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8 **IN THE UNITED STATES BANKRUPTCY COURT**
9 **THE DISTRICT OF ARIZONA**

10 In re:
11 RCC NORTH, LLC
12 Debtor.

Chapter 11 Proceedings
Case No. 2:10-bk-11078-SSC

**AMENDED DISCLOSURE
STATEMENT RELATING TO
AMENDED PLAN OF
REORGANIZATION**

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16 **I. INTRODUCTION**

17 Debtor RCC North, L.L.C., debtor and debtor-in-possession in the above captioned
18 bankruptcy case (“RCC North” or “Debtor”), hereby submits to the Court and creditors of the
19 Debtor’s estate the following “Amended Disclosure Statement Relating to Plan of Reorganization”
20 (the “Disclosure Statement”). This Disclosure Statement is submitted pursuant to 11 U.S.C.
21 § 1125.

22 11 U.S.C. § 1125(b) prohibits the solicitation of acceptances or rejections of a Plan of
23 Reorganization unless such Plan is accompanied by a copy of the Disclosure Statement which has
24 been approved by the Bankruptcy Court.

25 The purpose of this Disclosure Statement is to provide creditors and interested parties in this
26 bankruptcy proceeding with such information as may reasonably be deemed sufficient to allow
27 creditors and interested parties to make an informed decision regarding the Debtor’s “Amended
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1 Plan of Reorganization Dated” (the “Plan”).

2 Unless otherwise noted, those portions of the Plan and this Disclosure Statement providing
3 factual information concerning the Debtor, its assets and liabilities, have been prepared from
4 information submitted by the Debtor and its retained professionals.

5 This Disclosure Statement contains information that may influence your decision to accept
6 or reject the Debtor’s proposed Plan. Please read this document with care.

7 The financial information contained in this Disclosure Statement has not been subjected to
8 an audit by an independent certified public accountant. For that reason, the Debtor is not able to
9 warrant or represent that the information contained in this Disclosure Statement is without any
10 inaccuracy. To the extent practicable, the information has been prepared from the Debtor’s
11 financial books and records and great effort has been made to ensure that all such information is
12 fairly represented.

13 This Disclosure Statement and the Plan will classify all creditors into Classes. The
14 treatment of each Class of creditors will be set forth in this Disclosure Statement and in the Plan.
15 You should carefully examine the treatment of the Class to which your Claim will be assigned.

16 This Disclosure Statement requires approval by the Bankruptcy Court after notice and a
17 hearing pursuant to 11 U.S.C. §1125(b). Once approved, the Disclosure Statement will be
18 distributed with the Debtor’s proposed Plan for voting. Approval of the Disclosure Statement by
19 the Bankruptcy Court does not constitute either certification or approval of the Debtor’s Plan by the
20 Bankruptcy Court or that the Disclosure Statement is without any inaccuracy.

21 The Bankruptcy Court will confirm the Plan if the requirements of §1129 of the Bankruptcy
22 Code are satisfied. The Bankruptcy Court must determine whether the Plan has been accepted by
23 each impaired Class entitled to vote on the Plan. Impaired Classes entitled to vote on the Plan are
24 those Classes of claims whose legal, equitable, or contractual rights are altered, as defined under
25 §1124 of the Bankruptcy Code. An impaired Class of claims is deemed to have accepted the Plan if
26 at least two-thirds (2/3) in amount of those claims who vote and more than one-half (1/2) in number
27 of those claims who vote have accepted the Plan. An impaired Class of interests is deemed to have
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1 accepted the Plan if the Plan has been accepted by at least two-thirds (2/3) in amount of the allowed
2 interests who vote on the Plan.

3 Even if each Class of creditors does not accept the Plan, the Plan can be confirmed under
4 §1129(b) of the Bankruptcy Code, so long as one impaired Class of creditors accepts the Plan. This
5 is referred to as the “cram down” provision of the Bankruptcy Code. The failure of each Class to
6 accept the Plan could very well result in a conversion of this case to Chapter 7 or dismissal of the
7 Chapter 11.

8 Only the votes of those creditors or interested parties whose ballots are timely received will
9 be counted in determining whether a Class has accepted the Plan.

10 **II. DEFINITIONS**

11 The definitions set forth in Article I of the Plan apply in this Disclosure Statement except to
12 the extent other definitions are set forth in this Disclosure Statement.

