (b) **Treatment.**

23 (i) **Security Interests.** The Class 10(a)(30) Allowed Secured  
24 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(30)  
25 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
26 Claims as of the Petition Date, and the personal property security interests granted to the holders  
27 of the Class 10(a)(30) Allowed Secured Claims in such trust deed, which security interests shall  
28 have the same priority as such security interests had as of the Petition Date. To the extent that, on

1 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
2 the Class 10(a)(30) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(30)  
3 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
4 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
5 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
6 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
7 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
8 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

9 (ii) **Claim Amount.** As of the Effective Date, the Class  
10 10(a)(30) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
11 following: (a) any defaults under the note evidencing the Class 10(a)(30) Allowed Secured  
12 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(30)  
13 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
14 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
15 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
16 account of the Class 10(a)(30) Allowed Claims received by the holder of such Claims and (b) any  
17 set offs to which the Debtor may be entitled..

18 (iii) **Claim Payment.**

19 (1) **Section 1111(b) Election Not Made.** In the event  
20 that a holder of a Class 10(a)(30) Allowed Secured Claim does not elect to be treated in  
21 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(30) Allowed  
22 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
23 principal amount of such Class 10(a)(30) Allowed Secured Claim (exclusive of accrued and  
24 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
25 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
26 which all Claims filed as Class 10(a)(30) Claims become Allowed Claims or are subject to a Final  
27 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
28 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the

1 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
2 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
3 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
4 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
5 received by each holder of a Class 10(a)(30) Allowed Claim, the holders of Class 10(a)(30)  
6 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
7 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
8 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
9 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

10 (2) **Section 1111(b) Election Made.** In the event that a  
11 holder of the Class 10(a)(30) Allowed Secured Claim elects to be treated in accordance with  
12 Bankruptcy Code section 1111(b), such Class 10(a)(30) Allowed Claim shall receive a Second  
13 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
14 value of said note is equal to the amount of each holder's Class 10(a)(30) Allowed Secured Claim  
15 and the total of all payments due pursuant to such note shall be equal to the amount of such  
16 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
17 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
18 filed as Class 10(a)(30) Claims become Allowed Claims or are subject to a Final Order  
19 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
20 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
21 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
22 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
23 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
24 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
25 received by each holder of a Class 10(a)(30) Allowed Secured Claim, the holders of Class  
26 10(a)(30) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
27 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the

1 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
2 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

3 (c) **Impairment.** The Class 10(a)(30) Claims are impaired; and the  
4 holders of the Class 10(a)(30) Claims are entitled to vote on the Plan.

5 3.11.31 **Class 10(a)(31)**

6 (a) **Classification.** Class 10(a)(31) consists of the Allowed Secured  
7 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
8 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
9 1491 Massachusetts, Riverside, California.

10 (b) **Treatment.**

11 (i) **Security Interests.** The Class 10(a)(31) Allowed Claim  
12 shall continue to be secured by the real property that presently secures the Class 10(a)(31)  
13 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
14 the Petition Date, and the personal property security interests granted to the holder of the Class  
15 10(a)(31) Allowed Claim in such trust deed, which security interests shall have the same priority  
16 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
17 determines that the Class 10(a)(31) Allowed Claim is adequately protected by the security interest  
18 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
19 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
20 encumbered by the trust deed securing the Class 10(a)(31) Allowed Claim, any lien held by the  
21 holder of the Class 10(a)(31) Allowed Claim shall cease to exist upon such rents, issues or profits  
22 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
23 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
24 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
25 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
26 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
27 by such Debtor to Property Assets Operating Co.

1 (ii) **Claim Amount.** As of the Effective Date, the Class  
2 10(a)(31) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
3 following: (a) any defaults under the note evidencing the Class 10(a)(31) Allowed Claim shall be  
4 deemed to have been cured in full; and (b) the amount of the Class 10(a)(31) Allowed Claim shall  
5 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
6 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
7 the Effective Date less: (a) any payments on account of the Class 10(a)(31) Allowed Claim  
8 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
9 The Class 10(a)(31) Allowed Claim shall bear interest from and after the Effective Date at a rate  
10 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
11 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
12 and one-half percent (6.5%) per annum.

13 (iii) **Claim Payment.**  
14 (1) **Section 1111(b) Election Not Made.** In the event  
15 that the holder of the Class 10(a)(31) Allowed Claim does not elect to be treated in accordance  
16 with Bankruptcy Code section 1111(b), the Class 10(a)(31) Allowed Claim shall be paid as  
17 follows: (a) commencing on the first day of the first month following the Effective Date, and  
18 continuing on the first day of each month thereafter until the holder of the Class 10(a)(31)  
19 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
20 10(a)(31) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
21 under the terms of this Plan; (b) commencing on the first day of the first month following the  
22 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
23 until the holder of the Class 10(a)(31) Allowed Claim shall have received a total of eighty four  
24 (84) such payments, the holder of the Class 10(a)(31) Allowed Claim shall receive a payment  
25 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
26 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
27 of the first month following the tenth anniversary of the Effective Date, the holder of the Class

28

1 10(a)(31) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
2 such Claim.

3 (2) **Section 1111(b) Election Made.** In the event that  
4 the holder of the Class 10(a)(31) Allowed Claim elects to be treated in accordance with  
5 Bankruptcy Code section 1111(b), the Class 10(a)(31) Allowed Claim shall be paid as follows:  
6 (a) commencing on the first day of the first month following the Effective Date, and continuing  
7 on the first day of each month thereafter until the holder of the Class 10(a)(31) Allowed Claim  
8 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
9 Class 10(a)(31) Allowed Claim shall receive a payment equal to the interest accrued on such  
10 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
11 anniversary of the Effective Date, the holder of the Class 10(a)(31) Allowed Claim shall receive  
12 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
13 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
14 Class 10(a)(31) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
15 together with all payments made to the holder of the Class 10(a)(31) claim under this Plan, to  
16 provide the holder of the Class 10(a)(31) Allowed Claim with the present value of the Class  
17 10(a)(31) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
18 Confirmation Hearing.

19 (c) **Impairment.** The Class 10(a)(31) claim is impaired; and the  
20 holder of the Class 10(a)(31) Claim is entitled to vote on the Plan.

21 3.11.32 **Class 10(a)(32)**

22 (a) **Classification.** Class 10(a)(32) consists of the Allowed Secured  
23 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
24 unavoidable second priority lien against the real property of PPA Holdings located at 1491  
25 Massachusetts, Riverside, California.

26 (b) **Treatment.**

27 (i) **Security Interests.** The Class 10(a)(32) Allowed Secured  
28 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(32)



1 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
2 Claims as of the Petition Date, and the personal property security interests granted to the holders  
3 of the Class 10(a)(32) Allowed Secured Claims in such trust deed, which security interests shall  
4 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
5 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
6 the Class 10(a)(32) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(32)  
7 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
8 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
9 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
10 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
11 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
12 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

13 (ii) **Claim Amount.** As of the Effective Date, the Class  
14 10(a)(32) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
15 following: (a) any defaults under the note evidencing the Class 10(a)(32) Allowed Secured  
16 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(32)  
17 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
18 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
19 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
20 account of the Class 10(a)(32) Allowed Claims received by the holder of such Claims and (b) any  
21 set offs to which the Debtor may be entitled..

22 (iii) **Claim Payment.**  
23 (1) **Section 1111(b) Election Not Made.** In the event  
24 that a holder of a Class 10(a)(32) Allowed Secured Claim does not elect to be treated in  
25 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(32) Allowed  
26 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
27 principal amount of such Class 10(a)(32) Allowed Secured Claim (exclusive of accrued and  
28 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating

1 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
2 which all Claims filed as Class 10(a)(32) Claims become Allowed Claims or are subject to a Final  
3 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
4 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
5 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
6 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
7 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
8 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
9 received by each holder of a Class 10(a)(32) Allowed Claim, the holders of Class 10(a)(32)  
10 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
11 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
12 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
13 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

14 (2) **Section 1111(b) Election Made.** In the event that a  
15 holder of the Class 10(a)(32) Allowed Secured Claim elects to be treated in accordance with  
16 Bankruptcy Code section 1111(b), such Class 10(a)(32) Allowed Claim shall receive a Second  
17 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
18 value of said note is equal to the amount of each holder's Class 10(a)(32) Allowed Secured Claim  
19 and the total of all payments due pursuant to such note shall be equal to the amount of such  
20 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
21 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
22 filed as Class 10(a)(32) Claims become Allowed Claims or are subject to a Final Order  
23 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
24 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
25 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
26 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
27 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
28 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be

1 received by each holder of a Class 10(a)(32) Allowed Secured Claim, the holders of Class  
2 10(a)(32) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
3 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
4 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
5 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

6 (c) **Impairment.** The Class 10(a)(32) Claims are impaired; and the  
7 holders of the Class 10(a)(32) Claims are entitled to vote on the Plan.

8 3.11.33 **Class 10(a)(33)**

9 (a) **Classification.** Class 10(a)(33) consists of the Allowed Secured  
10 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
11 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at 638  
12 Nebraska, Long Beach, California.

13 (b) **Treatment.**

14 (i) **Security Interests.** The Class 10(a)(33) Allowed Claim  
15 shall continue to be secured by the real property that presently secures the Class 10(a)(33)  
16 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
17 the Petition Date, and the personal property security interests granted to the holder of the Class  
18 10(a)(33) Allowed Claim in such trust deed, which security interests shall have the same priority  
19 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
20 determines that the Class 10(a)(33) Allowed Claim is adequately protected by the security interest  
21 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
22 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
23 encumbered by the trust deed securing the Class 10(a)(33) Allowed Claim, any lien held by the  
24 holder of the Class 10(a)(33) Allowed Claim shall cease to exist upon such rents, issues or profits  
25 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
26 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
27 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
28 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for

1 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
2 by such Debtor to Property Assets Operating Co.

3 (ii) **Claim Amount.** As of the Effective Date, the Class  
4 10(a)(33) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
5 following: (a) any defaults under the note evidencing the Class 10(a)(33) Allowed Claim shall be  
6 deemed to have been cured in full; and (b) the amount of the Class 10(a)(33) Allowed Claim shall  
7 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
8 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
9 the Effective Date less: (a) any payments on account of the Class 10(a)(33) Allowed Claim  
10 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
11 The Class 10(a)(33) Allowed Claim shall bear interest from and after the Effective Date at a rate  
12 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
13 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
14 and one-half percent (6.5%) per annum.

15 (iii) **Claim Payment.**

16 (1) **Section 1111(b) Election Not Made.** In the event  
17 that the holder of the Class 10(a)(33) Allowed Claim does not elect to be treated in accordance  
18 with Bankruptcy Code section 1111(b), the Class 10(a)(33) Allowed Claim shall be paid as  
19 follows: (a) commencing on the first day of the first month following the Effective Date, and  
20 continuing on the first day of each month thereafter until the holder of the Class 10(a)(33)  
21 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
22 10(a)(33) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
23 under the terms of this Plan; (b) commencing on the first day of the first month following the  
24 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
25 until the holder of the Class 10(a)(33) Allowed Claim shall have received a total of eighty four  
26 (84) such payments, the holder of the Class 10(a)(33) Allowed Claim shall receive a payment  
27 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
28 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day

1 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
2 10(a)(33) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
3 such Claim.

4 (2) **Section 1111(b) Election Made.** In the event that  
5 the holder of the Class 10(a)(33) Allowed Claim elects to be treated in accordance with  
6 Bankruptcy Code section 1111(b), the Class 10(a)(33) Allowed Claim shall be paid as follows:

7 (a) commencing on the first day of the first month following the Effective Date, and continuing  
8 on the first day of each month thereafter until the holder of the Class 10(a)(33) Allowed Claim  
9 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
10 Class 10(a)(33) Allowed Claim shall receive a payment equal to the interest accrued on such  
11 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
12 anniversary of the Effective Date, the holder of the Class 10(a)(33) Allowed Claim shall receive  
13 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
14 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
15 Class 10(a)(33) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
16 together with all payments made to the holder of the Class 10(a)(33) claim under this Plan, to  
17 provide the holder of the Class 10(a)(33) Allowed Claim with the present value of the Class  
18 10(a)(33) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
19 Confirmation Hearing.

20 (c) **Impairment.** The Class 10(a)(33) claim is impaired; and the  
21 holder of the Class 10(a)(33) Claim is entitled to vote on the Plan.

22 3.11.34 **Class 10(a)(34)**

23 (a) **Classification.** Class 10(a)(34) consists of the Allowed Secured  
24 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
25 unavoidable second priority lien against the real property of PPA Holdings located at 638  
26 Nebraska, Long Beach, California.

27 (b) **Treatment.**

1 (i) **Security Interests.** The Class 10(a)(34) Allowed Secured  
2 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(34)  
3 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
4 Claims as of the Petition Date, and the personal property security interests granted to the holders  
5 of the Class 10(a)(34) Allowed Secured Claims in such trust deed, which security interests shall  
6 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
7 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
8 the Class 10(a)(34) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(34)  
9 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
10 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
11 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
12 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
13 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
14 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

15 (ii) **Claim Amount.** As of the Effective Date, the Class  
16 10(a)(34) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
17 following: (a) any defaults under the note evidencing the Class 10(a)(34) Allowed Secured  
18 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(34)  
19 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
20 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
21 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
22 account of the Class 10(a)(34) Allowed Claims received by the holder of such Claims and (b) any  
23 set offs to which the Debtor may be entitled..

24 (iii) **Claim Payment.**

25 (1) **Section 1111(b) Election Not Made.** In the event  
26 that a holder of a Class 10(a)(34) Allowed Secured Claim does not elect to be treated in  
27 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(34) Allowed  
28 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the

1 principal amount of such Class 10(a)(34) Allowed Secured Claim (exclusive of accrued and  
2 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
3 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
4 which all Claims filed as Class 10(a)(34) Claims become Allowed Claims or are subject to a Final  
5 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
6 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
7 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
8 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
9 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
10 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
11 received by each holder of a Class 10(a)(34) Allowed Claim, the holders of Class 10(a)(34)  
12 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
13 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
14 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
15 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

16 (2) **Section 1111(b) Election Made.** In the event that a  
17 holder of the Class 10(a)(34) Allowed Secured Claim elects to be treated in accordance with  
18 Bankruptcy Code section 1111(b), such Class 10(a)(34) Allowed Claim shall receive a Second  
19 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
20 value of said note is equal to the amount of each holder's Class 10(a)(34) Allowed Secured Claim  
21 and the total of all payments due pursuant to such note shall be equal to the amount of such  
22 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
23 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
24 filed as Class 10(a)(34) Claims become Allowed Claims or are subject to a Final Order  
25 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
26 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
27 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
28 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section

1 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
2 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
3 received by each holder of a Class 10(a)(34) Allowed Secured Claim, the holders of Class  
4 10(a)(34) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
5 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
6 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
7 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

8 (c) **Impairment.** The Class 10(a)(34) Claims are impaired; and the  
9 holders of the Class 10(a)(34) Claims are entitled to vote on the Plan.

10 3.11.35 **Class 10(a)(35)**

11 (a) **Classification.** Class 10(a)(35) consists of the Allowed Secured  
12 Claim of La Jolla Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
13 against the real property of PPA Holdings located at 761 Rose Avenue, Long Beach, California.

14 (b) **Treatment.**

15 (i) **Security Interests.** The Class 10(a)(35) Allowed Claim  
16 shall continue to be secured by the real property that presently secures the Class 10(a)(35)  
17 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
18 the Petition Date, and the personal property security interests granted to the holder of the Class  
19 10(a)(35) Allowed Claim in such trust deed, which security interests shall have the same priority  
20 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
21 determines that the Class 10(a)(35) Allowed Claim is adequately protected by the security interest  
22 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
23 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
24 encumbered by the trust deed securing the Class 10(a)(35) Allowed Claim, any lien held by the  
25 holder of the Class 10(a)(35) Allowed Claim shall cease to exist upon such rents, issues or profits  
26 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
27 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
28 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds



1 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
2 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
3 by such Debtor to Property Assets Operating Co.

4 (ii) **Claim Amount.** As of the Effective Date, the Class  
5 10(a)(35) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
6 following: (a) any defaults under the note evidencing the Class 10(a)(35) Allowed Claim shall be  
7 deemed to have been cured in full; and (b) the amount of the Class 10(a)(35) Allowed Claim shall  
8 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
9 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
10 the Effective Date less: (a) any payments on account of the Class 10(a)(35) Allowed Claim  
11 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
12 The Class 10(a)(35) Allowed Claim shall bear interest from and after the Effective Date at a rate  
13 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
14 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
15 and one-half percent (6.5%) per annum.

16 (iii) **Claim Payment.**

17 (1) **Section 1111(b) Election Not Made.** In the event  
18 that the holder of the Class 10(a)(35) Allowed Claim does not elect to be treated in accordance  
19 with Bankruptcy Code section 1111(b), the Class 10(a)(35) Allowed Claim shall be paid as  
20 follows: (a) commencing on the first day of the first month following the Effective Date, and  
21 continuing on the first day of each month thereafter until the holder of the Class 10(a)(35)  
22 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
23 10(a)(35) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
24 under the terms of this Plan; (b) commencing on the first day of the first month following the  
25 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
26 until the holder of the Class 10(a)(35) Allowed Claim shall have received a total of eighty four  
27 (84) such payments, the holder of the Class 10(a)(35) Allowed Claim shall receive a payment  
28 equal to an amount that, if paid each and every month for three hundred sixty (360) months,

1 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
2 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
3 10(a)(35) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
4 such Claim.

5 (2) **Section 1111(b) Election Made.** In the event that  
6 the holder of the Class 10(a)(35) Allowed Claim elects to be treated in accordance with  
7 Bankruptcy Code section 1111(b), the Class 10(a)(35) Allowed Claim shall be paid as follows:

8 (a) commencing on the first day of the first month following the Effective Date, and continuing  
9 on the first day of each month thereafter until the holder of the Class 10(a)(35) Allowed Claim  
10 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
11 Class 10(a)(35) Allowed Claim shall receive a payment equal to the interest accrued on such  
12 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
13 anniversary of the Effective Date, the holder of the Class 10(a)(35) Allowed Claim shall receive  
14 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
15 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
16 Class 10(a)(35) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
17 together with all payments made to the holder of the Class 10(a)(35) claim under this Plan, to  
18 provide the holder of the Class 10(a)(35) Allowed Claim with the present value of the Class  
19 10(a)(35) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
20 Confirmation Hearing.

21 (c) **Impairment.** The Class 10(a)(35) claim is impaired; and the  
22 holder of the Class 10(a)(35) Claim is entitled to vote on the Plan.

23 **3.11.36 Class 10(a)(36)**

24 (a) **Classification.** Class 10(a)(36) consists of the Allowed Secured  
25 Claim of Cathay Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
26 against the real property of PPA Holdings located at 3672 Kansas Avenue, Riverside, California.

27 (b) **Treatment.**

1 (i) **Security Interests.** The Class 10(a)(36) Allowed Claim  
2 shall continue to be secured by the real property that presently secures the Class 10(a)(36)  
3 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
4 the Petition Date, and the personal property security interests granted to the holder of the Class  
5 10(a)(36) Allowed Claim in such trust deed, which security interests shall have the same priority  
6 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
7 determines that the Class 10(a)(36) Allowed Claim is adequately protected by the security interest  
8 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
9 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
10 encumbered by the trust deed securing the Class 10(a)(36) Allowed Claim, any lien held by the  
11 holder of the Class 10(a)(36) Allowed Claim shall cease to exist upon such rents, issues or profits  
12 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
13 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
14 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
15 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
16 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
17 by such Debtor to Property Assets Operating Co.

18 (ii) **Claim Amount.** As of the Effective Date, the Class  
19 10(a)(36) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
20 following: (a) any defaults under the note evidencing the Class 10(a)(36) Allowed Claim shall be  
21 deemed to have been cured in full; and (b) the amount of the Class 10(a)(36) Allowed Claim shall  
22 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
23 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
24 the Effective Date less: (a) any payments on account of the Class 10(a)(36) Allowed Claim  
25 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
26 The Class 10(a)(36) Allowed Claim shall bear interest from and after the Effective Date at a rate  
27 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of

1 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
2 and one-half percent (6.5%) per annum.

3 (iii) **Claim Payment.**

4 (1) **Section 1111(b) Election Not Made.** In the event  
5 that the holder of the Class 10(a)(36) Allowed Claim does not elect to be treated in accordance  
6 with Bankruptcy Code section 1111(b), the Class 10(a)(36) Allowed Claim shall be paid as  
7 follows: (a) commencing on the first day of the first month following the Effective Date, and  
8 continuing on the first day of each month thereafter until the holder of the Class 10(a)(36)  
9 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
10 10(a)(36) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
11 under the terms of this Plan; (b) commencing on the first day of the first month following the  
12 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
13 until the holder of the Class 10(a)(36) Allowed Claim shall have received a total of eighty four  
14 (84) such payments, the holder of the Class 10(a)(36) Allowed Claim shall receive a payment  
15 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
16 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
17 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
18 10(a)(36) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
19 such Claim.

20 (2) **Section 1111(b) Election Made.** In the event that  
21 the holder of the Class 10(a)(36) Allowed Claim elects to be treated in accordance with  
22 Bankruptcy Code section 1111(b), the Class 10(a)(36) Allowed Claim shall be paid as follows:  
23 (a) commencing on the first day of the first month following the Effective Date, and continuing  
24 on the first day of each month thereafter until the holder of the Class 10(a)(36) Allowed Claim  
25 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
26 Class 10(a)(36) Allowed Claim shall receive a payment equal to the interest accrued on such  
27 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
28 anniversary of the Effective Date, the holder of the Class 10(a)(36) Allowed Claim shall receive

1 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
2 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
3 Class 10(a)(36) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
4 together with all payments made to the holder of the Class 10(a)(36) claim under this Plan, to  
5 provide the holder of the Class 10(a)(36) Allowed Claim with the present value of the Class  
6 10(a)(36) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
7 Confirmation Hearing.

8 (c) **Impairment.** The Class 10(a)(36) claim is impaired; and the  
9 holder of the Class 10(a)(36) Claim is entitled to vote on the Plan.

10 3.11.37 **Class 10(a)(37)**

11 (a) **Classification.** Class 10(a)(37) consists of the Allowed Secured  
12 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
13 secured by a perfected, unavoidable lien against the real property of PPA Holdings located at  
14 1436 7th Street, Riverside, California.

15 (b) **Treatment.**

16 (i) **Security Interests.** The Class 10(a)(37) Allowed Claim  
17 shall continue to be secured by the real property that presently secures the Class 10(a)(37)  
18 Allowed Claim pursuant to the terms and conditions of the trust deed securing such Claim as of  
19 the Petition Date, and the personal property security interests granted to the holder of the Class  
20 10(a)(37) Allowed Claim in such trust deed, which security interests shall have the same priority  
21 as such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
22 determines that the Class 10(a)(37) Allowed Claim is adequately protected by the security interest  
23 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
24 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
25 encumbered by the trust deed securing the Class 10(a)(37) Allowed Claim, any lien held by the  
26 holder of the Class 10(a)(37) Allowed Claim shall cease to exist upon such rents, issues or profits  
27 and the proceeds thereof and such Cash shall be used by PPA Holdings for the purpose of paying  
28 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be

1 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
2 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
3 which PPA Holdings is obligated pursuant to the terms of this Plan, any excess Cash shall be paid  
4 by such Debtor to Property Assets Operating Co.

5 (ii) **Claim Amount.** As of the Effective Date, the Class  
6 10(a)(37) Allowed Claim shall be assumed by Reorganized PPA Holdings subject to the  
7 following: (a) any defaults under the note evidencing the Class 10(a)(37) Allowed Claim shall be  
8 deemed to have been cured in full; and (b) the amount of the Class 10(a)(37) Allowed Claim shall  
9 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
10 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
11 the Effective Date less: (a) any payments on account of the Class 10(a)(37) Allowed Claim  
12 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
13 The Class 10(a)(37) Allowed Claim shall bear interest from and after the Effective Date at a rate  
14 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
15 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
16 and one-half percent (6.5%) per annum.

17 (iii) **Claim Payment.**

18 (1) **Section 1111(b) Election Not Made.** In the event  
19 that the holder of the Class 10(a)(37) Allowed Claim does not elect to be treated in accordance  
20 with Bankruptcy Code section 1111(b), the Class 10(a)(37) Allowed Claim shall be paid as  
21 follows: (a) commencing on the first day of the first month following the Effective Date, and  
22 continuing on the first day of each month thereafter until the holder of the Class 10(a)(37)  
23 Allowed Claim shall have received a total of thirty six (36) such payments, the holder of the Class  
24 10(a)(37) Allowed Claim shall receive a payment equal to the interest accrued on such claim  
25 under the terms of this Plan; (b) commencing on the first day of the first month following the  
26 third anniversary of the Effective Date, and continuing on the first day of each month thereafter  
27 until the holder of the Class 10(a)(37) Allowed Claim shall have received a total of eighty four  
28 (84) such payments, the holder of the Class 10(a)(37) Allowed Claim shall receive a payment

1 equal to an amount that, if paid each and every month for three hundred sixty (360) months,  
2 would repay such claim and interest accruing on such claim in its entirety; and (c) on the first day  
3 of the first month following the tenth anniversary of the Effective Date, the holder of the Class  
4 10(a)(37) Allowed Claim shall receive payment of any amounts remaining unpaid on account of  
5 such Claim.

6 (2) **Section 1111(b) Election Made.** In the event that  
7 the holder of the Class 10(a)(37) Allowed Claim elects to be treated in accordance with  
8 Bankruptcy Code section 1111(b), the Class 10(a)(37) Allowed Claim shall be paid as follows:

9 (a) commencing on the first day of the first month following the Effective Date, and continuing  
10 on the first day of each month thereafter until the holder of the Class 10(a)(37) Allowed Claim  
11 shall have received a total of one-hundred and twenty (120) such payments, the holder of the  
12 Class 10(a)(37) Allowed Claim shall receive a payment equal to the interest accrued on such  
13 claim under the terms of this Plan; and (b) on the first day of the first month following the tenth  
14 anniversary of the Effective Date, the holder of the Class 10(a)(37) Allowed Claim shall receive  
15 payment equal to the greater of: (a) the amount of such holder's Allowed Claim in accordance  
16 with Section 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the  
17 Class 10(a)(37) Allowed Claim under the terms of this Plan; and (b) the amount necessary,  
18 together with all payments made to the holder of the Class 10(a)(37) claim under this Plan, to  
19 provide the holder of the Class 10(a)(37) Allowed Claim with the present value of the Class  
20 10(a)(37) Allowed Claim as of the Effective Date as determined by the Bankruptcy Court at the  
21 Confirmation Hearing.

22 (c) **Impairment.** The Class 10(a)(37) claim is impaired; and the  
23 holder of the Class 10(a)(37) Claim is entitled to vote on the Plan.

24 **3.11.38 Class 10(a)(38)**

25 (a) **Classification.** Class 10(a)(38) consists of the Allowed Secured  
26 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
27 unavoidable second priority lien against the real property of PPA Holdings located at 1436 7th

1 Street, Riverside, California and the real property of PPA Riverside located at 1480 7th Street,  
2 Riverside, California.

3 (b) **Treatment.**

4 (i) **Security Interests.** The Class 10(a)(38) Allowed Secured  
5 Claims shall continue to be secured by the real property that presently secures the Class 10(a)(38)  
6 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
7 Claims as of the Petition Date, and the personal property security interests granted to the holders  
8 of the Class 10(a)(38) Allowed Secured Claims in such trust deed, which security interests shall  
9 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
10 the Effective Date, PPA Holdings holds Cash subject to the security interest upon the real  
11 property located at 1436 7th Street, Riverside, California granted to the holders of the Class  
12 10(a)(38) Allowed Secured Claims, any lien held by the holder of the Class 10(a)(38) Allowed  
13 Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
14 Holdings for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
15 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
16 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
17 Claims and Allowed Priority Claims for which PPA Holdings is obligated pursuant to the terms  
18 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

19 (ii) **Claim Amount.** As of the Effective Date, the Class  
20 10(a)(38) Allowed Secured Claims shall be assumed by Reorganized PPA Holdings subject to the  
21 following: (a) any defaults under the note evidencing the Class 10(a)(38) Allowed Secured  
22 Claims shall be deemed to have been cured in full; and (b) the amount of the Class 10(a)(38)  
23 Allowed Secured Claims shall be equal to the amount of such Secured Claims on the Petition  
24 Date plus any interest and other fees and charges accrued and unpaid on account of such Secured  
25 Claims from and after the Petition Date through the Effective Date less: (a) any payments on  
26 account of the Class 10(a)(38) Allowed Claims received by the holder of such Claims and (b) any  
27 set offs to which the Debtor may be entitled..

28 (iii) **Claim Payment.**



1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that a holder of a Class 10(a)(38) Allowed Secured Claim does not elect to be treated in  
3 accordance with Bankruptcy Code section 1111(b), such holder of a Class 10(a)(38) Allowed  
4 Secured Claim shall receive a Second Trust Deed Holder Amended and Restated Note, in the  
5 principal amount of such Class 10(a)(38) Allowed Secured Claim (exclusive of accrued and  
6 unpaid interest as of the Effective Date), which shall be delivered to Property Assets Operating  
7 Co. as soon as practicable following the later of: (a) the Effective Date or (b) the date upon  
8 which all Claims filed as Class 10(a)(38) Claims become Allowed Claims or are subject to a Final  
9 Order disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust  
10 Deed Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
11 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
12 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
13 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
14 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
15 received by each holder of a Class 10(a)(38) Allowed Claim, the holders of Class 10(a)(38)  
16 Allowed Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
17 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
18 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
19 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

20 (2) **Section 1111(b) Election Made.** In the event that a  
21 holder of the Class 10(a)(38) Allowed Secured Claim elects to be treated in accordance with  
22 Bankruptcy Code section 1111(b), such Class 10(a)(38) Allowed Claim shall receive a Second  
23 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
24 value of said note is equal to the amount of each holder's Class 10(a)(38) Allowed Secured Claim  
25 and the total of all payments due pursuant to such note shall be equal to the amount of such  
26 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
27 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
28 filed as Class 10(a)(38) Claims become Allowed Claims or are subject to a Final Order

1 disallowing those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed  
2 Holder Amended and Restated Note to the individual authorized to enforce the rights of the  
3 payees of that note in accordance with the provisions of California Civil Code section 2941.9  
4 upon its receipt of a "Majority Action Affidavit" in accordance with California Civil Code section  
5 2941.9(d) specifying the individual to whom such note should be delivered. In addition to the  
6 payments provided for in the Second Trust Deed Holder Amended and Restated Note to be  
7 received by each holder of a Class 10(a)(38) Allowed Secured Claim, the holders of Class  
8 10(a)(38) Allowed Secured Claims shall be entitled to receive payments of Net Cash (as defined  
9 in the Property Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the  
10 terms of the Property Assets Operating Co. Operating Agreement, all of which shall be credited to  
11 the principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

12 (c) **Impairment.** The Class 10(a)(38) Claims are impaired; and the  
13 holders of the Class 10(a)(38) Claims are entitled to vote on the Plan.

14 3.11.39 **Class 10(a)(39)**

15 (a) **Classification.** Class 10(a)(39) consists of all Allowed Secured  
16 Claims against PPA Holdings not otherwise classified in this Article 3.11. Each of such Claims  
17 shall be deemed to be classified within its own separate subclass within Class 10(a)(39) and each  
18 such subclass shall be deemed to be a separate class for purposes of this Plan.

19 (b) **Treatment.** Within 30 days following the Effective Date, the  
20 Committee shall select, in its sole and absolute discretion, one of the following alternative  
21 treatments of each of the Allowed Claims within any of the subclasses in Class 10(a)(39): (a) to  
22 cause the Reorganized Debtor owning the property securing such claim to surrender such  
23 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
24 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
25 and the Committee may agree in writing.

26 (c) **Impairment.** Class 10(a)(39) is impaired; and the holders of Class  
27 10(a)(39) Claims are entitled to vote on the Plan.

28 3.11.40 **Class 10(b).**

1 (a) **Classification.** Class 10(b) consists of all Allowed Employee  
2 Priority Claims against PPA Holdings.

3 (b) **Treatment.** In the event that all real properties owned by PPA  
4 Holdings are listed on a Notice of Abandonment, each holder of an Allowed Class 10(b) Claim  
5 shall receive its Pro Rata Share of any Cash held by PPA Holdings as of the Effective Date, other  
6 than Cash subject to a security interest securing an Allowed Secured Claim against PPA Holdings  
7 until such claim has been paid in full, without interest. In the event that all real properties owned  
8 by PPA Holdings are not listed on a Notice of Abandonment, each holder of an Allowed Class  
9 10(b) Claim, unless the holder of such Claim have agreed to a different treatment with PPA  
10 Holdings, shall receive payment in full from PPA Holdings from Available Cash, Pro Rata, not  
11 less than quarterly, until such Allowed Claim shall have been paid in full; provided that each  
12 Allowed Class 10(b) Claim shall be paid in full, without interest, not later than one year following  
13 the Effective Date.

14 (c) **Impairment.** Class 10(b) is impaired; and the holders of Class  
15 10(b) Claims are entitled to vote on the Plan.

16 **3.11.41 Class 10(c)**

17 (a) **Classification.** Class 10(c) consists of all Allowed Tenant Priority  
18 Claims against PPA Holdings.

19 (b) **Treatment.** In the event that all real properties owned by PPA  
20 Holdings are listed on a Notice of Abandonment, each holder of an Allowed Class 10(c) Claim  
21 shall receive its Pro Rata Share of any Cash held by PPA Holdings as of the Effective Date, other  
22 than Cash subject to a security interest securing an Allowed Secured Claim against PPA  
23 Holdings, after payment in full of all Allowed Class 10(b) Claims, until such claim has been paid  
24 in full, without interest.. In the event that all real properties owned by PPA Holdings are not  
25 listed on a Notice of Abandonment, each holder of an Allowed Class 10(c) Claim, unless the  
26 holder of such Claim have agreed to a different treatment with PPA Holdings, shall receive  
27 payment in full from PPA Holdings from Available Cash remaining after payment in full of all  
28 Allowed Class 10(b) Claims, Pro Rata, not less than quarterly, commencing upon the later of: (a)

1 the date upon which such Claim would be required to be paid in accordance with its terms or (b)  
2 one year following the Effective Date, until such Allowed Claim shall have been paid in full,  
3 provided that each Allowed Class 10(c) Claim shall be paid in full, without interest, not later than  
4 the later of: (a) the date upon which such Claim would be required to be paid in accordance with  
5 its terms or (b) eighteen months following the Effective Date.

6 (c) **Impairment.** Class 10(c) is impaired; and the holders of Class  
7 10(c) Claims are entitled to vote on the Plan.

8 3.11.42 **Class 10(d)**

9 (a) **Classification.** Class 10(d) consists of all Allowed Unsecured  
10 Claims against PPA Holdings for which one or more of the other Debtors are also jointly and  
11 severally liable

12 (b) **Treatment.** In the event that all real properties owned by PPA  
13 Holdings are listed on a Notice of Abandonment, each holder of an Allowed Class 10(d) Claim  
14 shall receive, together with the holders of the Allowed Class 10(e) Claims, its Pro Rata Share of  
15 any Cash held by PPA Holdings as of the Effective Date, other than Cash subject to a security  
16 interest securing an Allowed Secured Claim against PPA Holdings, after payment in full of all  
17 Allowed Class 10(b) Claims and all Allowed Class 10(c) Claims. In the event that all real  
18 properties owned by PPA Holdings are not listed on a Notice of Abandonment: (i) each holder of  
19 an Allowed Class 10(d) Claim who elected to receive an ownership interest in Property Assets  
20 Operation Co. on account of its Allowed Claim against such Debtor other than PPA Holdings  
21 shall not receive any further distribution from PPA Holdings on account of such claim, and (ii)  
22 each holder of an Allowed Class 10(d) Claim who elected to receive a promissory note on  
23 account of such claim against a Debtor other than PPA Holdings shall receive a promissory note  
24 from PPA Holdings in an amount equal to the lesser of: (x) for the Liquidation Value of such  
25 Class 10(d) claim as determined at the Confirmation Hearing or (y) the amount of the Allowed  
26 Class 10(d) Claim less the amount of any promissory notes received by the holder of the Allowed  
27 Class 10(d) Claim from one or more of the Debtors, other than PPA Holdings, jointly and  
28 severally liable with PPA Holdings on account of the Allowed Class 10(d) Claim. The foregoing

1 note will be due and payable on or before the tenth (10th) anniversary of the Effective Date of the  
2 Plan, with interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a)  
3 in effect on the Effective Date, or such other rate as may be determined and fixed in the  
4 Confirmation Order.

5 (c) **Impairment.** Class 10(d) is impaired; and the holders of Class  
6 10(d) Claims are entitled to vote on the Plan.

7 3.11.43 **Class 10(e)**

8 (a) **Classification.** Class 10(e) consists of all Allowed Unsecured  
9 Claims against PPA Holdings other than those classified in Class 10(d).

10 (b) **Treatment.** In the event that all real properties owned by PPA  
11 Holdings are listed on a Notice of Abandonment, each holder of an Allowed Class 10(e) Claim  
12 shall receive, together with the holders of the Allowed Class 10(d) Claims, its Pro Rata Share of  
13 any Cash held by PPA Holdings as of the Effective Date, other than Cash subject to a security  
14 interest securing an Allowed Secured Claim against PPA Holdings, after payment in full of all  
15 Allowed Class 10(b) Claims and all Allowed Class 10(c) Claims. In the event that all real  
16 properties owned by PPA Holdings are not listed on a Notice of Abandonment, each holder of an  
17 Allowed Class 10(e) Claim shall receive, at the holder's election, either: (i) an interest in  
18 Property Assets Operating Co. as provided in the Operating Agreement of Property Assets  
19 Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 10(e) Claim or (ii)  
20 a promissory note from PPA Holdings for the Liquidation Value of such Class 10(e) claim as  
21 determined at the Confirmation Hearing, which note will be due and payable on or before the  
22 tenth (10th) anniversary of the Effective Date of the Plan, with interest thereon at the federal  
23 judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such  
24 other rate as may be determined and fixed in the Confirmation Order. The election to select  
25 option (i) or option (ii) must be made in writing delivered to counsel for the Committee not later  
26 than ten (10) days following the entry of the Confirmation Order. Any claimant who fails to  
27 make a timely election shall be conclusively deemed to have selected option (i), above.

1 (c) **Impairment.** Class 10(e) is impaired; and the holders of Class  
2 10(e) Claims are entitled to vote on the Plan.

3 3.11.44 **Class 10(f)**

4 (a) **Classification.** Class 10(f) consists of all Allowed Claims against  
5 PPA Holdings subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

6 (b) **Treatment.** No distributions shall be made on account of any  
7 Class 10(f) Claim.

8 (c) **Impairment.** Class 10(f) is impaired; and the holders of Class  
9 10(f) Claims are not entitled to vote on the Plan.

10 3.11.45 **Class 10(g)**

11 (a) **Classification.** Class 10(g) consists of all Allowed Interests in  
12 PPA Holdings.

13 (b) **Treatment.** No distributions shall be made on account of any  
14 Class 10(g) Interest nor shall any property interests be received or retained on account of such  
15 interest. As of the Effective Date: (i) all existing membership interests in PPA Holdings will be  
16 deemed cancelled and (ii) 100% of the ownership interest in PPA Holdings will be vested in  
17 Property Assets Operating Co.

18 (c) **Impairment.** Class 10(g) is impaired; and the holders of Class  
19 10(g) Interests are not entitled to vote on the Plan.

20 **3.12 PPA Riverside**

21 3.12.1 **Class 11(a)(1).**

22 (a) **Classification.** Class 11(a)(1) consists of the Allowed Secured  
23 Claim of Affinity Bank, as successor to Vineyard Bank, to the extent that such Claim is secured  
24 by a perfected, unavoidable lien against the real property of PPA Riverside located at 2032-2052  
25 West Linden Street, Riverside, California.

26 (b) **Treatment.**

27 (i) **Security Interests.** The Class 11(a)(1) Allowed Claim  
28 shall continue to be secured by the real property that presently secures the Class 11(a)(1) Allowed

1 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
2 Petition Date, and the personal property security interests granted to the holder of the Class  
3 11(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
4 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
5 determines that the Class 11(a)(1) Allowed Claim is adequately protected by the security interest  
6 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
7 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
8 encumbered by the trust deed securing the Class 11(a)(1) Allowed Claim, any lien held by the  
9 holder of the Class 11(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
10 and the proceeds thereof and such Cash shall be used by PPA Riverside for the purpose of paying  
11 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
12 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
13 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
14 which PPA Riverside is obligated pursuant to the terms of this Plan, any excess Cash shall be  
15 paid by such Debtor to Property Assets Operating Co.

16 (ii) **Claim Amount.** As of the Effective Date, the Class  
17 11(a)(1) Allowed Claim shall be assumed by Reorganized PPA Riverside subject to the  
18 following: (a) any defaults under the note evidencing the Class 11(a)(1) Allowed Claim shall be  
19 deemed to have been cured in full; and (b) the amount of the Class 11(a)(1) Allowed Claim shall  
20 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
21 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
22 the Effective Date less: (a) any payments on account of the Class 11(a)(1) Allowed Claim  
23 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
24 The Class 11(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
25 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
26 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
27 and one-half percent (6.5%) per annum.

28 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that the holder of the Class 11(a)(1) Allowed Claim does not elect to be treated in accordance  
3 with Bankruptcy Code section 1111(b), the Class 11(a)(1) Allowed Claim shall be paid as  
4 follows: (a) commencing on the first day of the first month following the Effective Date, and  
5 continuing on the first day of each month thereafter until the holder of the Class 11(a)(1) Allowed  
6 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 11(a)(1)  
7 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
8 terms of this Plan; (b) commencing on the first day of the first month following the third  
9 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
10 the holder of the Class 11(a)(1) Allowed Claim shall have received a total of eighty four (84) such  
11 payments, the holder of the Class 11(a)(1) Allowed Claim shall receive a payment equal to an  
12 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
13 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
14 month following the tenth anniversary of the Effective Date, the holder of the Class 11(a)(1)  
15 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
16 Claim.

17 (2) **Section 1111(b) Election Made.** In the event that  
18 the holder of the Class 11(a)(1) Allowed Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 11(a)(1) Allowed Claim shall be paid as follows: (a)  
20 commencing on the first day of the first month following the Effective Date, and continuing on  
21 the first day of each month thereafter until the holder of the Class 11(a)(1) Allowed Claim shall  
22 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
23 11(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
24 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
25 the Effective Date, the holder of the Class 11(a)(1) Allowed Claim shall receive payment equal to  
26 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
27 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 11(a)(1)  
28 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all



1 payments made to the holder of the Class 11(a)(1) claim under this Plan, to provide the holder of  
2 the Class 11(a)(1) Allowed Claim with the present value of the Class 11(a)(1) Allowed Claim as  
3 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

4 (c) **Impairment.** The Class 11(a)(1) claim is impaired; and the holder  
5 of the Class 11(a)(1) Claim is entitled to vote on the Plan.

6 3.12.2 **Class 11(a)(2)**

7 (a) **Classification.** Class 11(a)(2) consists of the Allowed Secured  
8 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
9 unavoidable second priority lien against the real property of PPA Riverside located at 2032 West  
10 Linden Street, Riverside, California.

11 (b) **Treatment.**

12 (i) **Security Interests.** The Class 11(a)(2) Allowed Secured  
13 Claims shall continue to be secured by the real property that presently secures the Class 11(a)(2)  
14 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
15 Claims as of the Petition Date, and the personal property security interests granted to the holders  
16 of the Class 11(a)(2) Allowed Secured Claims in such trust deed, which security interests shall  
17 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
18 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
19 the Class 11(a)(2) Allowed Secured Claims, any lien held by the holder of the Class 11(a)(2)  
20 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
21 Riverside for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
22 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
23 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
24 Claims and Allowed Priority Claims for which PPA Riverside is obligated pursuant to the terms  
25 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

26 (ii) **Claim Amount.** As of the Effective Date, the Class  
27 11(a)(2) Allowed Secured Claims shall be assumed by Reorganized PPA Riverside subject to the  
28 following: (a) any defaults under the note evidencing the Class 11(a)(2) Allowed Secured Claims

1 shall be deemed to have been cured in full; and (b) the amount of the Class 11(a)(2) Allowed  
2 Secured Claims shall be equal to the amount of such Secured Claims on the Petition Date plus  
3 any interest and other fees and charges accrued and unpaid on account of such Secured Claims  
4 from and after the Petition Date through the Effective Date less: (a) any payments on account of  
5 the Class 11(a)(2) Allowed Claims received by the holder of such Claims and (b) any set offs to  
6 which the Debtor may be entitled..

7 (iii) **Claim Payment.**

8 (1) **Section 1111(b) Election Not Made.** In the event  
9 that a holder of a Class 11(a)(2) Allowed Secured Claim does not elect to be treated in accordance  
10 with Bankruptcy Code section 1111(b), such holder of a Class 11(a)(2) Allowed Secured Claim  
11 shall receive a Second Trust Deed Holder Amended and Restated Note, in the principal amount of  
12 such Class 11(a)(2) Allowed Secured Claim (exclusive of accrued and unpaid interest as of the  
13 Effective Date), which shall be delivered to Property Assets Operating Co. as soon as practicable  
14 following the later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class  
15 11(a)(2) Claims become Allowed Claims or are subject to a Final Order disallowing those  
16 Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended and  
17 Restated Note to the individual authorized to enforce the rights of the payees of that note in  
18 accordance with the provisions of California Civil Code section 2941.9 upon its receipt of a  
19 "Majority Action Affidavit" in accordance with California Civil Code section 2941.9(d)  
20 specifying the individual to whom such note should be delivered. In addition to the payments  
21 provided for in the Second Trust Deed Holder Amended and Restated Note to be received by  
22 each holder of a Class 11(a)(2) Allowed Claim, the holders of Class 11(a)(2) Allowed Claims  
23 shall be entitled to receive payments of Net Cash (as defined in the Property Assets Operating Co.  
24 Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the Property Assets Operating  
25 Co. Operating Agreement, all of which shall be credited to the principal amounts due under such  
26 Second Trust Deed Holder Amended and Restated Note.

27 (2) **Section 1111(b) Election Made.** In the event that a  
28 holder of the Class 11(a)(2) Allowed Secured Claim elects to be treated in accordance with

1 Bankruptcy Code section 1111(b), such Class 11(a)(2) Allowed Claim shall receive a Second  
2 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
3 value of said note is equal to the amount of each holder's Class 11(a)(2) Allowed Secured Claim  
4 and the total of all payments due pursuant to such note shall be equal to the amount of such  
5 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
6 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
7 filed as Class 11(a)(2) Claims become Allowed Claims or are subject to a Final Order disallowing  
8 those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended  
9 and Restated Note to the individual authorized to enforce the rights of the payees of that note in  
10 accordance with the provisions of California Civil Code section 2941.9 upon its receipt of a  
11 "Majority Action Affidavit" in accordance with California Civil Code section 2941.9(d)  
12 specifying the individual to whom such note should be delivered. In addition to the payments  
13 provided for in the Second Trust Deed Holder Amended and Restated Note to be received by  
14 each holder of a Class 11(a)(2) Allowed Secured Claim, the holders of Class 11(a)(2) Allowed  
15 Secured Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
16 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
17 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
18 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

19 (c) **Impairment.** The Class 11(a)(2) Claims are impaired; and the  
20 holders of the Class 11(a)(2) Claims are entitled to vote on the Plan.