13 **III. THE DEBTOR, BACKGROUND, AND EVENTS PRECIPITATING THE** 14 **CHAPTER 11**

15 **A. Background**

16 The Debtor is a Delaware limited liability company that was formed in February 2006. The
17 Debtor is authorized to do business in Arizona. The Debtor’s sole member is Raintree Corporate
18 Center Holdings, LLC (“RCCH”). The Debtor’s managers are RCCH, Jennifer A. Schwartz and
19 Victor A. Duva. Cavan Management Services, LLC (“CMS”) is RCCH’s sole manager.

20 The Debtor owns and operates two Class “A” office buildings and the related corporate
21 campuses known as Phase I and Phase II of the Raintree Corporate Center located north of the
22 northeast corner of Loop 101 (Pima Freeway) and Raintree Drive, at 15333 North Pima Road and
23 15111 North Pima Road, respectively, in Scottsdale, Arizona (the “Property”). Each three-story
24 building is approximately 150,000 square feet and were built in 2002 through 2004. The Property
25 is managed by CMS, a well-respected, established manager of commercial real estate throughout
26 the Valley.

27 Phase I of the Property is currently occupied by 28 tenants in approximately 93,087 square
28 feet of the building. Thus, Phase I of the Property is approximately 62.44% occupied. Phase II of

1 the Property is currently occupied by 4 tenants in approximately 59,297 square feet of the building.
2 Thus, Phase II of the Property is approximately 40% occupied.¹

3 US Bank, N.A., as Trustee for the Registered Holders of Merrill Lynch Mortgage Trust
4 2006-C1, Commercial Mortgage Pass-Through Certificates, Series 2006-C1 (“US Bank”) has
5 asserted a claim against the Debtor, allegedly secured by the Property, in the principal amount of
6 approximately \$57.5 million. US Bank has asserted in certain pleadings filed in this case that the
7 amount of its claim as of the Petition Date is approximately \$71,000,000. The Debtor disputes that
8 such an amount is owed to US Bank, particularly in light of the \$1.5 million delivered to US Bank
9 as discussed in footnote 1, above, and the additional approximately \$1.1 million paid by the Debtor
10 to US Bank immediately prior to the Petition Date.

11 US Bank has obtained an appraisal of the Property indicating that the value of the Property
12 is approximately \$27,100,000, as of January 28, 2010, and that the value of the Property, as
13 stabilized by July 28, 2013, will be \$32,300,000. The Debtor does not dispute that the current
14 value of the Property is \$27,100,000.

15 Prior to the Debtor’s bankruptcy filing, US Bank noticed a non-judicial foreclosure sale of
16 the Property for April 16, 2010. The Debtor filed its voluntary bankruptcy petition in order to stay
17 the foreclosure of the Property.

18 **B. Operations**

19 The Debtor has operated, and intends to continue operating, the Property as a Class “A”
20 office building. The Debtor continues to receive income from tenants to pay for the ordinary and
21 necessary operating expenses of the Property, as well as any necessary repairs, from such income.
22 In fact, the Debtor and US Bank have entered into a stipulation for the Debtor’s use of US Bank’s
23 asserted cash collateral pursuant to a budget, a copy of which is attached to the stipulation between
24

25 ¹ Notably, Phase II of the Property was previously fully occupied by Pulte Homes. However, in the
26 Fall of 2009, Pulte Homes vacated the Property by exercising an early termination right in its lease
27 and paying an early termination fee of approximately \$2.1 million to the Debtor. The Debtor
28 previously delivered a portion of these fees to US Bank. In fact, the Debtor is informed and
believes that a substantial portion of these funds—approximately \$1.5 million—is currently held by
US Bank or its servicer(s) in a reserve account, and the Debtor may seek authority to use such
funds for future tenant improvements and/or leasing commissions.

1 the Debtor and US Bank (the "Budget"). The Budget reflects the current anticipated revenues and
2 expenses relating to the Property. The Debtor continues to market and lease vacant space in the
3 Property and to renew existing leases when appropriate.

4 In order to provide for efficient and productive operations, and to keep the Debtor's
5 business competitive, the Debtor intends to retain the same management team and structure that
6 existed pre-petition. The issues confronted by the Debtor that led to the bankruptcy filing were the
7 product of market changes and the loss of Pulte Homes as a tenant in Phase II of the Property, not
8 the Debtor's management or its structure. Thus, a change in management structure is not in the
9 best interests of the Debtor or its creditors because the existing structure is appropriate to meet the
10 needs of the Debtor.

11 By maintaining its current management and operational structure, the Debtor will avoid the
12 transactional costs associated with significant and unnecessary change. In addition, the institutional
13 knowledge of the management team will be preserved.