21 3.12.3 **Class 11(a)(3)**

22 (a) **Classification.** Class 11(a)(3) consists of the Allowed Secured  
23 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
24 unavoidable second priority lien against the real property of PPA Riverside located at 2052 West  
25 Linden Street, Riverside, California.

26 (b) **Treatment.**

27 (i) **Security Interests.** The Class 11(a)(3) Allowed Secured  
28 Claims shall continue to be secured by the real property that presently secures the Class 11(a)(3)

1 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
2 Claims as of the Petition Date, and the personal property security interests granted to the holders  
3 of the Class 11(a)(3) Allowed Secured Claims in such trust deed, which security interests shall  
4 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
5 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
6 the Class 11(a)(3) Allowed Secured Claims, any lien held by the holder of the Class 11(a)(3)  
7 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
8 Riverside for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
9 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
10 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
11 Claims and Allowed Priority Claims for which PPA Riverside is obligated pursuant to the terms  
12 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

13 (ii) **Claim Amount.** As of the Effective Date, the Class  
14 11(a)(3) Allowed Secured Claims shall be assumed by Reorganized PPA Riverside subject to the  
15 following: (a) any defaults under the note evidencing the Class 11(a)(3) Allowed Secured Claims  
16 shall be deemed to have been cured in full; and (b) the amount of the Class 11(a)(3) Allowed  
17 Secured Claims shall be equal to the amount of such Secured Claims on the Petition Date plus  
18 any interest and other fees and charges accrued and unpaid on account of such Secured Claims  
19 from and after the Petition Date through the Effective Date less: (a) any payments on account of  
20 the Class 11(a)(3) Allowed Claims received by the holder of such Claims and (b) any set offs to  
21 which the Debtor may be entitled..

22 (iii) **Claim Payment.**

23 (1) **Section 1111(b) Election Not Made.** In the event  
24 that a holder of a Class 11(a)(3) Allowed Secured Claim does not elect to be treated in accordance  
25 with Bankruptcy Code section 1111(b), such holder of a Class 11(a)(3) Allowed Secured Claim  
26 shall receive a Second Trust Deed Holder Amended and Restated Note, in the principal amount of  
27 such Class 11(a)(3) Allowed Secured Claim (exclusive of accrued and unpaid interest as of the  
28 Effective Date), which shall be delivered to Property Assets Operating Co. as soon as practicable

1 following the later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class  
2 11(a)(3) Claims become Allowed Claims or are subject to a Final Order disallowing those  
3 Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended and  
4 Restated Note to the individual authorized to enforce the rights of the payees of that note in  
5 accordance with the provisions of California Civil Code section 2941.9 upon its receipt of a  
6 “Majority Action Affidavit” in accordance with California Civil Code section 2941.9(d)  
7 specifying the individual to whom such note should be delivered. In addition to the payments  
8 provided for in the Second Trust Deed Holder Amended and Restated Note to be received by  
9 each holder of a Class 11(a)(3) Allowed Claim, the holders of Class 11(a)(3) Allowed Claims  
10 shall be entitled to receive payments of Net Cash (as defined in the Property Assets Operating Co.  
11 Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the Property Assets Operating  
12 Co. Operating Agreement, all of which shall be credited to the principal amounts due under such  
13 Second Trust Deed Holder Amended and Restated Note.

14 (2) **Section 1111(b) Election Made.** In the event that a  
15 holder of the Class 11(a)(3) Allowed Secured Claim elects to be treated in accordance with  
16 Bankruptcy Code section 1111(b), such Class 11(a)(3) Allowed Claim shall receive a Second  
17 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
18 value of said note is equal to the amount of each holder’s Class 11(a)(3) Allowed Secured Claim  
19 and the total of all payments due pursuant to such note shall be equal to the amount of such  
20 holder’s Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
21 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
22 filed as Class 11(a)(3) Claims become Allowed Claims or are subject to a Final Order disallowing  
23 those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended  
24 and Restated Note to the individual authorized to enforce the rights of the payees of that note in  
25 accordance with the provisions of California Civil Code section 2941.9 upon its receipt of a  
26 “Majority Action Affidavit” in accordance with California Civil Code section 2941.9(d)  
27 specifying the individual to whom such note should be delivered. In addition to the payments  
28 provided for in the Second Trust Deed Holder Amended and Restated Note to be received by

1 each holder of a Class 11(a)(3) Allowed Secured Claim, the holders of Class 11(a)(3) Allowed  
2 Secured Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
3 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
4 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
5 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

6 (c) **Impairment.** The Class 11(a)(3) Claims are impaired; and the  
7 holders of the Class 11(a)(3) Claims are entitled to vote on the Plan.

8 3.12.4 **Class 11(a)(4)**

9 (a) **Classification.** Class 11(a)(4) consists of the Allowed Secured  
10 Claim of California Bank & Trust, as successor to Vineyard Bank, to the extent that such Claim is  
11 secured by a perfected, unavoidable lien against the real property of PPA Riverside located at  
12 3553 Lou Ella Lane, Riverside, California.

13 (b) **Treatment.**

14 (i) **Security Interests.** The Class 11(a)(4) Allowed Claim  
15 shall continue to be secured by the real property that presently secures the Class 11(a)(4) Allowed  
16 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
17 Petition Date, and the personal property security interests granted to the holder of the Class  
18 11(a)(4) Allowed Claim in such trust deed, which security interests shall have the same priority as  
19 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
20 determines that the Class 11(a)(4) Allowed Claim is adequately protected by the security interest  
21 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
22 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
23 encumbered by the trust deed securing the Class 11(a)(4) Allowed Claim, any lien held by the  
24 holder of the Class 11(a)(4) Allowed Claim shall cease to exist upon such rents, issues or profits  
25 and the proceeds thereof and such Cash shall be used by PPA Riverside for the purpose of paying  
26 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
27 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
28 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for

1 which PPA Riverside is obligated pursuant to the terms of this Plan, any excess Cash shall be  
2 paid by such Debtor to Property Assets Operating Co.

3 (ii) **Claim Amount.** As of the Effective Date, the Class  
4 11(a)(4) Allowed Claim shall be assumed by Reorganized PPA Riverside subject to the  
5 following: (a) any defaults under the note evidencing the Class 11(a)(4) Allowed Claim shall be  
6 deemed to have been cured in full; and (b) the amount of the Class 11(a)(4) Allowed Claim shall  
7 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
8 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
9 the Effective Date less: (a) any payments on account of the Class 11(a)(4) Allowed Claim  
10 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
11 The Class 11(a)(4) Allowed Claim shall bear interest from and after the Effective Date at a rate  
12 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
13 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
14 and one-half percent (6.5%) per annum.

15 (iii) **Claim Payment.**

16 (1) **Section 1111(b) Election Not Made.** In the event  
17 that the holder of the Class 11(a)(4) Allowed Claim does not elect to be treated in accordance  
18 with Bankruptcy Code section 1111(b), the Class 11(a)(4) Allowed Claim shall be paid as  
19 follows: (a) commencing on the first day of the first month following the Effective Date, and  
20 continuing on the first day of each month thereafter until the holder of the Class 11(a)(4) Allowed  
21 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 11(a)(4)  
22 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
23 terms of this Plan; (b) commencing on the first day of the first month following the third  
24 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
25 the holder of the Class 11(a)(4) Allowed Claim shall have received a total of eighty four (84) such  
26 payments, the holder of the Class 11(a)(4) Allowed Claim shall receive a payment equal to an  
27 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
28 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first

1 month following the tenth anniversary of the Effective Date, the holder of the Class 11(a)(4)  
2 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
3 Claim.

4 (2) **Section 1111(b) Election Made.** In the event that  
5 the holder of the Class 11(a)(4) Allowed Claim elects to be treated in accordance with  
6 Bankruptcy Code section 1111(b), the Class 11(a)(4) Allowed Claim shall be paid as follows: (a)  
7 commencing on the first day of the first month following the Effective Date, and continuing on  
8 the first day of each month thereafter until the holder of the Class 11(a)(4) Allowed Claim shall  
9 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
10 11(a)(4) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
11 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
12 the Effective Date, the holder of the Class 11(a)(4) Allowed Claim shall receive payment equal to  
13 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
14 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 11(a)(4)  
15 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
16 payments made to the holder of the Class 11(a)(4) claim under this Plan, to provide the holder of  
17 the Class 11(a)(4) Allowed Claim with the present value of the Class 11(a)(4) Allowed Claim as  
18 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

19 (c) **Impairment.** The Class 11(a)(4) claim is impaired; and the holder  
20 of the Class 11(a)(4) Claim is entitled to vote on the Plan.

21 3.12.5 **Class 11(a)(5)**

22 (a) **Classification.** Class 11(a)(5) consists of the Allowed Secured  
23 Claim of East West Bank, to the extent that such Claim is secured by a perfected, unavoidable  
24 lien against the real property of PPA Riverside located at 1480 7th Street, Riverside, California.

25 (b) **Treatment.**

26 (i) **Security Interests.** The Class 11(a)(5) Allowed Claim  
27 shall continue to be secured by the real property that presently secures the Class 11(a)(5) Allowed  
28 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the



1 Petition Date, and the personal property security interests granted to the holder of the Class  
2 11(a)(5) Allowed Claim in such trust deed, which security interests shall have the same priority as  
3 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
4 determines that the Class 11(a)(5) Allowed Claim is adequately protected by the security interest  
5 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
6 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
7 encumbered by the trust deed securing the Class 11(a)(5) Allowed Claim, any lien held by the  
8 holder of the Class 11(a)(5) Allowed Claim shall cease to exist upon such rents, issues or profits  
9 and the proceeds thereof and such Cash shall be used by PPA Riverside for the purpose of paying  
10 any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor may be  
11 obligated pursuant to the terms of this Plan. In the event that the amount of such Cash exceeds  
12 the amount required to pay all Allowed Administrative Claims and Allowed Priority Claims for  
13 which PPA Riverside is obligated pursuant to the terms of this Plan, any excess Cash shall be  
14 paid by such Debtor to Property Assets Operating Co.

15 (ii) **Claim Amount.** As of the Effective Date, the Class  
16 11(a)(5) Allowed Claim shall be assumed by Reorganized PPA Riverside subject to the  
17 following: (a) any defaults under the note evidencing the Class 11(a)(5) Allowed Claim shall be  
18 deemed to have been cured in full; and (b) the amount of the Class 11(a)(5) Allowed Claim shall  
19 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
20 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
21 the Effective Date less: (a) any payments on account of the Class 11(a)(5) Allowed Claim  
22 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
23 The Class 11(a)(5) Allowed Claim shall bear interest from and after the Effective Date at a rate  
24 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
25 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
26 and one-half percent (6.5%) per annum.

27 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that the holder of the Class 11(a)(5) Allowed Claim does not elect to be treated in accordance  
3 with Bankruptcy Code section 1111(b), the Class 11(a)(5) Allowed Claim shall be paid as  
4 follows: (a) commencing on the first day of the first month following the Effective Date, and  
5 continuing on the first day of each month thereafter until the holder of the Class 11(a)(5) Allowed  
6 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 11(a)(5)  
7 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
8 terms of this Plan; (b) commencing on the first day of the first month following the third  
9 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
10 the holder of the Class 11(a)(5) Allowed Claim shall have received a total of eighty four (84) such  
11 payments, the holder of the Class 11(a)(5) Allowed Claim shall receive a payment equal to an  
12 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
13 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
14 month following the tenth anniversary of the Effective Date, the holder of the Class 11(a)(5)  
15 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
16 Claim.

17 (2) **Section 1111(b) Election Made.** In the event that  
18 the holder of the Class 11(a)(5) Allowed Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 11(a)(5) Allowed Claim shall be paid as follows: (a)  
20 commencing on the first day of the first month following the Effective Date, and continuing on  
21 the first day of each month thereafter until the holder of the Class 11(a)(5) Allowed Claim shall  
22 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
23 11(a)(5) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
24 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
25 the Effective Date, the holder of the Class 11(a)(5) Allowed Claim shall receive payment equal to  
26 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
27 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 11(a)(5)  
28 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all

1 payments made to the holder of the Class 11(a)(5) claim under this Plan, to provide the holder of  
2 the Class 11(a)(5) Allowed Claim with the present value of the Class 11(a)(5) Allowed Claim as  
3 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

4 (c) **Impairment.** The Class 11(a)(5) claim is impaired; and the holder  
5 of the Class 11(a)(5) Claim is entitled to vote on the Plan.

6 3.12.6 **Class 11(a)(6)**

7 (a) **Classification.** Class 11(a)(6) consists of the Allowed Secured  
8 Claims of all holders of notes, to the extent that such Claims are secured by a perfected,  
9 unavoidable second priority lien against the real property of PPA Riverside located at 1480 7th  
10 Street, Riverside California.

11 (b) **Treatment.**

12 (i) **Security Interests.** The Class 11(a)(6) Allowed Secured  
13 Claims shall continue to be secured by the real property that presently secures the Class 11(a)(6)  
14 Allowed Secured Claims pursuant to the terms and conditions of the trust deed securing such  
15 Claims as of the Petition Date, and the personal property security interests granted to the holders  
16 of the Class 11(a)(6) Allowed Secured Claims in such trust deed, which security interests shall  
17 have the same priority as such security interests had as of the Petition Date. To the extent that, on  
18 the Effective Date, the Debtors hold Cash subject to the security interest granted to the holders of  
19 the Class 11(a)(6) Allowed Secured Claims, any lien held by the holder of the Class 11(a)(6)  
20 Allowed Secured Claims shall cease to exist upon such Cash and such Cash shall be used by PPA  
21 Riverside for the purpose of paying any Allowed Administrative Claims and Allowed Priority  
22 Claims for which such Debtor may be obligated pursuant to the terms of this Plan. In the event  
23 that the amount of such Cash exceeds the amount required to pay all Allowed Administrative  
24 Claims and Allowed Priority Claims for which PPA Riverside is obligated pursuant to the terms  
25 of this Plan, any excess Cash shall be paid by such Debtor to Property Assets Operating Co.

26 (ii) **Claim Amount.** As of the Effective Date, the Class  
27 11(a)(6) Allowed Secured Claims shall be assumed by Reorganized PPA Riverside subject to the  
28 following: (a) any defaults under the note evidencing the Class 11(a)(6) Allowed Secured Claims

1 shall be deemed to have been cured in full; and (b) the amount of the Class 11(a)(6) Allowed  
2 Secured Claims shall be equal to the amount of such Secured Claims on the Petition Date plus  
3 any interest and other fees and charges accrued and unpaid on account of such Secured Claims  
4 from and after the Petition Date through the Effective Date less: (a) any payments on account of  
5 the Class 11(a)(6) Allowed Claims received by the holder of such Claims and (b) any set offs to  
6 which the Debtor may be entitled..

7 (iii) **Claim Payment.**

8 (1) **Section 1111(b) Election Not Made.** In the event  
9 that a holder of a Class 11(a)(6) Allowed Secured Claim does not elect to be treated in accordance  
10 with Bankruptcy Code section 1111(b), such holder of a Class 11(a)(6) Allowed Secured Claim  
11 shall receive a Second Trust Deed Holder Amended and Restated Note, in the principal amount of  
12 such Class 11(a)(6) Allowed Secured Claim (exclusive of accrued and unpaid interest as of the  
13 Effective Date), which shall be delivered to Property Assets Operating Co. as soon as practicable  
14 following the later of: (a) the Effective Date or (b) the date upon which all Claims filed as Class  
15 11(a)(6) Claims become Allowed Claims or are subject to a Final Order disallowing those  
16 Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended and  
17 Restated Note to the individual authorized to enforce the rights of the payees of that note in  
18 accordance with the provisions of California Civil Code section 2941.9 upon its receipt of a  
19 "Majority Action Affidavit" in accordance with California Civil Code section 2941.9(d)  
20 specifying the individual to whom such note should be delivered. In addition to the payments  
21 provided for in the Second Trust Deed Holder Amended and Restated Note to be received by  
22 each holder of a Class 11(a)(6) Allowed Claim, the holders of Class 11(a)(6) Allowed Claims  
23 shall be entitled to receive payments of Net Cash (as defined in the Property Assets Operating Co.  
24 Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the Property Assets Operating  
25 Co. Operating Agreement, all of which shall be credited to the principal amounts due under such  
26 Second Trust Deed Holder Amended and Restated Note.

27 (2) **Section 1111(b) Election Made.** In the event that a  
28 holder of the Class 11(a)(6) Allowed Secured Claim elects to be treated in accordance with

1 Bankruptcy Code section 1111(b), such Class 11(a)(6) Allowed Claim shall receive a Second  
2 Trust Deed Holder Amended and Restated Note, in the principal amount such that the present  
3 value of said note is equal to the amount of each holder's Class 11(a)(6) Allowed Secured Claim  
4 and the total of all payments due pursuant to such note shall be equal to the amount of such  
5 holder's Allowed Claim, which shall be delivered to Property Assets Operating Co. as soon as  
6 practicable following the later of: (a) the Effective Date or (b) the date upon which all Claims  
7 filed as Class 11(a)(6) Claims become Allowed Claims or are subject to a Final Order disallowing  
8 those Claims. Pacific Assets Operating Co. shall deliver the Second Trust Deed Holder Amended  
9 and Restated Note to the individual authorized to enforce the rights of the payees of that note in  
10 accordance with the provisions of California Civil Code section 2941.9 upon its receipt of a  
11 "Majority Action Affidavit" in accordance with California Civil Code section 2941.9(d)  
12 specifying the individual to whom such note should be delivered. In addition to the payments  
13 provided for in the Second Trust Deed Holder Amended and Restated Note to be received by  
14 each holder of a Class 11(a)(6) Allowed Secured Claim, the holders of Class 11(a)(6) Allowed  
15 Secured Claims shall be entitled to receive payments of Net Cash (as defined in the Property  
16 Assets Operating Co. Operating Agreement, Exhibit 2 hereto) pursuant to the terms of the  
17 Property Assets Operating Co. Operating Agreement, all of which shall be credited to the  
18 principal amounts due under such Second Trust Deed Holder Amended and Restated Note.

19 (c) **Impairment.** The Class 11(a)(6) Claims are impaired; and the  
20 holders of the Class 11(a)(6) Claims are entitled to vote on the Plan.

### 21 3.12.7 **Class 11(a)(7)**

22 (a) **Classification.** Class 11(a)(7) consists of all Allowed Secured  
23 Claims against PPA Riverside not otherwise classified in this Article 3.12. Each of such Claims  
24 shall be deemed to be classified within its own separate subclass within Class 11(a)(7) and each  
25 such subclass shall be deemed to be a separate class for purposes of this Plan.

26 (b) **Treatment.** Within 30 days following the Effective Date, the  
27 Committee shall select, in its sole and absolute discretion, one of the following alternative  
28 treatments of each of the Allowed Claims within any of the subclasses in Class 11(a)(7): (a) to

1 cause the Reorganized Debtor owning the property securing such claim to surrender such  
2 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
3 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
4 and the Committee may agree in writing.

5 (c) **Impairment.** Class 11(a)(7) is impaired; and the holders of Class  
6 11(a)(7) Claims are entitled to vote on the Plan.

7 3.12.8 **Class 11(b).**

8 (a) **Classification.** Class 11(b) consists of all Allowed Employee  
9 Priority Claims against PPA Riverside.

10 (b) **Treatment.** In the event that all real properties owned by PPA  
11 Riverside are listed on a Notice of Abandonment, each holder of an Allowed Class 11(b) Claim  
12 shall receive its Pro Rata Share of any Cash held by PPA Riverside as of the Effective Date, other  
13 than Cash subject to a security interest securing an Allowed Secured Claim against PPA  
14 Riverside until such claim has been paid in full, without interest. In the event that all real  
15 properties owned by PPA Riverside are not listed on a Notice of Abandonment, each holder of an  
16 Allowed Class 11(b) Claim, unless the holder of such Claim have agreed to a different treatment  
17 with PPA Riverside, shall receive payment in full from PPA Riverside from Available Cash, Pro  
18 Rata, not less than quarterly, until such Allowed Claim shall have been paid in full; provided that  
19 each Allowed Class 11(b) Claim shall be paid in full, without interest, not later than one year  
20 following the Effective Date.

21 (c) **Impairment.** Class 11(b) is impaired; and the holders of Class  
22 11(b) Claims are entitled to vote on the Plan.

23 3.12.9 **Class 11(c)**

24 (a) **Classification.** Class 11(c) consists of all Allowed Tenant Priority  
25 Claims against PPA Riverside.

26 (b) **Treatment.** In the event that all real properties owned by PPA  
27 Riverside are listed on a Notice of Abandonment, each holder of an Allowed Class 11(c) Claim  
28 shall receive its Pro Rata Share of any Cash held by PPA Riverside as of the Effective Date, other

1 than Cash subject to a security interest securing an Allowed Secured Claim against PPA  
2 Riverside, after payment in full of all Allowed Class 11(b) Claims, until such claim has been paid  
3 in full, without interest.. In the event that all real properties owned by PPA Riverside are not  
4 listed on a Notice of Abandonment, each holder of an Allowed Class 11(c) Claim, unless the  
5 holder of such Claim have agreed to a different treatment with PPA Riverside, shall receive  
6 payment in full from PPA Riverside from Available Cash remaining after payment in full of all  
7 Allowed Class 11(b) Claims, Pro Rata, not less than quarterly, commencing upon the later of: (a)  
8 the date upon which such Claim would be required to be paid in accordance with its terms or (b)  
9 one year following the Effective Date, until such Allowed Claim shall have been paid in full,  
10 provided that each Allowed Class 11(c) Claim shall be paid in full, without interest, not later than  
11 the later of: (a) the date upon which such Claim would be required to be paid in accordance with  
12 its terms or (b) eighteen months following the Effective Date.

13 (c) **Impairment.** Class 11(c) is impaired; and the holders of Class  
14 11(c) Claims are entitled to vote on the Plan.

15 3.12.10 **Class 11(d)**

16 (a) **Classification.** Class 11(d) consists of all Allowed Unsecured  
17 Claims against PPA Riverside for which one or both of Pacific Property Assets and/or PPA  
18 Holdings are also jointly and severally liable

19 (b) **Treatment.** In the event that all real properties owned by PPA  
20 Riverside are listed on a Notice of Abandonment, each holder of an Allowed Class 11(d) Claim  
21 shall receive, together with the holders of the Allowed Class 11(e) Claims, its Pro Rata Share of  
22 any Cash held by PPA Riverside as of the Effective Date, other than Cash subject to a security  
23 interest securing an Allowed Secured Claim against PPA Riverside, after payment in full of all  
24 Allowed Class 11(b) Claims and all Allowed Class 11(c) Claims. In the event that all real  
25 properties owned by PPA Riverside are not listed on a Notice of Abandonment, each holder of an  
26 Allowed Class 11(d) Claim shall receive, at the holder's election, either: (i) an interest in  
27 Property Assets Operating Co. as provided in the Operating Agreement of Property Assets  
28 Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 11(d) Claim and

1 shall not receive any distribution from any other Debtor who may also be liable on account of  
2 such Allowed Claim; or (ii) a promissory note from PPA Riverside for the Liquidation Value of  
3 such Class 11(d) claim as determined at the Confirmation Hearing, which note will be due and  
4 payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with interest  
5 thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the  
6 Effective Date, or such other rate as may be determined and fixed in the Confirmation Order. The  
7 election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
8 Committee not later than ten (10) days following the entry of the Confirmation Order. Any  
9 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
10 (i), above.

11 (c) **Impairment.** Class 11(d) is impaired; and the holders of Class  
12 11(d) Claims are entitled to vote on the Plan.

13 3.12.11 **Class 11(e)**

14 (a) **Classification.** Class 11(e) consists of all Allowed Unsecured  
15 Claims against PPA Riverside other than those classified in Class 11(d).

16 (b) **Treatment.** In the event that all real properties owned by PPA  
17 Riverside are listed on a Notice of Abandonment, each holder of an Allowed Class 11(e) Claim  
18 shall receive, together with the holders of Allowed Class 11(d) Claims, its Pro Rata Share of any  
19 Cash held by PPA Riverside as of the Effective Date together with any Cash acquired thereafter,  
20 other than Cash subject to a security interest securing an Allowed Secured Claim against PPA  
21 Riverside, after payment in full of all Allowed Class 11(b) Claims and all Allowed Class 11(c)  
22 Claims, which shall be paid as soon as practicable after the Effective Date. In the event that all  
23 real properties owned by PPA Riverside are not listed on a Notice of Abandonment, each holder  
24 of an Allowed Class 11(e) Claim shall receive a promissory note from PPA Riverside for the  
25 Liquidation Value of the claim as determined at the Confirmation Hearing, which note will be  
26 due and payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with  
27 interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on



1 the Effective Date, or such other rate as may be determined and fixed in the Confirmation Order  
2 in full satisfaction of such Allowed Class 11(e) Claim.

3 (c) **Impairment.** Class 11(e) is impaired; and the holders of Class  
4 11(e) Claims are entitled to vote on this Plan.

5 **3.12.12 Class 11(f)**

6 (a) **Classification.** Class 11(f) consists of all Allowed Claims against  
7 PPA Riverside subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

8 (b) **Treatment.** No distributions shall be made on account of any  
9 Class 11(f) Claim.

10 (c) **Impairment.** Class 11(f) is impaired; and the holders of Class  
11 11(f) Claims are not entitled to vote on the Plan.

12 **3.12.13 Class 11(g)**

13 (a) **Classification.** Class 11(g) consists of all Allowed Interests in  
14 PPA Riverside.

15 (b) **Treatment.** No distributions shall be made on account of any  
16 Class 11(g) Interest nor shall any property interests be received or retained on account of such  
17 interest. As of the Effective Date: (i) all existing membership interests in PPA Riverside will be  
18 deemed cancelled and (ii) 100% of the ownership interest in PPA Riverside will be vested in  
19 Property Assets Operating Co.

20 (c) **Impairment.** Class 11(g) is impaired; and the holders of Class  
21 11(g) Interests are not entitled to vote on the Plan.

22 **3.13 PPA Towne Center**

23 **3.13.1 Class 12(a)(1)**

24 (a) **Classification.** Class 12(a)(1) consists of the Allowed Secured  
25 Claim of First Private Bank, to the extent that such Claim is secured by a perfected, unavoidable  
26 lien against the real property of PPA Towne Center located at 65 E. Olive Avenue, Gilbert,  
27 Arizona.

28 (b) **Treatment.**

1 (i) **Security Interests.** The Class 12(a)(1) Allowed Claim  
2 shall continue to be secured by the real property that presently secures the Class 12(a)(1) Allowed  
3 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
4 Petition Date, and the personal property security interests granted to the holder of the Class  
5 12(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
6 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
7 determines that the Class 12(a)(1) Allowed Claim is adequately protected by the security interest  
8 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
9 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
10 encumbered by the trust deed securing the Class 12(a)(1) Allowed Claim, any lien held by the  
11 holder of the Class 12(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
12 and the proceeds thereof and such Cash shall be used by PPA Towne Center for the purpose of  
13 paying any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor  
14 may be obligated pursuant to the terms of this Plan. In the event that the amount of such Cash  
15 exceeds the amount required to pay all Allowed Administrative Claims and Allowed Priority  
16 Claims for which PPA Towne Center is obligated pursuant to the terms of this Plan, any excess  
17 Cash shall be paid by such Debtor to Property Assets Operating Co.

18 (ii) **Claim Amount.** As of the Effective Date, the Class  
19 12(a)(1) Allowed Claim shall be assumed by Reorganized PPA Towne Center subject to the  
20 following: (a) any defaults under the note evidencing the Class 12(a)(1) Allowed Claim shall be  
21 deemed to have been cured in full; and (b) the amount of the Class 12(a)(1) Allowed Claim shall  
22 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
23 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
24 the Effective Date less: (a) any payments on account of the Class 12(a)(1) Allowed Claim  
25 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
26 The Class 12(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
27 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of

1 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
2 and one-half percent (6.5%) per annum.

3 (iii) **Claim Payment.**

4 (1) **Section 1111(b) Election Not Made.** In the event  
5 that the holder of the Class 12(a)(1) Allowed Claim does not elect to be treated in accordance  
6 with Bankruptcy Code section 1111(b), the Class 12(a)(1) Allowed Claim shall be paid as  
7 follows: (a) commencing on the first day of the first month following the Effective Date, and  
8 continuing on the first day of each month thereafter until the holder of the Class 12(a)(1) Allowed  
9 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 12(a)(1)  
10 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
11 terms of this Plan; (b) commencing on the first day of the first month following the third  
12 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
13 the holder of the Class 12(a)(1) Allowed Claim shall have received a total of eighty four (84) such  
14 payments, the holder of the Class 12(a)(1) Allowed Claim shall receive a payment equal to an  
15 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
16 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
17 month following the tenth anniversary of the Effective Date, the holder of the Class 12(a)(1)  
18 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
19 Claim.

20 (2) **Section 1111(b) Election Made.** In the event that  
21 the holder of the Class 12(a)(1) Allowed Claim elects to be treated in accordance with  
22 Bankruptcy Code section 1111(b), the Class 12(a)(1) Allowed Claim shall be paid as follows: (a)  
23 commencing on the first day of the first month following the Effective Date, and continuing on  
24 the first day of each month thereafter until the holder of the Class 12(a)(1) Allowed Claim shall  
25 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
26 12(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
27 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
28 the Effective Date, the holder of the Class 12(a)(1) Allowed Claim shall receive payment equal to

1 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
2 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 12(a)(1)  
3 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
4 payments made to the holder of the Class 12(a)(1) claim under this Plan, to provide the holder of  
5 the Class 12(a)(1) Allowed Claim with the present value of the Class 12(a)(1) Allowed Claim as  
6 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

7 (c) **Impairment.** The Class 12(a)(1) claim is impaired; and the holder  
8 of the Class 12(a)(1) Claim is entitled to vote on the Plan.

9 **3.13.2 Class 12(a)(2)**

10 (a) **Classification.** Class 12(a)(2) consists of all Allowed Secured  
11 Claims against PPA Towne Center not otherwise classified in this Article 3.13. Each of such  
12 Claims shall be deemed to be classified within its own separate subclass within Class 12(a)(2) and  
13 each such subclass shall be deemed to be a separate class for purposes of this Plan.

14 (b) **Treatment.** Within 30 days following the Effective Date, the  
15 Committee shall select, in its sole and absolute discretion, one of the following alternative  
16 treatments of each of the Allowed Claims within any of the subclasses in Class 12(a)(2): (a) to  
17 cause the Reorganized Debtor owning the property securing such claim to surrender such  
18 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
19 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
20 and the Committee may agree in writing.

21 (c) **Impairment.** Class 12(a)(2) is impaired; and the holders of Class  
22 12(a)(2) Claims are entitled to vote on the Plan.

23 **3.13.3 Class 12(b).**

24 (a) **Classification.** Class 12(b) consists of all Allowed Employee  
25 Priority Claims against PPA Towne Center.

26 (b) **Treatment.** In the event that all real properties owned by PPA  
27 Towne Center are listed on a Notice of Abandonment, each holder of an Allowed Class 12(b)  
28 Claim shall receive its Pro Rata Share of any Cash held by PPA Towne Center as of the Effective

1 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
2 PPA Towne Center until such claim has been paid in full, without interest. In the event that all  
3 real properties owned by PPA Towne Center are not listed on a Notice of Abandonment, each  
4 holder of an Allowed Class 12(b) Claim, unless the holder of such Claim have agreed to a  
5 different treatment with PPA Towne Center, shall receive payment in full from PPA Towne  
6 Center from Available Cash, Pro Rata, not less than quarterly, until such Allowed Claim shall  
7 have been paid in full; provided that each Allowed Class 12(b) Claim shall be paid in full,  
8 without interest, not later than one year following the Effective Date.

9 (c) **Impairment.** Class 12(b) is impaired; and the holders of Class  
10 12(b) Claims are entitled to vote on the Plan.

11 3.13.4 **Class 12(c)**

12 (a) **Classification.** Class 12(c) consists of all Allowed Tenant Priority  
13 Claims against PPA Towne Center.

14 (b) **Treatment.** In the event that all real properties owned by PPA  
15 Towne Center are listed on a Notice of Abandonment, each holder of an Allowed Class 12(c)  
16 Claim shall receive its Pro Rata Share of any Cash held by PPA Towne Center as of the Effective  
17 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
18 PPA Towne Center, after payment in full of all Allowed Class 12(b) Claims, until such claim has  
19 been paid in full, without interest.. In the event that all real properties owned by PPA Towne  
20 Center are not listed on a Notice of Abandonment, each holder of an Allowed Class 12(c) Claim,  
21 unless the holder of such Claim have agreed to a different treatment with PPA Towne Center,  
22 shall receive payment in full from PPA Towne Center from Available Cash remaining after  
23 payment in full of all Allowed Class 12(b) Claims, Pro Rata, not less than quarterly, commencing  
24 upon the later of: (a) the date upon which such Claim would be required to be paid in accordance  
25 with its terms or (b) one year following the Effective Date, until such Allowed Claim shall have  
26 been paid in full, provided that each Allowed Class 12(c) Claim shall be paid in full, without  
27 interest, not later than the later of: (a) the date upon which such Claim would be required to be  
28 paid in accordance with its terms or (b) eighteen months following the Effective Date.

1 (c) **Impairment.** Class 12(c) is impaired; and the holders of Class  
2 12(c) Claims are entitled to vote on the Plan.

3 3.13.5 **Class 12(d)**

4 (a) **Classification.** Class 12(d) consists of all Allowed Unsecured  
5 Claims against PPA Towne Center for which one or both of Pacific Property Assets and/or PPA  
6 Holdings are also jointly and severally liable

7 (b) **Treatment.** In the event that all real properties owned by PPA  
8 Towne Center are listed on a Notice of Abandonment, each holder of an Allowed Class 12(d)  
9 Claim shall receive, together with the holders of the Allowed Class 12(e) Claims, its Pro Rata  
10 Share of any Cash held by PPA Towne Center as of the Effective Date, other than Cash subject to  
11 a security interest securing an Allowed Secured Claim against PPA Towne Center, after payment  
12 in full of all Allowed Class 12(b) Claims and all Allowed Class 12(c) Claims. In the event that  
13 all real properties owned by PPA Towne Center are not listed on a Notice of Abandonment, each  
14 holder of an Allowed Class 12(d) Claim shall receive, at the holder's election, either: (i) an  
15 interest in Property Assets Operating Co. as provided in the Operating Agreement of Property  
16 Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 12(d)  
17 Claim and shall not receive any distribution from any other Debtor who may also be liable on  
18 account of such Allowed Claim; or (ii) a promissory note from PPA Towne Center for the  
19 Liquidation Value of such Class 12(d) claim as determined at the Confirmation Hearing, which  
20 note will be due and payable on or before the tenth (10th) anniversary of the Effective Date of the  
21 Plan, with interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a)  
22 in effect on the Effective Date, or such other rate as may be determined and fixed in the  
23 Confirmation Order. The election to select option (i) or option (ii) must be made in writing  
24 delivered to counsel for the Committee not later than ten (10) days following the entry of the  
25 Confirmation Order. Any claimant who fails to make a timely election shall be conclusively  
26 deemed to have selected option (i), above.

27 (c) **Impairment.** Class 12(d) is impaired; and the holders of Class  
28 12(d) Claims are entitled to vote on the Plan.

1 3.13.6 **Class 12(e)**

2 (a) **Classification.** Class 12(e) consists of all Allowed Unsecured  
3 Claims against PPA Towne Center other than those classified in Class 12(d).

4 (b) **Treatment.** In the event that all real properties owned by PPA  
5 Towne Center are listed on a Notice of Abandonment, each holder of an Allowed Class 12(e)  
6 Claim shall receive, together with the holders of Allowed Class 12(d) Claims, its Pro Rata Share  
7 of any Cash held by PPA Towne Center as of the Effective Date together with any Cash acquired  
8 thereafter, other than Cash subject to a security interest securing an Allowed Secured Claim  
9 against PPA Towne Center, after payment in full of all Allowed Class 12(b) Claims and all  
10 Allowed Class 12(c) Claims, which shall be paid as soon as practicable after the Effective Date.  
11 In the event that all real properties owned by PPA Towne Center are not listed on a Notice of  
12 Abandonment, each holder of an Allowed Class 12(e) Claim shall receive a promissory note from  
13 PPA Towne Center for the Liquidation Value of the claim as determined at the Confirmation  
14 Hearing, which note will be due and payable on or before the tenth (10th) anniversary of the  
15 Effective Date of the Plan, with interest thereon at the federal judgment rate as provided in 28  
16 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may be determined  
17 and fixed in the Confirmation Order in full satisfaction of such Allowed Class 12(e) Claim.

18 (c) **Impairment.** Class 12(e) is impaired; and the holders of Class  
19 12(e) Claims are entitled to vote on this Plan.

20 3.13.7 **Class 12(f)**

21 (a) **Classification.** Class 12(f) consists of all Allowed Claims against  
22 PPA Towne Center subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

23 (b) **Treatment.** No distributions shall be made on account of any  
24 Class 12(f) Claim.

25 (c) **Impairment.** Class 12(f) is impaired; and the holders of Class  
26 12(f) Claims are not entitled to vote on the Plan.

27 3.13.8 **Class 12(g)**

28

1 (a) **Classification.** Class 12(g) consists of all Allowed Interests in  
2 PPA Towne Center.

3 (b) **Treatment.** No distributions shall be made on account of any  
4 Class 12(g) Interest nor shall any property interests be received or retained on account of such  
5 interest. As of the Effective Date: (i) all existing membership interests in PPA Towne Center  
6 will be deemed cancelled and (ii) 100% of the ownership interest in PPA Towne Center will be  
7 vested in Property Assets Operating Co.

8 (c) **Impairment.** Class 12(g) is impaired; and the holders of Class  
9 12(g) Interests are not entitled to vote on the Plan.

### 10 **3.14 PPA Vista Village**

#### 11 **3.14.1 Class 13(a)(1)**

12 (a) **Classification.** Class 13(a)(1) consists of the Allowed Secured  
13 Claim of Federal National Mortgage Association to the extent that such Claim is secured by a  
14 perfected, unavoidable lien against the real property of PPA Vista Village located at 1805 W.  
15 Cortez Street, Phoenix, Arizona.

#### 16 (b) **Treatment.**

17 (i) **Security Interests.** The Class 13(a)(1) Allowed Claim  
18 shall continue to be secured by the real property that presently secures the Class 13(a)(1) Allowed  
19 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
20 Petition Date, and the personal property security interests granted to the holder of the Class  
21 13(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
22 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
23 determines that the Class 13(a)(1) Allowed Claim is adequately protected by the security interest  
24 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
25 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
26 encumbered by the trust deed securing the Class 13(a)(1) Allowed Claim, any lien held by the  
27 holder of the Class 13(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
28 and the proceeds thereof and such Cash shall be used by PPA Vista Village for the purpose of



1 paying any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor  
2 may be obligated pursuant to the terms of this Plan. In the event that the amount of such Cash  
3 exceeds the amount required to pay all Allowed Administrative Claims and Allowed Priority  
4 Claims for which PPA Vista Village is obligated pursuant to the terms of this Plan, any excess  
5 Cash shall be paid by such Debtor to Property Assets Operating Co.

6 (ii) **Claim Amount.** As of the Effective Date, the Class  
7 13(a)(1) Allowed Claim shall be assumed by Reorganized PPA Vista Village subject to the  
8 following: (a) any defaults under the note evidencing the Class 13(a)(1) Allowed Claim shall be  
9 deemed to have been cured in full; and (b) the amount of the Class 13(a)(1) Allowed Claim shall  
10 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
11 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
12 the Effective Date less: (a) any payments on account of the Class 13(a)(1) Allowed Claim  
13 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
14 The Class 13(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
15 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
16 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
17 and one-half percent (6.5%) per annum.

18 (iii) **Claim Payment.**

19 (1) **Section 1111(b) Election Not Made.** In the event  
20 that the holder of the Class 13(a)(1) Allowed Claim does not elect to be treated in accordance  
21 with Bankruptcy Code section 1111(b), the Class 13(a)(1) Allowed Claim shall be paid as  
22 follows: (a) commencing on the first day of the first month following the Effective Date, and  
23 continuing on the first day of each month thereafter until the holder of the Class 13(a)(1) Allowed  
24 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 13(a)(1)  
25 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
26 terms of this Plan; (b) commencing on the first day of the first month following the third  
27 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
28 the holder of the Class 13(a)(1) Allowed Claim shall have received a total of eighty four (84) such

1 payments, the holder of the Class 13(a)(1) Allowed Claim shall receive a payment equal to an  
2 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
3 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
4 month following the tenth anniversary of the Effective Date, the holder of the Class 13(a)(1)  
5 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
6 Claim.

7 (2) **Section 1111(b) Election Made.** In the event that  
8 the holder of the Class 13(a)(1) Allowed Claim elects to be treated in accordance with  
9 Bankruptcy Code section 1111(b), the Class 13(a)(1) Allowed Claim shall be paid as follows: (a)  
10 commencing on the first day of the first month following the Effective Date, and continuing on  
11 the first day of each month thereafter until the holder of the Class 13(a)(1) Allowed Claim shall  
12 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
13 13(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
14 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
15 the Effective Date, the holder of the Class 13(a)(1) Allowed Claim shall receive payment equal to  
16 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
17 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 13(a)(1)  
18 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
19 payments made to the holder of the Class 13(a)(1) claim under this Plan, to provide the holder of  
20 the Class 13(a)(1) Allowed Claim with the present value of the Class 13(a)(1) Allowed Claim as  
21 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

22 (c) **Impairment.** The Class 13(a)(1) claim is impaired; and the holder  
23 of the Class 13(a)(1) Claim is entitled to vote on the Plan.

#### 24 3.14.2 **Class 13(a)(2)**

25 (a) **Classification.** Class 13(a)(2) consists of all Allowed Secured  
26 Claims against PPA Vista Village not otherwise classified in this Article 3.14. Each of such  
27 Claims shall be deemed to be classified within its own separate subclass within Class 13(a)(2) and  
28 each such subclass shall be deemed to be a separate class for purposes of this Plan.

1 (b) **Treatment.** Within 30 days following the Effective Date, the  
2 Committee shall select, in its sole and absolute discretion, one of the following alternative  
3 treatments of each of the Allowed Claims within any of the subclasses in Class 13(a)(2): (a) to  
4 cause the Reorganized Debtor owning the property securing such claim to surrender such  
5 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
6 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
7 and the Committee may agree in writing.

8 (c) **Impairment.** Class 13(a)(2) is impaired; and the holders of Class  
9 13(a)(2) Claims are entitled to vote on the Plan.

10 3.14.3 **Class 13(b).**

11 (a) **Classification.** Class 13(b) consists of all Allowed Employee  
12 Priority Claims against PPA Vista Village.

13 (b) **Treatment.** In the event that all real properties owned by PPA  
14 Vista Village are listed on a Notice of Abandonment, each holder of an Allowed Class 13(b)  
15 Claim shall receive its Pro Rata Share of any Cash held by PPA Vista Village as of the Effective  
16 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
17 PPA Vista Village until such claim has been paid in full, without interest. In the event that all  
18 real properties owned by PPA Vista Village are not listed on a Notice of Abandonment, each  
19 holder of an Allowed Class 13(b) Claim, unless the holder of such Claim have agreed to a  
20 different treatment with PPA Vista Village, shall receive payment in full from PPA Vista Village  
21 from Available Cash, Pro Rata, not less than quarterly, until such Allowed Claim shall have been  
22 paid in full; provided that each Allowed Class 13(b) Claim shall be paid in full, without interest,  
23 not later than one year following the Effective Date.

24 (c) **Impairment.** Class 13(b) is impaired; and the holders of Class  
25 13(b) Claims are entitled to vote on the Plan.

26 3.14.4 **Class 13(c)**

27 (a) **Classification.** Class 13(c) consists of all Allowed Tenant Priority  
28 Claims against PPA Vista Village.

1 (b) **Treatment.** In the event that all real properties owned by PPA  
2 Vista Village are listed on a Notice of Abandonment, each holder of an Allowed Class 13(c)  
3 Claim shall receive its Pro Rata Share of any Cash held by PPA Vista Village as of the Effective  
4 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
5 PPA Vista Village, after payment in full of all Allowed Class 13(b) Claims, until such claim has  
6 been paid in full, without interest.. In the event that all real properties owned by PPA Vista  
7 Village are not listed on a Notice of Abandonment, each holder of an Allowed Class 13(c) Claim,  
8 unless the holder of such Claim have agreed to a different treatment with PPA Vista Village, shall  
9 receive payment in full from PPA Vista Village from Available Cash remaining after payment in  
10 full of all Allowed Class 13(b) Claims, Pro Rata, not less than quarterly, commencing upon the  
11 later of: (a) the date upon which such Claim would be required to be paid in accordance with its  
12 terms or (b) one year following the Effective Date, until such Allowed Claim shall have been paid  
13 in full, provided that each Allowed Class 13(c) Claim shall be paid in full, without interest, not  
14 later than the later of: (a) the date upon which such Claim would be required to be paid in  
15 accordance with its terms or (b) eighteen months following the Effective Date.

16 (c) **Impairment.** Class 13(c) is impaired; and the holders of Class  
17 13(c) Claims are entitled to vote on the Plan.

18 3.14.5 **Class 13(d)**

19 (a) **Classification.** Class 13(d) consists of all Allowed Unsecured  
20 Claims against PPA Vista Village for which one or both of Pacific Property Assets and/or PPA  
21 Holdings are also jointly and severally liable

22 (b) **Treatment.** In the event that all real properties owned by PPA  
23 Vista Village are listed on a Notice of Abandonment, each holder of an Allowed Class 13(d)  
24 Claim shall receive, together with the holders of the Allowed Class 13(e) Claims, its Pro Rata  
25 Share of any Cash held by PPA Vista Village as of the Effective Date, other than Cash subject to  
26 a security interest securing an Allowed Secured Claim against PPA Vista Village, after payment  
27 in full of all Allowed Class 13(b) Claims and all Allowed Class 13(c) Claims. In the event that  
28 all real properties owned by PPA Vista Village are not listed on a Notice of Abandonment, each

1 holder of an Allowed Class 13(d) Claim shall receive, at the holder's election, either: (i) an  
2 interest in Property Assets Operating Co. as provided in the Operating Agreement of Property  
3 Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 13(d)  
4 Claim and shall not receive any distribution from any other Debtor who may also be liable on  
5 account of such Allowed Claim; or (ii) a promissory note from PPA Vista Village for the  
6 Liquidation Value of such Class 13(d) claim as determined at the Confirmation Hearing, which  
7 note will be due and payable on or before the tenth (10th) anniversary of the Effective Date of the  
8 Plan, with interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a)  
9 in effect on the Effective Date, or such other rate as may be determined and fixed in the  
10 Confirmation Order. The election to select option (i) or option (ii) must be made in writing  
11 delivered to counsel for the Committee not later than ten (10) days following the entry of the  
12 Confirmation Order. Any claimant who fails to make a timely election shall be conclusively  
13 deemed to have selected option (i), above.

14 (c) **Impairment.** Class 13(d) is impaired; and the holders of Class  
15 13(d) Claims are entitled to vote on the Plan.

16 3.14.6 **Class 13(e)**

17 (a) **Classification.** Class 13(e) consists of all Allowed Unsecured  
18 Claims against PPA Vista Village other than those classified in Class 13(d).