14 Attached hereto as Exhibit "A" are the Debtor's projections of cash flow reflecting the
15 Debtor's sources and uses of cash (including (a) the Debtor's anticipated revenues, and the infusion
16 of cash from the New Value contribution necessary to fund the Reserve Account and to fund the
17 Capital Reserves, as discussed below, and (b) the Debtor's anticipated operating, tenant
18 improvement, leasing commission and capital costs and expenses) for the seven year period
19 following confirmation of the Plan.

20 **C. Preferences and Fraudulent Conveyances**

21 To the extent that a preference or fraudulent conveyance occurred before the bankruptcy
22 filing, such transfer may be recoverable by the bankruptcy estate for the benefit of the estate under
23 §§ 544, 547, or 548 of the Bankruptcy Code. To date, no complaints have been filed under any of
24 these theories, and the Debtor is not currently aware of any causes of action for the recovery of
25 preferences or fraudulent conveyances. To the extent any such claims exist, they will be analyzed
26 for their potential value to the estate. These potential claims are specifically preserved for the
27 benefit of the bankruptcy estate. Any recovery that is obtained will be obtained for the benefit of
28

1 the estate.

2 **IV. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE**

3 **A. Administrative Proceedings**

4 The Debtor filed its Petition for Relief under Chapter 11 on April 15, 2010, and a first
5 meeting of creditors was held on May 18, 2010.

6 **B. Retention of Professionals**

7 The Debtor retained Polsinelli Shughart, P.C. ("PS") to act as its original bankruptcy
8 counsel. The Court signed an Order approving the retention of PS on May 23, 2010.

9 The Debtor retained Highland Financial Consulting, LLC ("CRO") to act as its Chief
10 Restructuring Officer. The Court signed an Order approving the retention of the CRO on June 23,
11 2010.

12 **C. Appointment of Unsecured Creditors Committee**

13 The United States Trustee's Office filed a statement stating that, despite its efforts to contact
14 unsecured creditors, it was unable to appoint a Committee of Unsecured Creditors.

15 **D. Motion and Stipulation and Use Cash Collateral**

16 The Debtor filed a motion to use the revenues generated by the Property, which US Bank
17 asserts constitute its cash collateral, on April 27, 2010. Although US Bank initially filed an
18 objection to the use of its asserted cash collateral, the Debtor and US Bank resolved US Bank's
19 objections and entered into, and filed on May 7, 2010, a stipulation for the Debtor's use of the
20 asserted cash collateral, through July 31, 2010. The Debtor anticipates that it and US Bank will
21 enter into a further stipulation regarding the Debtor's use of asserted cash collateral for at least an
22 additional 90 days prior to the expiration of the existing stipulation.

23 **E. Operating Reports**

24 The Debtor's monthly operating reports are current and copies can be obtained from the
25 Court's electronic docket

26 **F. Stay Relief Motion**

27 On May 28, 2010, US Bank filed a motion seeking to terminate the automatic stay to allow
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1 it to foreclose on the Property. The Debtor has objected to the motion for stay relief. On July 7,
2 2010, the Court held a preliminary hearing on the motion for stay relief and continued such
3 preliminary hearing to July 20, 2010. At the July 20th hearing, the Court ordered that the stay relief
4 motion process will track the plan confirmation process.

5 **G. Plan of Reorganization**

6 On July 14, 2010, the Debtor filed its initial Plan of Reorganization and initial Disclosure
7 Statement. On September 2, 2010, the Court held a hearing regarding approval of the initial
8 Disclosure Statement and required the Debtor to make certain amendments relating to the treatment
9 of US Bank's claim in the event that US Bank makes the § 1111(b)(2) election. This amended
10 Disclosure Statement and the amended Plan filed herewith, comply with the Court's direction.

11 The Court also required US Bank to make its § 1111(b)(2) election no later than October 11,
12 2010. US Bank did not make the election by such date.

13 **V. DESCRIPTION OF ASSETS AND LIABILITIES OF THE DEBTORS**

14 **A. Assets**

15 The values ascribed to the Debtor's assets below are based on the Debtor's best estimate
16 and other factors such as the purchase price, comparable sales, tax assessments, and appraisals.

17 **1. Real Property** –\$27.1 million.

18 **2. Bank Accounts** – Approximately \$93,000 as of the Petition Date. The
19 Debtor has accumulated, and continues to accumulate, net cash from operations of the Property
20 since the Petition Date. The current amount of cash held by the Debtor is reflected in the most
21 recent Monthly Operating Report filed by the Debtor.

22 **3. Other Accounts and Deposits** – US Bank holds approximately \$1,500,000
23 in cash that the Debtor delivered to US Bank from the early termination fee paid by Pulte Homes
24 when it vacated the Property. The Debtor also has an interest in certain cash retainers held by
25 professionals that provided services to the Debtor pre-petition. US Bank asserts that these funds
26 constitute part of its collateral. The Debtor disputes such assertion and asserts that these funds
27 should either be returned to the Debtor or applied to US Bank's claim.