19 (b) **Treatment.** In the event that all real properties owned by PPA  
20 Vista Village are listed on a Notice of Abandonment, each holder of an Allowed Class 13(e)  
21 Claim shall receive, together with the holders of Allowed Class 13(d) Claims, its Pro Rata Share  
22 of any Cash held by PPA Vista Village as of the Effective Date together with any Cash acquired  
23 thereafter, other than Cash subject to a security interest securing an Allowed Secured Claim  
24 against PPA Vista Village, after payment in full of all Allowed Class 13(b) Claims and all  
25 Allowed Class 13(c) Claims, which shall be paid as soon as practicable after the Effective Date.  
26 In the event that all real properties owned by PPA Vista Village are not listed on a Notice of  
27 Abandonment, each holder of an Allowed Class 13(e) Claim shall receive a promissory note from  
28 PPA Vista Village for the Liquidation Value of the claim as determined at the Confirmation

1 Hearing, which note will be due and payable on or before the tenth (10th) anniversary of the  
2 Effective Date of the Plan, with interest thereon at the federal judgment rate as provided in 28  
3 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may be determined  
4 and fixed in the Confirmation Order in full satisfaction of such Allowed Class 13(e) Claim.

5 (c) **Impairment.** Class 13(e) is impaired; and the holders of Class  
6 13(e) Claims are entitled to vote on this Plan.

7 **3.14.7 Class 13(f)**

8 (a) **Classification.** Class 13(f) consists of all Allowed Claims against  
9 PPA Vista Village subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

10 (b) **Treatment.** No distributions shall be made on account of any  
11 Class 13(f) Claim.

12 (c) **Impairment.** Class 13(f) is impaired; and the holders of Class  
13 13(f) Claims are not entitled to vote on the Plan.

14 **3.14.8 Class 13(g)**

15 (a) **Classification.** Class 13(g) consists of all Allowed Interests in  
16 PPA Vista Village.

17 (b) **Treatment.** No distributions shall be made on account of any  
18 Class 13(g) Interest nor shall any property interests be received or retained on account of such  
19 interest. As of the Effective Date: (i) all existing membership interests in PPA Vista Village will  
20 be deemed cancelled and (ii) 100% of the ownership interest in PPA Vista Village will be vested  
21 in Property Assets Operating Co.

22 (c) **Impairment.** Class 13(g) is impaired; and the holders of Class  
23 13(g) Interests are not entitled to vote on the Plan.

24 **3.15 Sycamore Shadows**

25 **3.15.1 Class 14(a)(1)**

26 (a) **Classification.** Class 14(a)(1) consists of the Allowed Secured  
27 Claim of First Private Bank, to the extent that such Claim is secured by a perfected, unavoidable

1 lien against the real property of Sycamore Shadows located at 1436 7th Street, Riverside,  
2 California.

3 (b) **Treatment.**

4 (i) **Security Interests.** The Class 14(a)(1) Allowed Claim  
5 shall continue to be secured by the real property that presently secures the Class 14(a)(1) Allowed  
6 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
7 Petition Date, and the personal property security interests granted to the holder of the Class  
8 14(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
9 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
10 determines that the Class 14(a)(1) Allowed Claim is adequately protected by the security interest  
11 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
12 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
13 encumbered by the trust deed securing the Class 14(a)(1) Allowed Claim, any lien held by the  
14 holder of the Class 14(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
15 and the proceeds thereof and such Cash shall be used by Sycamore Shadows for the purpose of  
16 paying any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor  
17 may be obligated pursuant to the terms of this Plan. In the event that the amount of such Cash  
18 exceeds the amount required to pay all Allowed Administrative Claims and Allowed Priority  
19 Claims for which Sycamore Shadows is obligated pursuant to the terms of this Plan, any excess  
20 Cash shall be paid by such Debtor to Property Assets Operating Co.

21 (ii) **Claim Amount.** As of the Effective Date, the Class  
22 14(a)(1) Allowed Claim shall be assumed by Reorganized Sycamore Shadows subject to the  
23 following: (a) any defaults under the note evidencing the Class 14(a)(1) Allowed Claim shall be  
24 deemed to have been cured in full; and (b) the amount of the Class 14(a)(1) Allowed Claim shall  
25 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
26 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
27 the Effective Date less: (a) any payments on account of the Class 14(a)(1) Allowed Claim  
28 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.

1 The Class 14(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
2 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
3 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
4 and one-half percent (6.5%) per annum.

5 (iii) **Claim Payment.**

6 (1) **Section 1111(b) Election Not Made.** In the event  
7 that the holder of the Class 14(a)(1) Allowed Claim does not elect to be treated in accordance  
8 with Bankruptcy Code section 1111(b), the Class 14(a)(1) Allowed Claim shall be paid as  
9 follows: (a) commencing on the first day of the first month following the Effective Date, and  
10 continuing on the first day of each month thereafter until the holder of the Class 14(a)(1) Allowed  
11 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 14(a)(1)  
12 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
13 terms of this Plan; (b) commencing on the first day of the first month following the third  
14 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
15 the holder of the Class 14(a)(1) Allowed Claim shall have received a total of eighty four (84) such  
16 payments, the holder of the Class 14(a)(1) Allowed Claim shall receive a payment equal to an  
17 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
18 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
19 month following the tenth anniversary of the Effective Date, the holder of the Class 14(a)(1)  
20 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
21 Claim.

22 (2) **Section 1111(b) Election Made.** In the event that  
23 the holder of the Class 14(a)(1) Allowed Claim elects to be treated in accordance with  
24 Bankruptcy Code section 1111(b), the Class 14(a)(1) Allowed Claim shall be paid as follows: (a)  
25 commencing on the first day of the first month following the Effective Date, and continuing on  
26 the first day of each month thereafter until the holder of the Class 14(a)(1) Allowed Claim shall  
27 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
28 14(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under



1 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
2 the Effective Date, the holder of the Class 14(a)(1) Allowed Claim shall receive payment equal to  
3 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
4 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 14(a)(1)  
5 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
6 payments made to the holder of the Class 14(a)(1) claim under this Plan, to provide the holder of  
7 the Class 14(a)(1) Allowed Claim with the present value of the Class 14(a)(1) Allowed Claim as  
8 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

9 (c) **Impairment.** The Class 14(a)(1) claim is impaired; and the holder  
10 of the Class 14(a)(1) Claim is entitled to vote on the Plan.

### 11 3.15.2 Class 14(a)(2)

12 (a) **Classification.** Class 14(a)(2) consists of all Allowed Secured  
13 Claims against Sycamore Shadows not otherwise classified in this Article 3.15. Each of such  
14 Claims shall be deemed to be classified within its own separate subclass within Class 14(a)(2) and  
15 each such subclass shall be deemed to be a separate class for purposes of this Plan.

16 (b) **Treatment.** Within 30 days following the Effective Date, the  
17 Committee shall select, in its sole and absolute discretion, one of the following alternative  
18 treatments of each of the Allowed Claims within any of the subclasses in Class 14(a)(2): (a) to  
19 cause the Reorganized Debtor owning the property securing such claim to surrender such  
20 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
21 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
22 and the Committee may agree in writing.

23 (c) **Impairment.** Class 14(a)(2) is impaired; and the holders of Class  
24 14(a)(2) Claims are entitled to vote on the Plan.

### 25 3.15.3 Class 14(b).

26 (a) **Classification.** Class 14(b) consists of all Allowed Employee  
27 Priority Claims against Sycamore Shadows.

1 (b) **Treatment.** In the event that all real properties owned by  
2 Sycamore Shadows are listed on a Notice of Abandonment, each holder of an Allowed Class  
3 14(b) Claim shall receive its Pro Rata Share of any Cash held by Sycamore Shadows as of the  
4 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim  
5 against Sycamore Shadows until such claim has been paid in full, without interest. In the event  
6 that all real properties owned by Sycamore Shadows are not listed on a Notice of Abandonment,  
7 each holder of an Allowed Class 14(b) Claim, unless the holder of such Claim have agreed to a  
8 different treatment with Sycamore Shadows, shall receive payment in full from Sycamore  
9 Shadows from Available Cash, Pro Rata, not less than quarterly, until such Allowed Claim shall  
10 have been paid in full; provided that each Allowed Class 14(b) Claim shall be paid in full,  
11 without interest, not later than one year following the Effective Date.

12 (c) **Impairment.** Class 14(b) is impaired; and the holders of Class  
13 14(b) Claims are entitled to vote on the Plan.

14 **3.15.4 Class 14(c)**

15 (a) **Classification.** Class 14(c) consists of all Allowed Tenant Priority  
16 Claims against Sycamore Shadows.

17 (b) **Treatment.** In the event that all real properties owned by  
18 Sycamore Shadows are listed on a Notice of Abandonment, each holder of an Allowed Class  
19 14(c) Claim shall receive its Pro Rata Share of any Cash held by Sycamore Shadows as of the  
20 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim  
21 against Sycamore Shadows, after payment in full of all Allowed Class 14(b) Claims, until such  
22 claim has been paid in full, without interest.. In the event that all real properties owned by  
23 Sycamore Shadows are not listed on a Notice of Abandonment, each holder of an Allowed Class  
24 14(c) Claim, unless the holder of such Claim have agreed to a different treatment with Sycamore  
25 Shadows, shall receive payment in full from Sycamore Shadows from Available Cash remaining  
26 after payment in full of all Allowed Class 14(b) Claims, Pro Rata, not less than quarterly,  
27 commencing upon the later of: (a) the date upon which such Claim would be required to be paid  
28 in accordance with its terms or (b) one year following the Effective Date, until such Allowed

1 Claim shall have been paid in full, provided that each Allowed Class 14(c) Claim shall be paid in  
2 full, without interest, not later than the later of: (a) the date upon which such Claim would be  
3 required to be paid in accordance with its terms or (b) eighteen months following the Effective  
4 Date.

5 (c) **Impairment.** Class 14(c) is impaired; and the holders of Class  
6 14(c) Claims are entitled to vote on the Plan.

7 **3.15.5 Class 14(d)**

8 (a) **Classification.** Class 14(d) consists of all Allowed Unsecured  
9 Claims against Sycamore Shadows for which one or both of Pacific Property Assets and/or PPA  
10 Holdings are also jointly and severally liable

11 (b) **Treatment.** In the event that all real properties owned by  
12 Sycamore Shadows are listed on a Notice of Abandonment, each holder of an Allowed Class  
13 14(d) Claim shall receive, together with the holders of the Allowed Class 14(e) Claims, its Pro  
14 Rata Share of any Cash held by Sycamore Shadows as of the Effective Date, other than Cash  
15 subject to a security interest securing an Allowed Secured Claim against Sycamore Shadows,  
16 after payment in full of all Allowed Class 14(b) Claims and all Allowed Class 14(c) Claims. In  
17 the event that all real properties owned by Sycamore Shadows are not listed on a Notice of  
18 Abandonment, each holder of an Allowed Class 14(d) Claim shall receive, at the holder's  
19 election, either: (i) an interest in Property Assets Operating Co. as provided in the Operating  
20 Agreement of Property Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such  
21 Allowed Class 14(d) Claim and shall not receive any distribution from any other Debtor who may  
22 also be liable on account of such Allowed Claim; or (ii) a promissory note from Sycamore  
23 Shadows for the Liquidation Value of such Class 14(d) claim as determined at the Confirmation  
24 Hearing, which note will be due and payable on or before the tenth (10th) anniversary of the  
25 Effective Date of the Plan, with interest thereon at the federal judgment rate as provided in 28  
26 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may be determined  
27 and fixed in the Confirmation Order. The election to select option (i) or option (ii) must be made  
28 in writing delivered to counsel for the Committee not later than ten (10) days following the entry

1 of the Confirmation Order. Any claimant who fails to make a timely election shall be  
2 conclusively deemed to have selected option (i), above.

3 (c) **Impairment.** Class 14(d) is impaired; and the holders of Class  
4 14(d) Claims are entitled to vote on the Plan.

5 3.15.6 **Class 14(e)**

6 (a) **Classification.** Class 14(e) consists of all Allowed Unsecured  
7 Claims against Sycamore Shadows other than those classified in Class 14(d).

8 (b) **Treatment.** In the event that all real properties owned by  
9 Sycamore Shadows are listed on a Notice of Abandonment, each holder of an Allowed Class  
10 14(e) Claim shall receive, together with the holders of Allowed Class 14(d) Claims, its Pro Rata  
11 Share of any Cash held by Sycamore Shadows as of the Effective Date together with any Cash  
12 acquired thereafter, other than Cash subject to a security interest securing an Allowed Secured  
13 Claim against Sycamore Shadows, after payment in full of all Allowed Class 14(b) Claims and all  
14 Allowed Class 14(c) Claims, which shall be paid as soon as practicable after the Effective Date.  
15 In the event that all real properties owned by Sycamore Shadows are not listed on a Notice of  
16 Abandonment, each holder of an Allowed Class 14(e) Claim shall receive a promissory note from  
17 Sycamore Shadows for the Liquidation Value of the claim as determined at the Confirmation  
18 Hearing, which note will be due and payable on or before the tenth (10th) anniversary of the  
19 Effective Date of the Plan, with interest thereon at the federal judgment rate as provided in 28  
20 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may be determined  
21 and fixed in the Confirmation Order in full satisfaction of such Allowed Class 14(e) Claim.

22 (c) **Impairment.** Class 14(e) is impaired; and the holders of Class  
23 14(e) Claims are entitled to vote on this Plan.

24 3.15.7 **Class 14(f)**

25 (a) **Classification.** Class 14(f) consists of all Allowed Claims against  
26 Sycamore Shadows subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

27 (b) **Treatment.** No distributions shall be made on account of any  
28 Class 14(f) Claim.

1 (c) **Impairment.** Class 14(f) is impaired; and the holders of Class  
2 14(f) Claims are not entitled to vote on the Plan.

3 3.15.8 **Class 14(g)**

4 (a) **Classification.** Class 14(g) consists of all Allowed Interests in  
5 Sycamore Shadows.

6 (b) **Treatment.** No distributions shall be made on account of any  
7 Class 14(g) Interest nor shall any property interests be received or retained on account of such  
8 interest. As of the Effective Date: (i) all existing membership interests in Sycamore Shadows  
9 will be deemed cancelled and (ii) 100% of the ownership interest in Sycamore Shadows will be  
10 vested in Property Assets Operating Co.

11 (c) **Impairment.** Class 14(g) is impaired; and the holders of Class  
12 14(g) Interests are not entitled to vote on the Plan.

13 **3.16 Sundancer Apartments**

14 3.16.1 **Class 15(a)(1)**

15 (a) **Classification.** Class 15(a)(1) consists of the Allowed Secured  
16 Claim of Cathay Bank, to the extent that such Claim is secured by a perfected, unavoidable lien  
17 against the real property of Sundancer Apartments located at 400 North 96th Avenue, Tolleson,  
18 Arizona.

19 (b) **Treatment.**

20 (i) **Security Interests.** The Class 15(a)(1) Allowed Claim  
21 shall continue to be secured by the real property that presently secures the Class 15(a)(1) Allowed  
22 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
23 Petition Date, and the personal property security interests granted to the holder of the Class  
24 15(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
25 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
26 determines that the Class 15(a)(1) Allowed Claim is adequately protected by the security interest  
27 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
28 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property

1 encumbered by the trust deed securing the Class 15(a)(1) Allowed Claim, any lien held by the  
2 holder of the Class 15(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
3 and the proceeds thereof and such Cash shall be used by Sundancer Apartments for the purpose of  
4 paying any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor  
5 may be obligated pursuant to the terms of this Plan. In the event that the amount of such Cash  
6 exceeds the amount required to pay all Allowed Administrative Claims and Allowed Priority  
7 Claims for which Sundancer Apartments is obligated pursuant to the terms of this Plan, any  
8 excess Cash shall be paid by such Debtor to Property Assets Operating Co.

9 (ii) **Claim Amount.** As of the Effective Date, the Class  
10 15(a)(1) Allowed Claim shall be assumed by Reorganized Sundancer Apartments subject to the  
11 following: (a) any defaults under the note evidencing the Class 15(a)(1) Allowed Claim shall be  
12 deemed to have been cured in full; and (b) the amount of the Class 15(a)(1) Allowed Claim shall  
13 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
14 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
15 the Effective Date less: (a) any payments on account of the Class 15(a)(1) Allowed Claim  
16 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
17 The Class 15(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
18 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
19 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
20 and one-half percent (6.5%) per annum.

21 (iii) **Claim Payment.**

22 (1) **Section 1111(b) Election Not Made.** In the event  
23 that the holder of the Class 15(a)(1) Allowed Claim does not elect to be treated in accordance  
24 with Bankruptcy Code section 1111(b), the Class 15(a)(1) Allowed Claim shall be paid as  
25 follows: (a) commencing on the first day of the first month following the Effective Date, and  
26 continuing on the first day of each month thereafter until the holder of the Class 15(a)(1) Allowed  
27 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 15(a)(1)  
28 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the

1 terms of this Plan; (b) commencing on the first day of the first month following the third  
2 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
3 the holder of the Class 15(a)(1) Allowed Claim shall have received a total of eighty four (84) such  
4 payments, the holder of the Class 15(a)(1) Allowed Claim shall receive a payment equal to an  
5 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
6 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
7 month following the tenth anniversary of the Effective Date, the holder of the Class 15(a)(1)  
8 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
9 Claim.

10 (2) **Section 1111(b) Election Made.** In the event that  
11 the holder of the Class 15(a)(1) Allowed Claim elects to be treated in accordance with  
12 Bankruptcy Code section 1111(b), the Class 15(a)(1) Allowed Claim shall be paid as follows: (a)  
13 commencing on the first day of the first month following the Effective Date, and continuing on  
14 the first day of each month thereafter until the holder of the Class 15(a)(1) Allowed Claim shall  
15 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
16 15(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
17 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
18 the Effective Date, the holder of the Class 15(a)(1) Allowed Claim shall receive payment equal to  
19 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
20 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 15(a)(1)  
21 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
22 payments made to the holder of the Class 15(a)(1) claim under this Plan, to provide the holder of  
23 the Class 15(a)(1) Allowed Claim with the present value of the Class 15(a)(1) Allowed Claim as  
24 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

25 (c) **Impairment.** The Class 15(a)(1) claim is impaired; and the holder  
26 of the Class 15(a)(1) Claim is entitled to vote on the Plan.

27 **3.16.2 Class 15(a)(2)**

1 (a) **Classification.** Class 15(a)(2) consists of all Allowed Secured  
2 Claims against Sundancer Apartments not otherwise classified in this Article 3.16. Each of such  
3 Claims shall be deemed to be classified within its own separate subclass within Class 15(a)(2) and  
4 each such subclass shall be deemed to be a separate class for purposes of this Plan.

5 (b) **Treatment.** Within 30 days following the Effective Date, the  
6 Committee shall select, in its sole and absolute discretion, one of the following alternative  
7 treatments of each of the Allowed Claims within any of the subclasses in Class 15(a)(2): (a) to  
8 cause the Reorganized Debtor owning the property securing such claim to surrender such  
9 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
10 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
11 and the Committee may agree in writing.

12 (c) **Impairment.** Class 15(a)(2) is impaired; and the holders of Class  
13 15(a)(2) Claims are entitled to vote on the Plan.

14 3.16.3 **Class 15(b).**

15 (a) **Classification.** Class 15(b) consists of all Allowed Employee  
16 Priority Claims against Sundancer Apartments.

17 (b) **Treatment.** In the event that all real properties owned by  
18 Sundancer Apartments are listed on a Notice of Abandonment, each holder of an Allowed Class  
19 15(b) Claim shall receive its Pro Rata Share of any Cash held by Sundancer Apartments as of the  
20 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim  
21 against Sundancer Apartments until such claim has been paid in full, without interest. In the  
22 event that all real properties owned by Sundancer Apartments are not listed on a Notice of  
23 Abandonment, each holder of an Allowed Class 15(b) Claim, unless the holder of such Claim  
24 have agreed to a different treatment with Sundancer Apartments, shall receive payment in full  
25 from Sundancer Apartments from Available Cash, Pro Rata, not less than quarterly, until such  
26 Allowed Claim shall have been paid in full; provided that each Allowed Class 15(b) Claim shall  
27 be paid in full, without interest, not later than one year following the Effective Date.

28



1 (c) **Impairment.** Class 15(b) is impaired; and the holders of Class  
2 15(b) Claims are entitled to vote on the Plan.

3 3.16.4 **Class 15(c)**

4 (a) **Classification.** Class 15(c) consists of all Allowed Tenant Priority  
5 Claims against Sundancer Apartments.

6 (b) **Treatment.** In the event that all real properties owned by  
7 Sundancer Apartments are listed on a Notice of Abandonment, each holder of an Allowed Class  
8 15(c) Claim shall receive its Pro Rata Share of any Cash held by Sundancer Apartments as of the  
9 Effective Date, other than Cash subject to a security interest securing an Allowed Secured Claim  
10 against Sundancer Apartments, after payment in full of all Allowed Class 15(b) Claims, until such  
11 claim has been paid in full, without interest.. In the event that all real properties owned by  
12 Sundancer Apartments are not listed on a Notice of Abandonment, each holder of an Allowed  
13 Class 15(c) Claim, unless the holder of such Claim have agreed to a different treatment with  
14 Sundancer Apartments, shall receive payment in full from Sundancer Apartments from Available  
15 Cash remaining after payment in full of all Allowed Class 15(b) Claims, Pro Rata, not less than  
16 quarterly, commencing upon the later of: (a) the date upon which such Claim would be required  
17 to be paid in accordance with its terms or (b) one year following the Effective Date, until such  
18 Allowed Claim shall have been paid in full, provided that each Allowed Class 15(c) Claim shall  
19 be paid in full, without interest, not later than the later of: (a) the date upon which such Claim  
20 would be required to be paid in accordance with its terms or (b) eighteen months following the  
21 Effective Date.

22 (c) **Impairment.** Class 15(c) is impaired; and the holders of Class  
23 15(c) Claims are entitled to vote on the Plan.

24 3.16.5 **Class 15(d)**

25 (a) **Classification.** Class 15(d) consists of all Allowed Unsecured  
26 Claims against Sundancer Apartments for which one or both of Pacific Property Assets and/or  
27 PPA Holdings are also jointly and severally liable

28

1 (b) **Treatment.** In the event that all real properties owned by  
2 Sundancer Apartments are listed on a Notice of Abandonment, each holder of an Allowed Class  
3 15(d) Claim shall receive, together with the holders of the Allowed Class 15(e) Claims, its Pro  
4 Rata Share of any Cash held by Sundancer Apartments as of the Effective Date, other than Cash  
5 subject to a security interest securing an Allowed Secured Claim against Sundancer Apartments,  
6 after payment in full of all Allowed Class 15(b) Claims and all Allowed Class 15(c) Claims. In  
7 the event that all real properties owned by Sundancer Apartments are not listed on a Notice of  
8 Abandonment, each holder of an Allowed Class 15(d) Claim shall receive, at the holder's  
9 election, either: (i) an interest in Property Assets Operating Co. as provided in the Operating  
10 Agreement of Property Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such  
11 Allowed Class 15(d) Claim and shall not receive any distribution from any other Debtor who may  
12 also be liable on account of such Allowed Claim; or (ii) a promissory note from Sundancer  
13 Apartments for the Liquidation Value of such Class 15(d) claim as determined at the  
14 Confirmation Hearing, which note will be due and payable on or before the tenth (10th)  
15 anniversary of the Effective Date of the Plan, with interest thereon at the federal judgment rate as  
16 provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may  
17 be determined and fixed in the Confirmation Order. The election to select option (i) or option (ii)  
18 must be made in writing delivered to counsel for the Committee not later than ten (10) days  
19 following the entry of the Confirmation Order. Any claimant who fails to make a timely election  
20 shall be conclusively deemed to have selected option (i), above.

21 (c) **Impairment.** Class 15(d) is impaired; and the holders of Class  
22 15(d) Claims are entitled to vote on the Plan.

### 23 3.16.6 Class 15(e)

24 (a) **Classification.** Class 15(e) consists of all Allowed Unsecured  
25 Claims against Sundancer Apartments other than those classified in Class 15(d).

26 (b) **Treatment.** In the event that all real properties owned by  
27 Sundancer Apartments are listed on a Notice of Abandonment, each holder of an Allowed Class  
28 15(e) Claim shall receive, together with the holders of Allowed Class 15(d) Claims, its Pro Rata

1 Share of any Cash held by Sundancer Apartments as of the Effective Date together with any Cash  
2 acquired thereafter, other than Cash subject to a security interest securing an Allowed Secured  
3 Claim against Sundancer Apartments, after payment in full of all Allowed Class 15(b) Claims and  
4 all Allowed Class 15(c) Claims, which shall be paid as soon as practicable after the Effective  
5 Date. In the event that all real properties owned by Sundancer Apartments are not listed on a  
6 Notice of Abandonment, each holder of an Allowed Class 15(e) Claim shall receive a promissory  
7 note from Sundancer Apartments for the Liquidation Value of the claim as determined at the  
8 Confirmation Hearing, which note will be due and payable on or before the tenth (10th)  
9 anniversary of the Effective Date of the Plan, with interest thereon at the federal judgment rate as  
10 provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may  
11 be determined and fixed in the Confirmation Order in full satisfaction of such Allowed Class  
12 15(e) Claim.

13 (c) **Impairment.** Class 15(e) is impaired; and the holders of Class  
14 15(e) Claims are entitled to vote on this Plan.

15 3.16.7 **Class 15(f)**

16 (a) **Classification.** Class 15(f) consists of all Allowed Claims against  
17 Sundancer Apartments subordinated pursuant to the provisions of Bankruptcy Code section  
18 510(c).

19 (b) **Treatment.** No distributions shall be made on account of any  
20 Class 15(f) Claim.

21 (c) **Impairment.** Class 15(f) is impaired; and the holders of Class  
22 15(f) Claims are not entitled to vote on the Plan.

23 3.16.8 **Class 15(g)**

24 (a) **Classification.** Class 15(g) consists of all Allowed Interests in  
25 Sundancer Apartments.

26 (b) **Treatment.** No distributions shall be made on account of any  
27 Class 15(g) Interest nor shall any property interests be received or retained on account of such  
28 interest. As of the Effective Date: (i) all existing membership interests in Sundancer Apartments

1 will be deemed cancelled and (ii) 100% of the ownership interest in Sundancer Apartments will  
2 be vested in Property Assets Operating Co.

3 (c) **Impairment.** Class 15(g) is impaired; and the holders of Class  
4 15(g) Interests are not entitled to vote on the Plan.

5 **3.17 Villa Las Brisas**

6 **3.17.1 Class 16(a)(1)**

7 (a) **Classification.** Class 16(a)(1) consists of the Allowed Secured  
8 Claim of Chinatrust Bank, to the extent that such Claim is secured by a perfected, unavoidable  
9 lien against the real property of Villa Las Brisas located at 1705-11 East 10th Street, Long Beach,  
10 California.

11 (b) **Treatment.**

12 (i) **Security Interests.** The Class 16(a)(1) Allowed Claim  
13 shall continue to be secured by the real property that presently secures the Class 16(a)(1) Allowed  
14 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
15 Petition Date, and the personal property security interests granted to the holder of the Class  
16 16(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
17 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
18 determines that the Class 16(a)(1) Allowed Claim is adequately protected by the security interest  
19 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
20 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
21 encumbered by the trust deed securing the Class 16(a)(1) Allowed Claim, any lien held by the  
22 holder of the Class 16(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
23 and the proceeds thereof and such Cash shall be used by Villa Las Brisas for the purpose of  
24 paying any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor  
25 may be obligated pursuant to the terms of this Plan. In the event that the amount of such Cash  
26 exceeds the amount required to pay all Allowed Administrative Claims and Allowed Priority  
27 Claims for which Villa Las Brisas is obligated pursuant to the terms of this Plan, any excess Cash  
28 shall be paid by such Debtor to Property Assets Operating Co.

1 (ii) **Claim Amount.** As of the Effective Date, the Class  
2 16(a)(1) Allowed Claim shall be assumed by Reorganized Villa Las Brisas subject to the  
3 following: (a) any defaults under the note evidencing the Class 16(a)(1) Allowed Claim shall be  
4 deemed to have been cured in full; and (b) the amount of the Class 16(a)(1) Allowed Claim shall  
5 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
6 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
7 the Effective Date less: (a) any payments on account of the Class 16(a)(1) Allowed Claim  
8 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
9 The Class 16(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
10 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
11 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
12 and one-half percent (6.5%) per annum.

13 (iii) **Claim Payment.**

14 (1) **Section 1111(b) Election Not Made.** In the event  
15 that the holder of the Class 16(a)(1) Allowed Claim does not elect to be treated in accordance  
16 with Bankruptcy Code section 1111(b), the Class 16(a)(1) Allowed Claim shall be paid as  
17 follows: (a) commencing on the first day of the first month following the Effective Date, and  
18 continuing on the first day of each month thereafter until the holder of the Class 16(a)(1) Allowed  
19 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 16(a)(1)  
20 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
21 terms of this Plan; (b) commencing on the first day of the first month following the third  
22 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
23 the holder of the Class 16(a)(1) Allowed Claim shall have received a total of eighty four (84) such  
24 payments, the holder of the Class 16(a)(1) Allowed Claim shall receive a payment equal to an  
25 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
26 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
27 month following the tenth anniversary of the Effective Date, the holder of the Class 16(a)(1)

28

1 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
2 Claim.

3 (2) **Section 1111(b) Election Made.** In the event that  
4 the holder of the Class 16(a)(1) Allowed Claim elects to be treated in accordance with  
5 Bankruptcy Code section 1111(b), the Class 16(a)(1) Allowed Claim shall be paid as follows: (a)  
6 commencing on the first day of the first month following the Effective Date, and continuing on  
7 the first day of each month thereafter until the holder of the Class 16(a)(1) Allowed Claim shall  
8 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
9 16(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
10 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
11 the Effective Date, the holder of the Class 16(a)(1) Allowed Claim shall receive payment equal to  
12 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
13 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 16(a)(1)  
14 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all  
15 payments made to the holder of the Class 16(a)(1) claim under this Plan, to provide the holder of  
16 the Class 16(a)(1) Allowed Claim with the present value of the Class 16(a)(1) Allowed Claim as  
17 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

18 (c) **Impairment.** The Class 16(a)(1) claim is impaired; and the holder  
19 of the Class 16(a)(1) Claim is entitled to vote on the Plan.

### 20 3.17.2 **Class 16(a)(2)**

21 (a) **Classification.** Class 16(a)(2) consists of all Allowed Secured  
22 Claims against Villas Las Brisas not otherwise classified in this Article 3.17. Each of such  
23 Claims shall be deemed to be classified within its own separate subclass within Class 16(a)(2) and  
24 each such subclass shall be deemed to be a separate class for purposes of this Plan.

25 (b) **Treatment.** Within 30 days following the Effective Date, the  
26 Committee shall select, in its sole and absolute discretion, one of the following alternative  
27 treatments of each of the Allowed Claims within any of the subclasses in Class 16(a)(2): (a) to  
28 cause the Reorganized Debtor owning the property securing such claim to surrender such

1 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
2 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
3 and the Committee may agree in writing.

4 (c) **Impairment.** Class 16(a)(2) is impaired; and the holders of Class  
5 16(a)(2) Claims are entitled to vote on the Plan.

6 3.17.3 **Class 16(b).**

7 (a) **Classification.** Class 16(b) consists of all Allowed Employee  
8 Priority Claims against Villas Las Brisas.

9 (b) **Treatment.** In the event that all real properties owned by Villas  
10 Las Brisas are listed on a Notice of Abandonment, each holder of an Allowed Class 16(b) Claim  
11 shall receive its Pro Rata Share of any Cash held by Villas Las Brisas as of the Effective Date,  
12 other than Cash subject to a security interest securing an Allowed Secured Claim against Villas  
13 Las Brisas until such claim has been paid in full, without interest. In the event that all real  
14 properties owned by Villas Las Brisas are not listed on a Notice of Abandonment, each holder of  
15 an Allowed Class 16(b) Claim, unless the holder of such Claim have agreed to a different  
16 treatment with Villas Las Brisas, shall receive payment in full from Villas Las Brisas from  
17 Available Cash, Pro Rata, not less than quarterly, until such Allowed Claim shall have been paid  
18 in full; provided that each Allowed Class 16(b) Claim shall be paid in full, without interest, not  
19 later than one year following the Effective Date.

20 (c) **Impairment.** Class 16(b) is impaired; and the holders of Class  
21 16(b) Claims are entitled to vote on the Plan.

22 3.17.4 **Class 16(c)**

23 (a) **Classification.** Class 16(c) consists of all Allowed Tenant Priority  
24 Claims against Villas Las Brisas.

25 (b) **Treatment.** In the event that all real properties owned by Villas  
26 Las Brisas are listed on a Notice of Abandonment, each holder of an Allowed Class 16(c) Claim  
27 shall receive its Pro Rata Share of any Cash held by Villas Las Brisas as of the Effective Date,  
28 other than Cash subject to a security interest securing an Allowed Secured Claim against Villas

1 Las Brisas, after payment in full of all Allowed Class 16(b) Claims, until such claim has been  
2 paid in full, without interest.. In the event that all real properties owned by Villas Las Brisas are  
3 not listed on a Notice of Abandonment, each holder of an Allowed Class 16(c) Claim, unless the  
4 holder of such Claim have agreed to a different treatment with Villas Las Brisas, shall receive  
5 payment in full from Villas Las Brisas from Available Cash remaining after payment in full of all  
6 Allowed Class 16(b) Claims, Pro Rata, not less than quarterly, commencing upon the later of: (a)  
7 the date upon which such Claim would be required to be paid in accordance with its terms or (b)  
8 one year following the Effective Date, until such Allowed Claim shall have been paid in full,  
9 provided that each Allowed Class 16(c) Claim shall be paid in full, without interest, not later than  
10 the later of: (a) the date upon which such Claim would be required to be paid in accordance with  
11 its terms or (b) eighteen months following the Effective Date.

12 (c) **Impairment.** Class 16(c) is impaired; and the holders of Class  
13 16(c) Claims are entitled to vote on the Plan.

14 **3.17.5 Class 16(d)**

15 (a) **Classification.** Class 16(d) consists of all Allowed Unsecured  
16 Claims against Villas Las Brisas for which one or both of Pacific Property Assets and/or PPA  
17 Holdings are also jointly and severally liable

18 (b) **Treatment.** In the event that all real properties owned by Villas  
19 Las Brisas are listed on a Notice of Abandonment, each holder of an Allowed Class 16(d) Claim  
20 shall receive, together with the holders of the Allowed Class 16(e) Claims, its Pro Rata Share of  
21 any Cash held by Villas Las Brisas as of the Effective Date, other than Cash subject to a security  
22 interest securing an Allowed Secured Claim against Villas Las Brisas, after payment in full of all  
23 Allowed Class 16(b) Claims and all Allowed Class 16(c) Claims. In the event that all real  
24 properties owned by Villas Las Brisas are not listed on a Notice of Abandonment, each holder of  
25 an Allowed Class 16(d) Claim shall receive, at the holder's election, either: (i) an interest in  
26 Property Assets Operating Co. as provided in the Operating Agreement of Property Assets  
27 Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 16(d) Claim and  
28 shall not receive any distribution from any other Debtor who may also be liable on account of



1 such Allowed Claim; or (ii) a promissory note from Villas Las Brisas for the Liquidation Value of  
2 such Class 16(d) claim as determined at the Confirmation Hearing, which note will be due and  
3 payable on or before the tenth (10th) anniversary of the Effective Date of the Plan, with interest  
4 thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the  
5 Effective Date, or such other rate as may be determined and fixed in the Confirmation Order. The  
6 election to select option (i) or option (ii) must be made in writing delivered to counsel for the  
7 Committee not later than ten (10) days following the entry of the Confirmation Order. Any  
8 claimant who fails to make a timely election shall be conclusively deemed to have selected option  
9 (i), above.

10 (c) **Impairment.** Class 16(d) is impaired; and the holders of Class  
11 16(d) Claims are entitled to vote on the Plan.

### 12 3.17.6 Class 16(e)

13 (a) **Classification.** Class 16(e) consists of all Allowed Unsecured  
14 Claims against Villas Las Brisas other than those classified in Class 16(d).

15 (b) **Treatment.** In the event that all real properties owned by Villas  
16 Las Brisas are listed on a Notice of Abandonment, each holder of an Allowed Class 16(e) Claim  
17 shall receive, together with the holders of Allowed Class 16(d) Claims, its Pro Rata Share of any  
18 Cash held by Villas Las Brisas as of the Effective Date together with any Cash acquired  
19 thereafter, other than Cash subject to a security interest securing an Allowed Secured Claim  
20 against Villas Las Brisas, after payment in full of all Allowed Class 16(b) Claims and all Allowed  
21 Class 16(c) Claims, which shall be paid as soon as practicable after the Effective Date. In the  
22 event that all real properties owned by Villas Las Brisas are not listed on a Notice of  
23 Abandonment, each holder of an Allowed Class 16(e) Claim shall receive a promissory note from  
24 Villas Las Brisas for the Liquidation Value of the claim as determined at the Confirmation  
25 Hearing, which note will be due and payable on or before the tenth (10th) anniversary of the  
26 Effective Date of the Plan, with interest thereon at the federal judgment rate as provided in 28  
27 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may be determined  
28 and fixed in the Confirmation Order in full satisfaction of such Allowed Class 16(e) Claim.

1 (c) **Impairment.** Class 16(e) is impaired; and the holders of Class  
2 16(e) Claims are entitled to vote on this Plan.

3 3.17.7 **Class 16(f)**

4 (a) **Classification.** Class 16(f) consists of all Allowed Claims against  
5 Villas Las Brisas subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

6 (b) **Treatment.** No distributions shall be made on account of any  
7 Class 16(f) Claim.

8 (c) **Impairment.** Class 16(f) is impaired; and the holders of Class  
9 16(f) Claims are not entitled to vote on the Plan.

10 3.17.8 **Class 16(g)**

11 (a) **Classification.** Class 16(g) consists of all Allowed Interests in  
12 Villas Las Brisas.

13 (b) **Treatment.** No distributions shall be made on account of any  
14 Class 16(g) Interest nor shall any property interests be received or retained on account of such  
15 interest. As of the Effective Date: (i) all existing membership interests in Villas Las Brisas will  
16 be deemed cancelled and (ii) 100% of the ownership interest in Villas Las Brisas will be vested in  
17 Property Assets Operating Co.

18 (c) **Impairment.** Class 16(g) is impaired; and the holders of Class  
19 16(g) Interests are not entitled to vote on the Plan.

20 **3.18 Villa Rose Avenue**

21 3.18.1 **Class 17(a)(1)**

22 (a) **Classification.** Class 17(a)(1) consists of the Allowed Secured  
23 Claim of First Private Bank, to the extent that such Claim is secured by a perfected, unavoidable  
24 lien against the real property of Villa Rose Avenue located at 1758 Rose Avenue, Long Beach,  
25 California.

26 (b) **Treatment.**

27 (i) **Security Interests.** The Class 17(a)(1) Allowed Claim  
28 shall continue to be secured by the real property that presently secures the Class 17(a)(1) Allowed

1 Claim pursuant to the terms and conditions of the trust deed securing such Claim as of the  
2 Petition Date, and the personal property security interests granted to the holder of the Class  
3 17(a)(1) Allowed Claim in such trust deed, which security interests shall have the same priority as  
4 such security interests had as of the Petition Date. In the event that the Bankruptcy Court  
5 determines that the Class 17(a)(1) Allowed Claim is adequately protected by the security interest  
6 in the Debtor's real property securing such Claim, to the extent that, as of the Effective Date, the  
7 Debtors, or any of them, hold Cash consisting of rents, issues or profits from the real property  
8 encumbered by the trust deed securing the Class 17(a)(1) Allowed Claim, any lien held by the  
9 holder of the Class 17(a)(1) Allowed Claim shall cease to exist upon such rents, issues or profits  
10 and the proceeds thereof and such Cash shall be used by Villa Rose Avenue for the purpose of  
11 paying any Allowed Administrative Claims and Allowed Priority Claims for which such Debtor  
12 may be obligated pursuant to the terms of this Plan. In the event that the amount of such Cash  
13 exceeds the amount required to pay all Allowed Administrative Claims and Allowed Priority  
14 Claims for which Villa Rose Avenue is obligated pursuant to the terms of this Plan, any excess  
15 Cash shall be paid by such Debtor to Property Assets Operating Co.

16 (ii) **Claim Amount.** As of the Effective Date, the Class  
17 17(a)(1) Allowed Claim shall be assumed by Reorganized Villa Rose Avenue subject to the  
18 following: (a) any defaults under the note evidencing the Class 17(a)(1) Allowed Claim shall be  
19 deemed to have been cured in full; and (b) the amount of the Class 17(a)(1) Allowed Claim shall  
20 be equal to the amount of such Claim on the Petition Date plus any interest and other fees and  
21 charges accrued and unpaid on account of such Claim from and after the Petition Date through  
22 the Effective Date less: (a) any payments on account of the Class 17(a)(1) Allowed Claim  
23 received by the holder of such claim and (b) any set offs to which the Debtor may be entitled.  
24 The Class 17(a)(1) Allowed Claim shall bear interest from and after the Effective Date at a rate  
25 equal to the greater of: (a) four and one-half percent (4.5%) per annum or (b) such higher rate of  
26 interest as the Bankruptcy Court may determine at the Confirmation Hearing, not to exceed six  
27 and one-half percent (6.5%) per annum.

28 (iii) **Claim Payment.**

1 (1) **Section 1111(b) Election Not Made.** In the event  
2 that the holder of the Class 17(a)(1) Allowed Claim does not elect to be treated in accordance  
3 with Bankruptcy Code section 1111(b), the Class 17(a)(1) Allowed Claim shall be paid as  
4 follows: (a) commencing on the first day of the first month following the Effective Date, and  
5 continuing on the first day of each month thereafter until the holder of the Class 17(a)(1) Allowed  
6 Claim shall have received a total of thirty six (36) such payments, the holder of the Class 17(a)(1)  
7 Allowed Claim shall receive a payment equal to the interest accrued on such claim under the  
8 terms of this Plan; (b) commencing on the first day of the first month following the third  
9 anniversary of the Effective Date, and continuing on the first day of each month thereafter until  
10 the holder of the Class 17(a)(1) Allowed Claim shall have received a total of eighty four (84) such  
11 payments, the holder of the Class 17(a)(1) Allowed Claim shall receive a payment equal to an  
12 amount that, if paid each and every month for three hundred sixty (360) months, would repay  
13 such claim and interest accruing on such claim in its entirety; and (c) on the first day of the first  
14 month following the tenth anniversary of the Effective Date, the holder of the Class 17(a)(1)  
15 Allowed Claim shall receive payment of any amounts remaining unpaid on account of such  
16 Claim.

17 (2) **Section 1111(b) Election Made.** In the event that  
18 the holder of the Class 17(a)(1) Allowed Claim elects to be treated in accordance with  
19 Bankruptcy Code section 1111(b), the Class 17(a)(1) Allowed Claim shall be paid as follows: (a)  
20 commencing on the first day of the first month following the Effective Date, and continuing on  
21 the first day of each month thereafter until the holder of the Class 17(a)(1) Allowed Claim shall  
22 have received a total of one-hundred and twenty (120) such payments, the holder of the Class  
23 17(a)(1) Allowed Claim shall receive a payment equal to the interest accrued on such claim under  
24 the terms of this Plan; and (b) on the first day of the first month following the tenth anniversary of  
25 the Effective Date, the holder of the Class 17(a)(1) Allowed Claim shall receive payment equal to  
26 the greater of: (a) the amount of such holder's Allowed Claim in accordance with Section  
27 1111(b)(2) less all payments made by the Reorganized Debtor to the holder of the Class 17(a)(1)  
28 Allowed Claim under the terms of this Plan; and (b) the amount necessary, together with all

1 payments made to the holder of the Class 17(a)(1) claim under this Plan, to provide the holder of  
2 the Class 17(a)(1) Allowed Claim with the present value of the Class 17(a)(1) Allowed Claim as  
3 of the Effective Date as determined by the Bankruptcy Court at the Confirmation Hearing.

4 (c) **Impairment.** The Class 17(a)(1) claim is impaired; and the holder  
5 of the Class 17(a)(1) Claim is entitled to vote on the Plan.

6 3.18.2 **Class 17(a)(2)**

7 (a) **Classification.** Class 17(a)(2) consists of all Allowed Secured  
8 Claims against Villa Rose Avenue not otherwise classified in this Article 3.18. Each of such  
9 Claims shall be deemed to be classified within its own separate subclass within Class 17(a)(2) and  
10 each such subclass shall be deemed to be a separate class for purposes of this Plan.

11 (b) **Treatment.** Within 30 days following the Effective Date, the  
12 Committee shall select, in its sole and absolute discretion, one of the following alternative  
13 treatments of each of the Allowed Claims within any of the subclasses in Class 17(a)(2): (a) to  
14 cause the Reorganized Debtor owning the property securing such claim to surrender such  
15 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
16 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
17 and the Committee may agree in writing.

18 (c) **Impairment.** Class 17(a)(2) is impaired; and the holders of Class  
19 17(a)(2) Claims are entitled to vote on the Plan.

20 3.18.3 **Class 17(b).**

21 (a) **Classification.** Class 17(b) consists of all Allowed Employee  
22 Priority Claims against Villa Rose Avenue.

23 (b) **Treatment.** In the event that all real properties owned by Villa  
24 Rose Avenue are listed on a Notice of Abandonment, each holder of an Allowed Class 17(b)  
25 Claim shall receive its Pro Rata Share of any Cash held by Villa Rose Avenue as of the Effective  
26 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
27 Villa Rose Avenue until such claim has been paid in full, without interest. In the event that all  
28 real properties owned by Villa Rose Avenue are not listed on a Notice of Abandonment, each

1 holder of an Allowed Class 17(b) Claim, unless the holder of such Claim have agreed to a  
2 different treatment with Villa Rose Avenue, shall receive payment in full from Villa Rose Avenue  
3 from Available Cash, Pro Rata, not less than quarterly, until such Allowed Claim shall have been  
4 paid in full; provided that each Allowed Class 17(b) Claim shall be paid in full, without interest,  
5 not later than one year following the Effective Date.

6 (c) **Impairment.** Class 17(b) is impaired; and the holders of Class  
7 17(b) Claims are entitled to vote on the Plan.

#### 8 3.18.4 Class 17(c)

9 (a) **Classification.** Class 17(c) consists of all Allowed Tenant Priority  
10 Claims against Villa Rose Avenue.

11 (b) **Treatment.** In the event that all real properties owned by Villa  
12 Rose Avenue are listed on a Notice of Abandonment, each holder of an Allowed Class 17(c)  
13 Claim shall receive its Pro Rata Share of any Cash held by Villa Rose Avenue as of the Effective  
14 Date, other than Cash subject to a security interest securing an Allowed Secured Claim against  
15 Villa Rose Avenue, after payment in full of all Allowed Class 17(b) Claims, until such claim has  
16 been paid in full, without interest.. In the event that all real properties owned by Villa Rose  
17 Avenue are not listed on a Notice of Abandonment, each holder of an Allowed Class 17(c) Claim,  
18 unless the holder of such Claim have agreed to a different treatment with Villa Rose Avenue,  
19 shall receive payment in full from Villa Rose Avenue from Available Cash remaining after  
20 payment in full of all Allowed Class 17(b) Claims, Pro Rata, not less than quarterly, commencing  
21 upon the later of: (a) the date upon which such Claim would be required to be paid in accordance  
22 with its terms or (b) one year following the Effective Date, until such Allowed Claim shall have  
23 been paid in full, provided that each Allowed Class 17(c) Claim shall be paid in full, without  
24 interest, not later than the later of: (a) the date upon which such Claim would be required to be  
25 paid in accordance with its terms or (b) eighteen months following the Effective Date.