1 **4. Accounts Receivable** – The Debtor owns certain accounts receivable from
2 tenants for unpaid rent in the amount of approximately \$114,203, and a receivable from a related
3 entity, Cavan Investment Capital (“CIC”), in the amount of approximately \$836,964. US Bank
4 asserts that these accounts receivable constitute part of its collateral. The Debtor does not dispute
5 that the unpaid rent receivables are part of US Bank’s collateral. The Debtor asserts that the CIC
6 receivable is uncollectible and valueless.

7 **5. Personal Property** – The Debtor owns certain personal property, consisting
8 primarily of office equipment, model unit furniture, fixtures and computer software with an
9 estimated book value of approximately \$411,372. US Bank asserts that this personal property
10 constitutes part of its collateral. The Debtor asserts that the fair market value of the personal
11 property is, in context, negligible but will be determined by the Court as part of the confirmation
12 hearing.

13 **B. Liabilities**

14 The following is an overview of the Debtor’s known liabilities.

15 **1. Priority Claims**

16 The Debtor is not aware of the existence of any pre-petition priority claims.

17 **2. Secured Claims**

18 a. The Debtor’s schedules list US Bank as a secured creditor with a
19 first position lien on the Property in the amount of approximately \$57,495,000. In
20 its motion for stay relief, US Bank asserts that the amount owing on its secured
21 claim is approximately \$71,000,000 as of the Petition Date. The Debtor disputes
22 this assertion.

23 b. The Debtor’s schedules list the law firm of Fennemore Craig as a
24 secured creditor with a claim of approximately \$26,439 secured by a cash retainer
25 held by Fennemore Craig in the amount of \$30,000.

26 c. The Debtor’s schedules list the accounting firm of Larson Allen as a
27 secured creditor with a claim of approximately \$3,941.56 secured by a cash retainer
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1 held by Larson Allen in the amount of \$25,000.

2 **3. Unsecured Claims**

3 According to the Debtor's Schedules of Assets and Liabilities, the total amount of
4 unsecured claims, not including any deficiency claims of secured creditors, is \$484,970.31. This
5 amount includes tenant security deposits in the amount of approximately \$212,592.86, claims
6 owing to CMS in the total amount of \$75,000, and a claim for reimbursement of tenant
7 improvement costs, held by Cylon (dba Eye Level Holdings) in the amount of approximately
8 \$130,346.

9 **C. Administrative Expenses**

10 The Debtor's administrative expenses consist of the fees and costs of attorneys and other
11 professionals necessary to the Debtor's operations, bankruptcy case, and plan of reorganization.
12 The fees and costs of these professionals will not be precisely known until the Bankruptcy Case is
13 completed. However, as set forth below, the Debtor's professionals anticipate that either (a) the
14 retainers they presently have will be sufficient to cover the services they have rendered, and will
15 render, in the Bankruptcy Case, or (b) for those professionals that do not have retainers and will be
16 paid by some other manner, their projected anticipated fees and costs for their services will be
17 commensurate with their historical fees and costs incurred by the Debtor.

18 The Debtor's bankruptcy counsel is PS. PS is currently in possession of a retainer in the
19 amount of \$100,000. PS anticipates its fees will be less than the amount of the retainer. However,
20 to the extent that PS's fees and costs exceed the amount of the retainer, PS's fees and costs will
21 constitute administrative claims against the Debtor's Estate.

22 **VI. PLAN SUMMARY**

23 The following statements concerning the Plan are merely a summary of the Plan and are not
24 complete. The statements are qualified entirely by express reference to the Plan. Creditors are
25 urged to consult with counsel or each other in order to understand the Plan fully. The Plan is
26 complete, inasmuch as it proposes a legally binding agreement by the debtor, and an intelligent
27 judgment cannot be made without reading it in full. With the exception of the Classes 1-A through
28

1 1-C (the “Priority Claims”), all the creditors of the Debtor are impaired under the terms of the Plan.
2 The Secured Creditors are impaired because they will be subjected to different treatment than they
3 had originally contracted for with the Debtor. The Unsecured Creditors will be impaired because
4 they will be subject to different treatment than they originally contracted for. Thus, the Debtor will
5 have numerous classes with the right to vote on its Plan of reorganization, as set forth herein.

6 **A. CLASSIFICATION OF CLAIMS AND INTERESTS.**

7 **1. Class 1: Priority Claims**

8 a. Class 1-A consists of Allowed Priority Claims under 11 U.S.C. § 503 and
9 § 507(a)(2) (Administrative Claims).