26 (c) **Impairment.** Class 17(c) is impaired; and the holders of Class  
27 17(c) Claims are entitled to vote on the Plan.

#### 28 3.18.5 Class 17(d)

1 (a) **Classification.** Class 17(d) consists of all Allowed Unsecured  
2 Claims against Villa Rose Avenue for which one or both of Pacific Property Assets and/or PPA  
3 Holdings are also jointly and severally liable

4 (b) **Treatment.** In the event that all real properties owned by Villa  
5 Rose Avenue are listed on a Notice of Abandonment, each holder of an Allowed Class 17(d)  
6 Claim shall receive, together with the holders of the Allowed Class 17(e) Claims, its Pro Rata  
7 Share of any Cash held by Villa Rose Avenue as of the Effective Date, other than Cash subject to  
8 a security interest securing an Allowed Secured Claim against Villa Rose Avenue, after payment  
9 in full of all Allowed Class 17(b) Claims and all Allowed Class 17(c) Claims. In the event that  
10 all real properties owned by Villa Rose Avenue are not listed on a Notice of Abandonment, each  
11 holder of an Allowed Class 17(d) Claim shall receive, at the holder's election, either: (i) an  
12 interest in Property Assets Operating Co. as provided in the Operating Agreement of Property  
13 Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction of such Allowed Class 17(d)  
14 Claim and shall not receive any distribution from any other Debtor who may also be liable on  
15 account of such Allowed Claim; or (ii) a promissory note from Villa Rose Avenue for the  
16 Liquidation Value of such Class 17(d) claim as determined at the Confirmation Hearing, which  
17 note will be due and payable on or before the tenth (10th) anniversary of the Effective Date of the  
18 Plan, with interest thereon at the federal judgment rate as provided in 28 U.S.C. Section 1961(a)  
19 in effect on the Effective Date, or such other rate as may be determined and fixed in the  
20 Confirmation Order. The election to select option (i) or option (ii) must be made in writing  
21 delivered to counsel for the Committee not later than ten (10) days following the entry of the  
22 Confirmation Order. Any claimant who fails to make a timely election shall be conclusively  
23 deemed to have selected option (i), above.

24 (c) **Impairment.** Class 17(d) is impaired; and the holders of Class  
25 17(d) Claims are entitled to vote on the Plan.

### 26 3.18.6 Class 17(e)

27 (a) **Classification.** Class 17(e) consists of all Allowed Unsecured  
28 Claims against Villa Rose Avenue other than those classified in Class 17(d).

1 (b) **Treatment.** In the event that all real properties owned by Villa  
2 Rose Avenue are listed on a Notice of Abandonment, each holder of an Allowed Class 17(e)  
3 Claim shall receive, together with the holders of Allowed Class 17(d) Claims, its Pro Rata Share  
4 of any Cash held by Villa Rose Avenue as of the Effective Date together with any Cash acquired  
5 thereafter, other than Cash subject to a security interest securing an Allowed Secured Claim  
6 against Villa Rose Avenue, after payment in full of all Allowed Class 17(b) Claims and all  
7 Allowed Class 17(c) Claims, which shall be paid as soon as practicable after the Effective Date.  
8 In the event that all real properties owned by Villa Rose Avenue are not listed on a Notice of  
9 Abandonment, each holder of an Allowed Class 17(e) Claim shall receive a promissory note from  
10 Villa Rose Avenue for the Liquidation Value of the claim as determined at the Confirmation  
11 Hearing, which note will be due and payable on or before the tenth (10th) anniversary of the  
12 Effective Date of the Plan, with interest thereon at the federal judgment rate as provided in 28  
13 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may be determined  
14 and fixed in the Confirmation Order in full satisfaction of such Allowed Class 17(e) Claim.

15 (c) **Impairment.** Class 17(e) is impaired; and the holders of Class  
16 17(e) Claims are entitled to vote on this Plan.

17 **3.18.7 Class 17(f)**

18 (a) **Classification.** Class 17(f) consists of all Allowed Claims against  
19 Villa Rose Avenue subordinated pursuant to the provisions of Bankruptcy Code section 510(c).

20 (b) **Treatment.** No distributions shall be made on account of any  
21 Class 17(f) Claim.

22 (c) **Impairment.** Class 17(f) is impaired; and the holders of Class  
23 17(f) Claims are not entitled to vote on the Plan.

24 **3.18.8 Class 17(g)**

25 (a) **Classification.** Class 17(g) consists of all Allowed Interests in  
26 Villa Rose Avenue.

27 (b) **Treatment.** No distributions shall be made on account of any  
28 Class 17(g) Interest nor shall any property interests be received or retained on account of such



1 interest. As of the Effective Date: (i) all existing membership interests in Villa Rose Avenue will  
2 be deemed cancelled and (ii) 100% of the ownership interest in Villa Rose Avenue will be vested  
3 in Property Assets Operating Co.

4 (c) **Impairment.** Class 17(g) is impaired; and the holders of Class  
5 17(g) Interests are not entitled to vote on the Plan.

### 6 **3.19 Ridgmont Condominiums**

#### 7 **3.19.1 Class 18(a)(1)**

8 (a) **Classification.** Class 18(a)(1) consists of all Allowed Secured  
9 Claims against Ridgmont Condominiums. Each of such Claims shall be deemed to be classified  
10 within its own separate subclass within Class 18(a)(1) and each such subclass shall be deemed to  
11 be a separate class for purposes of this Plan.

12 (b) **Treatment.** Within 30 days following the Effective Date, the  
13 Committee shall select, in its sole and absolute discretion, one of the following alternative  
14 treatments of each of the Allowed Claims within any of the subclasses in Class 18(a)(1): (a) to  
15 cause the Reorganized Debtor owning the property securing such claim to surrender such  
16 property to the holder of such claim in full satisfaction of such Claim or (b) to pay the holder of  
17 such Claim the amount of such Claim, or such lesser amount to which the holder of such Claim  
18 and the Committee may agree in writing.

19 (c) **Impairment.** Class 18(a)(1) is impaired; and the holders of Class  
20 1(a)(2) Claims are entitled to vote on the Plan.

#### 21 **3.19.2 Class 18(b).**

22 (a) **Classification.** Class 18(b) consists of all Allowed Employee  
23 Priority Claims against Ridgmont Condominiums.

24 (b) **Treatment.** In the event that all real properties owned by  
25 Ridgmont Condominiums are listed on a Notice of Abandonment, each holder of an Allowed  
26 Class 18(b) Claim shall receive its Pro Rata Share of any Cash held by Ridgmont  
27 Condominiums as of the Effective Date, other than Cash subject to a security interest securing an  
28 Allowed Secured Claim against Ridgmont Condominiums until such claim has been paid in full,

1 without interest. In the event that all real properties owned by Ridgemont Condominiums are not  
2 listed on a Notice of Abandonment, each holder of an Allowed Class 18(b) Claim, unless the  
3 holder of such Claim have agreed to a different treatment with Ridgemont Condominiums, shall  
4 receive payment in full from Ridgemont Condominiums from Available Cash, Pro Rata, not less  
5 than quarterly, until such Allowed Claim shall have been paid in full; provided that each Allowed  
6 Class 18(b) Claim shall be paid in full, without interest, not later than one year following the  
7 Effective Date.

8 (c) **Impairment.** Class 18(b) is impaired; and the holders of Class  
9 18(b) Claims are entitled to vote on the Plan.

### 10 3.19.3 Class 18(c)

11 (a) **Classification.** Class 18(c) consists of all Allowed Tenant Priority  
12 Claims against Ridgemont Condominiums.

13 (b) **Treatment.** In the event that all real properties owned by  
14 Ridgemont Condominiums are listed on a Notice of Abandonment, each holder of an Allowed  
15 Class 18(c) Claim shall receive its Pro Rata Share of any Cash held by Ridgemont Condominiums  
16 as of the Effective Date, other than Cash subject to a security interest securing an Allowed  
17 Secured Claim against Ridgemont Condominiums, after payment in full of all Allowed Class 1(b)  
18 Claims, until such claim has been paid in full, without interest.

19 (c) In the event that all real properties owned by Ridgemont  
20 Condominiums are not listed on a Notice of Abandonment, each holder of an Allowed Class  
21 18(c) Claim, unless the holder of such Claim have agreed to a different treatment with Ridgemont  
22 Condominiums, shall receive payment in full from Ridgemont Condominiums from Available  
23 Cash remaining after payment in full of all Allowed Class 18(b) Claims, Pro Rata, not less than  
24 quarterly, commencing upon the later of: (a) the date upon which such Claim would be required  
25 to be paid in accordance with its terms or (b) one year following the Effective Date, until such  
26 Allowed Claim shall have been paid in full, provided that each Allowed Class 18(c) Claim shall  
27 be paid in full, without interest, not later than the later of: (a) the date upon which such Claim

1 would be required to be paid in accordance with its terms or (b) eighteen months following the  
2 Effective Date.

3 (d) **Impairment.** Class 18(c) is impaired; and the holders of Class  
4 18(c) Claims are entitled to vote on the Plan.

5 3.19.4 **Class 18(d)**

6 (a) **Classification.** Class 18(d) consists of all Allowed Unsecured  
7 Claims against 2130 Group for which one or both of Pacific Property Assets and/or PPA  
8 Holdings are also jointly and severally liable

9 (b) **Treatment.** In the event that all real properties owned by  
10 Ridgemont Condominiums are listed on a Notice of Abandonment, each holder of an Allowed  
11 Class 18(d) Claim shall receive, together with the holders of the Allowed Class 18(e) Claims, its  
12 Pro Rata Share of any Cash held by Ridgemont Condominiums as of the Effective Date, other  
13 than Cash subject to a security interest securing an Allowed Secured Claim against Ridgemont  
14 Condominiums, after payment in full of all Allowed Class 18(b) Claims and all Allowed Class  
15 18(c) Claims. In the event that all real properties owned by Ridgemont Condominiums are not  
16 listed on a Notice of Abandonment, each holder of an Allowed Class 18(d) Claim shall receive, at  
17 the holder's election, either: (i) an interest in Property Assets Operating Co. as provided in the  
18 Operating Agreement of Property Assets Operating Co., Exhibit 2 to this Plan, in full satisfaction  
19 of such Allowed Class 18(d) Claim and shall not receive any distribution from any other Debtor  
20 who may also be liable on account of such Allowed Claim; or (ii) a promissory note from  
21 Ridgemont Condominiums for the Liquidation Value of such Class 18(d) claim as determined at  
22 the Confirmation Hearing, which note will be due and payable on or before the tenth (10th)  
23 anniversary of the Effective Date of the Plan, with interest thereon at the federal judgment rate as  
24 provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such other rate as may  
25 be determined and fixed in the Confirmation Order. The election to select option (i) or option (ii)  
26 must be made in writing delivered to counsel for the Committee not later than ten (10) days  
27 following the entry of the Confirmation Order. Any claimant who fails to make a timely election  
28 shall be conclusively deemed to have selected option (i), above.

1 (c) **Impairment.** Class 18(d) is impaired; and the holders of Class  
2 18(d) Claims are entitled to vote on the Plan.

3 3.19.5 **Class 1(e)**

4 (a) **Classification.** Class 18(e) consists of all Allowed Unsecured  
5 Claims against Ridgemont Condominiums other than those classified in Class 18(d).

6 (b) **Treatment.** In the event that all real properties owned by  
7 Ridgemont Condominiums are listed on a Notice of Abandonment, each holder of an Allowed  
8 Class 18(e) Claim shall receive, together with the holders of Allowed Class 18(d) Claims, its Pro  
9 Rata Share of any Cash held by Ridgemont Condominiums as of the Effective Date together with  
10 any Cash acquired thereafter, other than Cash subject to a security interest securing an Allowed  
11 Secured Claim against Ridgemont Condominiums, after payment in full of all Allowed Class  
12 18(b) Claims and all Allowed Class 18(c) Claims, which shall be paid as soon as practicable after  
13 the Effective Date. In the event that all real properties owned by Ridgemont Condominiums are  
14 not listed on a Notice of Abandonment, each holder of an Allowed Class 18(e) Claim shall  
15 receive a promissory note from Ridgemont Condominiums for the Liquidation Value of the Claim  
16 as determined at the Confirmation Hearing, which note will be due and payable on or before the  
17 tenth (10th) anniversary of the Effective Date of the Plan, with interest thereon at the federal  
18 judgment rate as provided in 28 U.S.C. Section 1961(a) in effect on the Effective Date, or such  
19 other rate as may be determined and fixed in the Confirmation Order in full satisfaction of such  
20 Allowed Class 18(e) Claim.

21 (c) **Impairment.** Class 18(e) is impaired; and the holders of Class  
22 18(e) Claims are entitled to vote on this Plan.

23 3.19.6 **Class 1(f)**

24 (a) **Classification.** Class 18(f) consists of all Allowed Claims against  
25 Ridgemont Condominiums subordinated pursuant to the provisions of Bankruptcy Code section  
26 510(c).

27 (b) **Treatment.** No distributions shall be made on account of any  
28 Class 18(f) Claim.

1 (c) **Impairment.** Class 18(f) is impaired; and the holders of Class  
2 18(f) Claims are not entitled to vote on the Plan.

3 3.19.7 **Class 1(g)**

4 (a) **Classification.** Class 18(g) consists of all Allowed Interests in  
5 Ridgemont Condominiums.

6 (b) **Treatment.** No distributions shall be made on account of any  
7 Class 18(g) Interest nor shall any property interests be received or retained on account of such  
8 interest. As of the Effective Date: (i) all existing membership interests in Ridgemont  
9 Condominiums will be deemed cancelled and (ii) 100% of the ownership interest in Ridgemont  
10 Condominiums will be vested in Property Assets Operating Co.

11 (c) **Impairment.** Class 18(g) is impaired; and the holders of Class  
12 18(g) Interests are not entitled to vote on the Plan.

13 **3.20 Abandonment of Properties.** On or prior to the sixtieth (60th) day prior to the  
14 date first set for the commencement of the Confirmation Hearing, the Committee may file a  
15 Notice of Abandonment with the Court listing one or more properties owned by one or more of  
16 the Debtors that the Committee wishes to abandon. Notwithstanding the provisions of Article 3  
17 of this Plan, as soon as practicable following the Effective Date, each of the Reorganized Debtors  
18 owning any of the properties listed in the Notice of Abandonment shall transfer the properties  
19 listed in the Notice of Abandonment owned by that Reorganized Debtor, together with any rents,  
20 issues or profits from such properties then in the possession of such Debtor, to the holder of the  
21 first lien encumbering such property in full satisfaction of such Creditor's Allowed Secured  
22 Claim in relation to that property.

23 **ARTICLE 4**

24 **CONFIRMATION**

25 **4.1 Nonconsensual Confirmation.** The Committee hereby requests confirmation of  
26 this Plan pursuant to Bankruptcy Code section 1129(b) in the event that not all impaired classes  
27 of Claims and Interests vote to accept this Plan.

28



1 of the Property Assets Operating Co. Asset Management Agreement. The initial members of the  
2 Investment Committee are hereby authorized to enter into the Property Assets Operating Co.  
3 Asset Management Agreement for and on behalf of Property Assets Operating Co.

4           **5.2.5 Property Assets Operating Co. Property Manager.** On the Effective  
5 Date, Property Assets Operating Co. shall retain a property manager pursuant to the terms and  
6 conditions of the Property Assets Operating Co. Property Management Agreement. The initial  
7 members of the Investment Committee are hereby authorized to enter into the Property Assets  
8 Operating Co. Property Management Agreement for and on behalf of Property Assets Operating  
9 Co.

### 10           **5.3 Restatement of Debtors' Operating Agreements**

#### 11           **5.3.1 Amendment and Restatement of Debtors' Operating Agreements.**

12 On the Effective Date, the existing operating agreements of each of the Debtors shall be deemed  
13 to have been amended and restated in the forms attached hereto as Exhibits 3 (for single property  
14 entities) and 4 (for non-single property entities).

#### 15           **5.3.2 Cancellation of Interests and Issuance of Interests of Reorganized**

16 **Debtors.** On the Effective Date, any and all membership interests in each and every one of the  
17 Debtors shall be cancelled and one new membership interest in each of the Reorganized Debtors  
18 shall be issued to Property Assets Operating Co., such that Property Assets Operating Co. shall be  
19 the sole member of each of the Reorganized Debtors.

#### 20           **5.4 Revesting of Estate Assets.** On the Effective Date, all of the property of each of

21 the Debtors' bankruptcy estates, including the Retained Claims held by the Debtors' bankruptcy  
22 estates, other than real property listed on a Notice of Abandonment, shall be vested in the  
23 Reorganized Debtor of the bankruptcy estate of which such property was property of the estate.

#### 24           **5.5 Reorganized Debtors' Continued Business Operations.** Following the

25 Effective Date, each of the Reorganized Debtors, and Property Assets Operating Co., shall  
26 continue to maintain their separate existence for all purposes under this Plan, with all powers of a  
27 limited liability company under the laws of the State in which such Reorganized Debtor, or  
28 Property Assets Operating Co., was created. The Reorganized Debtors shall continue to engage

1 in business and may use, acquire and dispose of the assets of their former bankruptcy estates  
2 without any supervision by the Bankruptcy Court and free of any restriction otherwise imposed  
3 by the Bankruptcy Code or the Bankruptcy Rules.

4 **5.6 Dissolution of Committee.** On the Effective Date, the Committee shall be  
5 dissolved and the members of the Committee shall be released and discharged from any further  
6 authority, duties, responsibilities, liabilities and obligations, and each of them, related to, or  
7 arising from, their service on the Committee; provided that the Committee shall continue in  
8 existence and have standing and capacity to: (a) object to any proposed modifications to the Plan,  
9 (b) object to any attempt to revoke confirmation of the Plan, (c) participate in any appeal from the  
10 Confirmation Order and (d) participate as a party in interest in any application for interim or final  
11 compensation and reimbursement of expenses to the members of the Committee or to any  
12 Professional for services rendered prior to the Effective Date, and prepare and prosecute  
13 applications for the payment of fees and reimbursement of expenses.

14 **5.7 Retained Claims**

15 5.7.1 **No Preclusive Effect.** None of the Retained Claims shall be precluded,  
16 barred or subject to principles of *res judicata* or collateral estoppel because this Plan or the  
17 Disclosure Statement do not specifically identify such claim or the Person against whom such  
18 claim may be asserted. Parties in interest, including Creditors and third parties, including Insiders  
19 of one or more of the Debtors, may not rely on the absence of a reference to a particular claim or  
20 defense in this Plan, the Disclosure Statement of the Schedules as any indication that the  
21 Reorganized Debtors do not have, or will not pursue any available claim against such parties.

22 5.7.2 **Authority to Pursue Retained Claims and Defenses.** Following the  
23 Effective Date, each of the Reorganized Debtors shall be authorized to assert, compromise, or  
24 dispose of the Retained Claims held by that Reorganized Debtor, including Avoidance Actions,  
25 without further notice to Creditors or authorization from the Bankruptcy Court.

26 **5.8 No Substantive Consolidation.** Nothing in this Plan is intended to substantively  
27 consolidate the bankruptcy estates of one or more of the Debtors. Each of the Reorganized  
28 Debtors shall continue to act as a separate Person for all purposes.



1           **5.9 Distributions.**

2                   **5.9.1 Authority to Make Distributions.** Each of the Reorganized Debtors  
3 shall be authorized to make the distributions required under the terms of this Plan to the Holders  
4 of Allowed Claims at the times prescribed in this Plan.

5                   **5.9.2 Sources of Funds for Distributions.** Each of the Reorganized Debtors  
6 shall use the Cash held by that Reorganized Debtor to make the Distributions provided for in this  
7 Plan to the holders of: (a) Allowed Administrative Claims and (b) Allowed Priority Claims, if  
8 any.

9                   **5.9.3 Distribution Procedures.** The Reorganized Debtors shall make all  
10 distributions to the holders of Allowed Claims in United States dollars by check drawn on a  
11 domestic bank selected by each of the Reorganized Debtors, in that Reorganized Debtor's sole  
12 and absolute discretion. Unless otherwise agreed to by a Reorganized Debtor and the holder of a  
13 particular Allowed Claim, all distributions under this Plan shall be made by United States mail,  
14 first class postage prepaid, to the holders of Allowed Claims at: (a) an address provided to the  
15 Committee in a notice sent to the Committee in compliance with Article 12.10 of this Plan, (b) in  
16 the absence of such a notice, to the address set forth in such holder's proof of claim, if a proof of  
17 claim was Filed or (c) in the event that no proof of claim was Filed, at the address set forth in the  
18 applicable Debtor's Schedules.

19                   **5.9.4 Taxes.** The Reorganized Debtor making any distribution under this Plan  
20 is authorized to deduct from such distribution any federal, state or local withholding taxes from  
21 any Cash payment made with respect to any Allowed Claim and to otherwise fully comply with  
22 all applicable withholding and reporting requirements with respect to any distribution.  
23 Notwithstanding any other provision of this Plan, each holder of an Allowed Claim that receives a  
24 distribution on account of an Allowed Claim shall have the sole and exclusive responsibility for  
25 the satisfaction and payment of any tax obligation imposed by any governmental unit, including  
26 income and withholding taxes, imposed on account of such distribution. For tax purposes,  
27 distributions received on account of Allowed Claims shall first be allocated to the principal  
28 amount of those Claims, with any excess allocated to accrued and unpaid interest.

1           **5.10 Disputed Claims**

2           5.10.1 **Filing of Claims Objections.** Following the Effective Date, only the  
3 Reorganized Debtors shall be authorized to file objections to Claims or to seek to subordinate  
4 Claims pursuant to Bankruptcy Code section 510(c). All such objections shall be filed on or  
5 before one hundred twenty (120) days following the Confirmation Date.

6           5.10.2 **Compromise of Disputed Claims.** Following the Effective Date, the  
7 Reorganized Debtors shall each have the authority to settle any dispute regarding a Claim and to  
8 withdraw any objection to a Disputed Claim without further notice to Creditors or authorization  
9 of the Bankruptcy Court.

10          **5.11 Unclaimed Distributions.** In the event that any Person fails to negotiate a check  
11 payable to such Person on account of an Allowed Claim within 90 days following the date upon  
12 which such distribution was mailed to such Person, the Reorganized Debtor making such  
13 distribution shall File and mail to such Person, at the address provided in Article 11.11 of this  
14 Plan for the delivery of such distribution, a notice stating that, unless such check is negotiated  
15 within thirty (30) days of such notice, the Reorganized Debtor will stop payment on such check  
16 and such Person will cease to be entitled to any distribution on account of such Person's Allowed  
17 Claim. In the event that any Person fails to negotiate a check payable to such Person on account  
18 of an Allowed Claim within thirty (30) days of the mailing of the foregoing notice such Person  
19 shall forfeit all rights to any distributions under this Plan and the Reorganized Debtor making  
20 such distribution shall be authorized to stop payment on such check and to retain the funds  
21 otherwise payable on account of such distribution.

22          **5.12 De Minimis Distributions.** If any interim distribution under this Plan to the  
23 holder of an Allowed Claim would be less than one hundred dollars (\$100.00), the Reorganized  
24 Debtor responsible for such distribution may withhold such distribution until a final distribution  
25 is made to the holder of such Allowed Claim. If any final distribution under this Plan to the  
26 holder of an Allowed Claim would be less than one dollar (\$1.00), the Disbursing Agent may  
27 cancel such distribution, unless the holder of such Allowed Claim makes a written request for  
28 such distribution to the Reorganized Debtor responsible for making such distribution no later than

1 thirty (30) days after the Reorganized Debtor responsible for making such distribution has Filed a  
2 notice stating that it is prepared to make de minimis distributions to its Creditors. Any  
3 distributions not made pursuant to the provisions of this Article shall become the property of the  
4 Reorganized Debtor otherwise responsible for making such distributions.

5 **5.13 Setoff and Recoupment.** Nothing contained in this Plan shall constitute a waiver  
6 or release by the Debtors, or any of them, of any right of setoff or recoupment that the Debtors, or  
7 any of them, may have against any Person. The Reorganized Debtors may, but are not required  
8 to, set off or exercise a right of recoupment against any Claim of any nature that arose before the  
9 Petition Date that such Debtor may have had against the holder of any Claim.

## 10 **ARTICLE 6**

### 11 **EXECUTORY CONTRACTS**

12 **6.1 Tenant Leases.** On the Effective Date, each of the Reorganized Debtors will  
13 assume each of the Tenant Leases, other than those listed on a Schedule of Rejected Tenant  
14 Leases that may be filed by the Committee no later than sixty (60) days prior to the Confirmation  
15 Hearing. In the event that any tenant believes that the Debtors, or any of them, are in default of  
16 their obligations under a Tenant Lease that is to be assumed under the terms of this Plan, such that  
17 the Reorganized Debtors, or any of them, are required to comply with Bankruptcy Code section  
18 365(b) prior to the assumption of such Tenant Lease, such tenant must File a notice stating that  
19 the Debtor under such tenant's lease is in default and describing the nature of the default or  
20 defaults under that lease on or before thirty (30) days prior to the Confirmation Hearing. If such a  
21 notice is filed, the Committee may add such lease to the Schedule of Rejected Tenant Leases  
22 within ten (10) days following the date upon which the Bankruptcy Court enters an order  
23 determining that the Debtor under such lease is in default and specifying the nature of such  
24 defaults. In the event that no such notice is filed, it shall be conclusively presumed that the  
25 Debtor party to each Tenant Lease is in full compliance with its obligations under such lease and  
26 that such Reorganized Debtor need not comply with Bankruptcy Code section 365(b) in order to  
27 assume such Tenant Lease.

1           **6.2 Assumption of Executory Contracts Other Than Tenant Leases.** On or before  
2 sixty (60) days prior to the commencement of the Confirmation Hearing, the Committee will File  
3 a Schedule of Executory Contracts and Unexpired Leases to be Assumed. Such schedule will:  
4 (a) list each of the Executory Contract and Unexpired Leases to be assumed by the Reorganized  
5 Debtors under the terms of this plan, (b) the Reorganized Debtor that is to assume each executory  
6 contract or unexpired lease listed in the schedule and (c) include either a statement that the Debtor  
7 party to each executory contract or unexpired lease is not in default of its obligations under that  
8 executory contract or unexpired lease or specifying the default or defaults that exist under that  
9 executory contract or unexpired lease. Any party to an executory contract or unexpired lease  
10 listed on the Schedule of Executory Contracts and Unexpired Leases to be Assumed who wishes  
11 to object to the Reorganized Debtor's assumption of that party's executory contract or unexpired  
12 lease, or who contends that the default or defaults specified on that schedule are inaccurate, must  
13 File an objection to the Schedule of Executory Contracts and Unexpired Leases to be Assumed no  
14 later than twenty (20) days after the date upon which such schedule is Filed, or such Person shall  
15 be forever barred from objecting to the assumption of such Person's executory contract or  
16 unexpired lease and from contesting the nature of the defaults, if any, by the Debtor under that  
17 executory contract or unexpired lease. In the event that any Person files an objection to the  
18 assumption of any executory contract or unexpired lease listed on the Schedule of Executory  
19 Contracts and Unexpired Leases to be Assumed or contests the specification of defaults set forth  
20 on that schedule, the Committee may eliminate the objected to Executory Contract or unexpired  
21 lease from the schedule by Filing a notice to that effect ,at any time prior to the expiration of ten  
22 (10) days after the Bankruptcy Court rules on the objection to the assumption of such Executory  
23 Contract or unexpired lease, in which case the Executory Contract or unexpired lease described in  
24 the notice shall be deemed to have been rejected as of the Effective Date. Unless an executory  
25 contract or unexpired lease is eliminated from the Schedule of Executory Contracts and  
26 Unexpired Leases to be Assumed as provided herein, or the Bankruptcy Court refuses to approve  
27 the Reorganized Debtor's assumption of that executory contract or unexpired lease as the result of  
28 an objection, all executory contracts and unexpired leases listed on the Schedule of Executory

1 Contracts and Unexpired Leases to be Assumed shall be deemed to have been assumed by the  
2 applicable Reorganized Debtor as of the Effective Date.

3 **6.3 Rejection of Executory Contracts.** On the Effective Date, all Executory  
4 Contracts and unexpired leases of each of the Debtors not assumed pursuant to the provisions of  
5 Sections 6.1 or 6.2 shall be deemed to have been rejected by the Debtor party to that contract.  
6 Any Entity asserting any Claim pursuant to Bankruptcy Code section 365(g) resulting from the  
7 rejection of an Executory Contract or unexpired lease must File such Claim on or before thirty  
8 (30) days following the Confirmation Date or be forever barred from: (a) asserting such Claim  
9 against the Debtors and the Reorganized Debtors, or either of them and (b) sharing in any  
10 distributions under this Plan.

11 **6.4 Effect of Confirmation Order.** The Confirmation Order shall constitute an order  
12 of the Bankruptcy Court approving, as of the Effective Date, the assumption or rejection of all of  
13 the Debtors' Executory Contracts and unexpired leases as provided in Sections 6.1, 6.2 and 6.3 of  
14 this Plan. Such contracts and leases will be assumed or rejected only to the extent that such  
15 contracts or leases constitute pre-petition Executory Contracts or unexpired leases of the Debtors  
16 and the identification of any contract on the Schedule of Executory Contracts and Unexpired  
17 Leases to be Assumed does not constitute an admission with respect to the characterization of  
18 such agreements or the existence of any unperformed obligations, defaults, or damages  
19 thereunder. This Plan does not affect any Executory Contract or unexpired lease that: (a) has  
20 been assumed, rejected or terminated prior to the Confirmation Date or (b) is the subject of a  
21 pending motion to assume, reject or terminate as of the Confirmation Date.

## 22 **ARTICLE 7**

### 23 **CONDITIONS TO EFFECTIVE DATE**

24 **7.1 Conditions to Effectiveness.** The following are conditions precedent to the  
25 occurrence of the Effective Date:

- 26 (a) The Confirmation Order shall be a Final Order; and  
27 (b) No request for revocation of the Confirmation Order under  
28 Bankruptcy Code section 1144 shall have been made or, if made, shall then be pending.

1 The Committee shall File a notice of the Effective Date when such date occurs.

2 **7.2 Waiver of Conditions.** The conditions to the occurrence of the Effective Date set  
3 forth in Section 7.1 may be waived by the Committee at any time, in its sole and absolute  
4 discretion, without an order of the Bankruptcy Court, or any other action by any other Person. In  
5 the event that the Committee elects to waive one or more of the conditions to the occurrence of  
6 the Effective Date set forth in Section 7.1, the notice of Effective Date provided for therein shall  
7 state the Committee's election to waive one or more of those conditions and such waiver shall  
8 only become effective upon the filing of such notice.

9 **ARTICLE 8**

10 **EFFECTS OF CONFIRMATION**

11 **8.1 Binding Effect.** The rights afforded under the Plan and the treatment of all Claims  
12 and Interests under the Plan shall be the sole and exclusive remedy on account of such Claims  
13 against, and Interests in, the Debtors and the Reorganized Debtors. Confirmation of the Plan  
14 shall bind and govern the acts of the Reorganized Debtors and all holders of Claims against, and  
15 Interests in, the Debtors, whether or not: (a) a proof of Claim or proof of Interest is Filed or  
16 deemed Filed, (b) a Claim or Interest is Allowed or (c) the holder of a Claim or Interest has  
17 accepted this Plan.

18 **8.2 Revesting of Debtors' Property.** Upon the Effective Date, title to all assets in  
19 each of the Debtors' estates shall vest in the Reorganized Debtor that filed the petition that  
20 created such estate and shall no longer constitute property of such estate. Except as otherwise  
21 provided in this Plan, all property that reverts in one or more of the Reorganized Debtors shall be  
22 free and clear of all Claims and Interests. Following the Effective Date, each of the Reorganized  
23 Debtors may use, transfer and dispose of their property free of any restrictions imposed by the  
24 Bankruptcy Code or Bankruptcy Rules and without further approval of the Bankruptcy Court or  
25 notice to Creditors.

26 **8.3 Discharge.** Confirmation of the Plan shall discharge the Debtors and the  
27 Reorganized Debtors from all Claims or other debts that arose at any time prior to the Effective  
28 Date, and all debts of the kind specified in Bankruptcy Code Sections 502(g), 502(h) and 502(i),

1 or any of them, whether or not: (i) a proof of claim based on such debt has been Filed or is  
2 deemed to have been Filed under Bankruptcy Code Section, (ii) a Claim based on such debt is  
3 Allowed, or (iii) the holder of a Claim based on such debt has voted to accept the Plan. As of the  
4 Effective Date, the Confirmation Order shall act as an injunction, to the full extent provided under  
5 Bankruptcy Code section 524(a), against the commencement or continuation of an action, the  
6 employment of process, or an act to collect, recover or offset any debt as a personal liability  
7 against all Persons that have held, may then hold, or may in the future hold, a Claim or other debt  
8 or that is discharged, or any other right that has been terminated in accordance with the terms of  
9 this Plan. To the full extent provided for in Bankruptcy Code section 524(e), nothing contained  
10 in the discharge provided for herein shall affect the liability of any other entity on, or the property  
11 of any other entity for, any debt of the Debtors, or any of them, that is discharged under this Plan.

12 **8.4 Limitation of Liability.** The Committee and its agents and counsel shall have all  
13 of the benefits and protections afforded under Bankruptcy Code section 1125(e).

14 **8.5 Exoneration and Release.** The Reorganized Debtors and the Committee, and  
15 each of their agents, counsel and other professionals, shall not be liable, other than for gross  
16 negligence or willful misconduct, to the holder of a Claim or Interest or any other Person with  
17 respect to any action, omission, forbearance from action, decision, or exercise of discretion taken  
18 or omitted at any time after the Petition Date and prior to the Effective Date in connection with:  
19 (a) the management or operation of the Debtors or the discharge of their duties under the  
20 Bankruptcy Code, (b) the implementation of any of the transactions provided for, or contemplated  
21 in, this Plan, (c) any action taken or omitted in connection with the enforcement of the Debtors'  
22 rights against and Person or the defense of any Claims asserted against the Debtors with regard to  
23 the Bankruptcy Cases, (d) any action taken in connection with the negotiation, formulation,  
24 development, proposal, disclosure, Confirmation or implementation of the Plan or (e) the  
25 administration of this Plan or the assets and property to be distributed pursuant to this Plan. The  
26 Committee and its agents may reasonably rely upon the opinions of the Committee's counsel,  
27 accountants, appraisers and other experts and professionals and such reliance shall conclusively  
28 establish good faith and the absence of gross negligence or willful misconduct. Any action, suit

1 or other proceeding by any holder of any Claim or Interest, or any other Person, contesting any  
2 action, omission, forbearance from action, decision or exercise of discretion in connection with  
3 the matters described in subsections (a) through (e), above, whether commenced before or after  
4 the Effective Date, shall be commenced only in the Bankruptcy Court; provided, however, that  
5 this Article shall not affect any right to a jury trial that may apply to such action, suit or  
6 proceeding.

7 **ARTICLE 9**  
8 **RETENTION OF JURISDICTION**

9 Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective  
10 Date, the Bankruptcy Court shall retain jurisdiction over the Bankruptcy Cases to the fullest  
11 extent legally permissible including, without limitation, jurisdiction to:

12 (a) Allow, disallow, determine, liquidate, estimate, subordinate or establish the  
13 priority or secured or unsecured status of any Claim, including the resolution of any Claim for  
14 payment of any Administrative Claim and the resolution of any objections to the allowance of  
15 Claims;

16 (b) Grant or deny applications for allowance of compensation or  
17 reimbursement of expenses authorized under the Bankruptcy Code or the Plan;

18 (c) Resolve any matters pertaining to the assumption, assumption and  
19 assignment, or rejection of any Executory Contract or unexpired lease to which any of the  
20 Debtors is a party, and to hear, determine and, if necessary, liquidate any Claim arising from, or  
21 cure amount related to, such assumption or rejection;

22 (d) Ensure that distributions to holders of Allowed Claims are accomplished in  
23 accordance with the Plan;

24 (e) Decide or resolve any motions, adversary proceedings or contested matters  
25 that may be pending on the Effective Date;

26 (f) Enter such orders as may be necessary or appropriate to implement or  
27 consummate the provisions of the Plan and all contracts, instruments, releases and other  
28 agreements or documents created in connection with the Plan;



1 (g) Resolve any cases, controversies, suits or disputes that may arise in  
2 connection with the consummation, interpretation or enforcement of the Plan, or any Person's  
3 obligations under the Plan;

4 (h) Modify this Plan after the Effective Date, to the extent permitted by  
5 Bankruptcy Code section 1127;

6 (i) Enter and implement such orders as may be necessary or convenient in the  
7 event that the Confirmation order is for any reason modified, stayed, reversed, revoked or  
8 vacated;

9 (j) Hear and determine Retained Claims and Defenses commenced by the  
10 Reorganized Debtors, or any of them;

11 (k) Enter and implement such other orders, or take such other actions, as may  
12 be necessary or convenient to restrain interference by any Person with the consummation or  
13 implementation of this Plan; and

14 (l) Enter orders closing the Bankruptcy Cases.

## 15 ARTICLE 10

### 16 AMENDMENT AND WITHDRAWAL OF PLAN

17 **10.1 Amendment of Plan.** At any time prior to the Confirmation Date, the Proponents  
18 may alter, amend or modify this Plan to the full extent provided for in Bankruptcy Code section  
19 1127(a). At any time after the Confirmation Date and prior to the time that this Plan has been  
20 substantially consummated, the Proponents may alter, amend or modify this Plan to the full extent  
21 provided for in Bankruptcy Code section 1127(b). In either case, this plan as so modified shall  
22 become the Plan.

23 **10.2 Revocation or Withdrawal of Plan.** The Proponents reserve the right to revoke  
24 or withdraw this Plan at any time prior to the Effective Date by Filing a notice of such revocation  
25 or withdrawal. If the Plan is revoked or withdrawn as provided herein, the Plan shall be deemed  
26 to be null and void and of no further force or effect.

27 **10.3 Severance of Plan Provisions.** This Plan applies to each of the Debtors and their  
28 estates. The Proponents reserve the right to withdraw or revoke this Plan at any time prior to the

1 Effective Date as to any one or more of the Debtors and their estates and to proceed with the Plan  
2 as to the remaining Debtors and their estates, in their sole and absolute discretion by Filing a  
3 notice of such election.

## 4 **ARTICLE 11**

### 5 **MISCELLANEOUS**

6 **11.1 Effectuating Documents; Further Transactions.** The Debtors and the  
7 Reorganized Debtors shall be authorized and directed to execute, deliver, file and record such  
8 contacts, instruments, releases, and other agreements or documents, and to take such actions as  
9 may be necessary or convenient to effectuate the terms of this Plan.

10 **11.2 Exemption from Transfer Taxes.** In accordance with Bankruptcy Code section  
11 1146(c), the making, delivery, or recording of a deed or other instrument of transfer under this  
12 Plan shall not be subject to any stamp or similar tax, and the appropriate state or local  
13 governmental officials or agents shall be directed to forego the collection of any such tax and to  
14 accept for filing or recordation any of the foregoing instruments or other documents without the  
15 payment of any such tax.

16 **11.3 Governing Law.** Except to the extent that the Bankruptcy Code or other federal  
17 law is controlling, the rights, duties and obligations created by this Plan shall be governed by, and  
18 construed and enforced in accordance with, the internal laws of the State of California, without  
19 giving effect to any choice of law principles.

20 **11.4 Provisions Enforceable.** The Confirmation Order shall constitute a judicial  
21 determination that this Plan is enforceable in accordance with its terms and that the rights and  
22 obligations of the parties affected by this Plan are valid and enforceable in accordance with the  
23 terms of this Plan.

24 **11.5 Quarterly United States Trustee Fees.** All fees payable under 28 U.S.C. §  
25 1930(a)(6) shall be paid by the Debtors in the amounts and at the times that such fees become due  
26 up to and including the Effective Date. Thereafter, the Reorganized Debtors shall pay such fees  
27 until the Bankruptcy Cases are closed, dismissed or converted.

1           **11.6 Post-Effective Date Reports.** Following the Effective Date, the Reorganized  
2 Debtors shall be relieved from the duty to make the reports and summaries required by  
3 Bankruptcy Rule 2015(a). Notwithstanding the foregoing, the Reorganized Debtors shall each  
4 file and serve the status reports required by Local Bankruptcy Rule 3020-1(b) at such times and  
5 for such periods as may be required in the Confirmation Order.

6           **11.7 Method of Payment.** Payments of cash required under this Plan may be made by  
7 a check drawn on a domestic bank or by wire transfer from a domestic bank, at the election of the  
8 Person making such payment. Whenever a payment or distribution is required to be made under  
9 this Plan on a day other than a Business Day, such payment or distribution may be made, without  
10 interest, on the next succeeding Business Day.

11           **11.8 Notice of Confirmation.** As soon as practicable following the Effective Date of  
12 the Plan, the Reorganized Debtors shall serve notice of the entry of the Confirmation Order in the  
13 manner required by Bankruptcy Rule 2002(f). The notice shall further identify the Effective Date  
14 and shall set forth the Professional Fees Bar Date, the Rejection Claims Bar Date and any other  
15 deadlines that may be established under the Plan or the Confirmation Order.

16           **11.9 Successors and Assigns.** This Plan is binding upon, and will inure to the benefit  
17 of, the Debtors, the Reorganized Debtors, the Committee, and each of their respective agents,  
18 professionals, successors and assigns.

19           **11.10 Notices.** Any and all notices required or permitted under this Plan shall be in  
20 writing and shall be deemed duly served:

21                   (a) When personally delivered to a party, on the date of such delivery; or

22                   (b) When sent via facsimile to a party at the facsimile number set forth below,  
23 or to such other or further facsimile number provided in a notice sent under the terms of this  
24 paragraph, on the date of the transmission of that facsimile; or

25                   (c) When sent via e-mail to a party at the e-mail address set forth below, or to  
26 such other or further e-mail address provided in a notice sent under the terms of this paragraph,  
27 on the date of the transmission of that e-mail; or

1 (d) When deposited in the United States mail, certified, postage prepaid,  
2 addressed to such party at the address set forth below, or to such other or further address provided  
3 in a notice sent under the terms of this paragraph, three days following the deposit of such notice  
4 in the mails.

5 Notices pursuant to this paragraph shall be sent to the Reorganized Debtors, or any of them, or to  
6 the Committee as follows:

7 Richard W. Esterkin  
8 Morgan, Lewis & Bockius LLP  
9 300 South Grand Avenue  
10 Twenty-Second Floor  
11 Los Angeles, California 90071  
12 Facsimile: 213.612.2501  
13 E-mail: resterkin@morganlewis.com

14 or to such other place as may from time to time be specified in a notice Filed in the Bankruptcy  
15 Cases.

16 **11.11 Notices to Claim and Interest Holders.** Notices or other correspondence to the  
17 holder of any Claim or Interest shall be sent to such holder at the address set forth in such  
18 holder's proof of Claim or Interest, if a proof of Claim or Interest was Filed and, if no proof of  
19 Claim or Interest was filed, at the address set forth for such holder in the Schedules.

20 **11.12 Post-Effective Date Notices.** Following the Effective Date, notices will only be  
21 served upon the Reorganized Debtors, the Office of the United States Trustee and those Persons  
22 who File and serve upon the Committee and the Debtors a request for notice that includes the  
23 Person's name, address, telephone number, facsimile number and e-mail address. Persons who  
24 had previously filed with the Bankruptcy Court requests for special notice or requests for courtesy  
25 notice will not receive notice of post-Effective Date matters unless such Persons File and serve a  
26 new request for notice in accordance with this Section.

27 **11.13 Conflict of Terms.** In the event of any conflict between the terms of this Plan and  
28 the Disclosure Statement, the terms of this Plan shall control.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: December 10, 2009

MORGAN, LEWIS & BOCKIUS LLP  
RICHARD W. ESTERKIN  
L. BRUCE FISCHER  
TRICIA A. TAKAGI

By           /s/ Richard W. Esterkin            
Richard W. Esterkin  
Counsel for Official Committee of  
Unsecured Creditors

Dated: December 10, 2009

RINGSTAD & SANDERS LLP  
TODD C. RINGSTAD  
NANETTE D. SANDERS

By           /s/ Todd C. Ringstad            
Richard W. Esterkin  
Counsel for PPA Holdings, LC and Related  
Debtors and Debtors-in-Possession

In re: PPA HOLDINGS, LLC, a California Limited Liability Company	CHAPTER 11
Debtor(s).	CASE NUMBER 8:09-bk-16353-ES

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

### PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 300 South Grand Avenue, 22nd Floor, Los Angeles, CA 90071

A true and correct copy of the foregoing document described PLAN OF REORGANIZATION PROPOSED BY THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”)** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) (“LBR”), the foregoing document will be served by the court via NEF and hyperlink to the document. On November 4, 2009, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL**(indicate method for each person or entity served):

On November 4, 2009, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

VIA U.S. MAIL

Honorable Erithe A. Smith  
Ronald Reagan Federal Building  
411 West Fourth Street, Suite 5041  
Santa Ana, CA 982701-4593

Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_ I served the following

person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

November 4, 2009

Victoria L. Rader

Date

Type Name

Signature

In re: PPA HOLDINGS, LLC, a California Limited Liability Company  Debtor(s).	CHAPTER 11  CASE NUMBER 8:09-bk-16353-ES
---	--

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”)**

John A Boyd fednotice@tclaw.net  
 Richard W Brunette rbrunette@sheppardmullin.com  
 Brendt C Butler BButler@rutan.com  
 Robert J Campo rcampo@robertcampolaw.com  
 Michael A Cisneros mcisneros@mac.com  
 Richard W Esterkin resterkin@morganlewis.com  
 Jeffrey K Garfinkle bkgroup@buchalter.com, jgarfinkle@buchalter.com  
 Nancy S Goldenberg nancy.goldenberg@usdoj.gov  
 Catherine M Guastello cguastel@quarles.com  
 Robert P Harris robert.harris@quarles.com  
 Kelly L Kress kkress@nixonpeabody.com  
 William Malcolm bill@mclaw.org  
 Susan I Montgomery susan@simontgomerylaw.com  
 Randall P Mroczynski randym@cookseylaw.com  
 Aron M Oliner roliner@duanemorris.com  
 Penelope Parmes pparmes@rutan.com  
 Russell H Rapoport rrapoport@prllplaw.com, lgillis@prllplaw.com  
 Todd C. Ringstad becky@ringstadlaw.com  
 Anthony J Rothman anthony@arothmanlaw.com  
 Kenneth N Russak krussak@frandzel.com  
 Nanette D Sanders becky@ringstadlaw.com  
 Scott A Schiff sas@soukup-schiff.com  
 Stephanie M Seidl sseidl@sheppardmullin.com  
 Douglas G Tennant dtennant@frankel-tennant.com  
 Wayne R Terry wterry@hemar-rousso.com  
 United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov  
 Madeleine C Wanslee mwanslee@gustlaw.com, rstein@gustlaw.com  
 Sharon Z Weiss sweiss@richardsonpatel.com  
 Katherine M Windler katherine.windler@bryancave.com

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL**

VIA U.S. MAIL:

Development Specialists Inc. 333 South Grand Avenue, Suite 2010 Los Angeles, CA 90071	Evans, Brizendine & Silver 5826 Naples Plz Long Beach, CA 90803
Steven C. Burtnett 1048 Irvine Ave., Ste. 179 Newport Beach, Ca. 92660	David Anderson 13893 Pinkard Way #85 El Cajon, CA 92021
Curtis C. Jung 888 South Figueroa Street, Suite 720 Los Angeles, CA 90017	Kent VanDerSchuit Law Group 5927 Priestly Drive, Suite 102 Carlsbad, CA 92008