10 b. Class 1-B consists of Allowed Priority Claims under 11 U.S.C. § 507(a)(3)
11 (Wage Claims).

12 .Class 1-C consists of Allowed Priority Claims under 11 U.S.C. §507(a)(8) (Tax
13 Claims).

14 **2. Class 2: Secured Claims**

15 a. Class 2-A consists of the Allowed Secured Claim of US Bank.

16 b. Class 2-B consists of the Allowed Secured Claim of Maricopa County for
17 real property taxes.

18 c. Class 2-C consists of the Allowed Secured Claim of Fennemore Craig.

19 d. Class 2-D consists of the Allowed Secured Claim of Larson Allen.

20 **3. Class 3: Allowed Claim of Eye Level Holdings**

21 Class 3 consists of the Allowed Claim of Eye Level Holdings relating to the
22 Debtor’s obligation to reimburse Eye Level Holdings for tenant improvements made to Eye Level
23 Holdings’ leased premises.

24 **4. Class 4: Tenant Security Deposits**

25 Class 4 consists of Allowed Claims by tenants for the return of tenant security deposits held
26 by the Debtor.

27 **5. Class 5: Unsecured Claims**

28 Class 5 consists of the Allowed Unsecured Claims of Creditors not otherwise

1 treated in the Plan.

2 **6. Class 6: Interest Holders**

3 Class 6 consists of all Allowed Interests of Interest Holders.

4 **B. IMPAIRMENT OF CLASSES.**

5 Classes 1-A, 1-B, and 1-C are unimpaired under the Plan. All other Classes are Impaired,
6 as that term is defined in 11 U.S.C. § 1124.

7 **C. TREATMENT OF CLASSES.**

8 **1. Class 1: Priority Claims**

9 **a. Class 1-A: Administrative Claims**

10 This Class consists of Allowed Priority Claims under 11 U.S.C. §§ 503 and 507(a)(2) –
11 administrative priority claims. Unless Claimants holding Claims in this Class agree to an
12 alternative form of treatment, the Allowed Claims of Class 1-A shall be paid in full, in cash, on or
13 before the Effective Date or as the same are Allowed and ordered paid by the Court. Any Class 1-
14 A Claim not allowed as of the Effective Date shall be paid as soon thereafter as it is allowed by the
15 Court according to the terms of this Class. This Class is not impaired.

16 **b. Class 1-B: Wage Claims**

17 This Class consists of Allowed Priority Claims under 11 U.S.C. § 507(a)(4) – wage claims.
18 As provided in 11 U.S.C. § 1129(a)(9)(B), unless Claimants holding Claims in this Class agree to
19 an alternative form of treatment, the Allowed Priority Claims of Class 1-B shall be paid in full, in
20 cash, on or before the Effective Date. The Debtor does not believe that any claims exist under this
21 Class. Any Class 1-B Claim not allowed as of the Effective Date shall be paid as soon thereafter as
22 they are allowed by the Court according to the terms of this Class. This Class is not impaired.

23 **c. Class 1-C: Tax Claims**

24 This Class consists of Allowed Priority Claims under 11 U.S.C. § 507(a)(8) – tax Claims
25 which are not otherwise treated as secured claims herein. As provided in 11 U.S.C. §
26 1129(a)(9)(C), unless Claimants holding Claims in this Class agree to an alternative form of
27 treatment, the Allowed Priority Claims of Class 1-C shall be paid in full, in cash, on or before the
28 Effective Date, or, at the Debtor's option, such Allowed Claims shall be paid, on account of such

1 Allowed Claim, deferred cash payments, over a period not exceeding six years after the date of
2 assessment of such Claim, of a value, as of the Effective Date of the Plan, equal to the allowed
3 amount of such Claim. Any Class 1-C Claims not allowed as of the Effective Date shall be paid as
4 soon thereafter as they are allowed by the Court according to the terms of this Class. This Class is
5 not impaired.

6 **2. Class 2: Secured Claims**

7 **a. Class 2-A – Allowed Secured Claims of US Bank**

8 This Class consists of the Allowed Secured Claim of US Bank. This Class is impaired. US
9 Bank asserts that it has the right to make an election under § 1111(b) of the Bankruptcy Code.
10 Accordingly, the following discussion sets forth alternate treatments of US Bank’s secured claim,
11 depending upon whether US Bank makes the § 1111(b) election or not.

12 **(i) US Bank’s Treatment if the § 1111(b) Election is Not Made**

13 If US Bank does not make the § 1111(b) election, then pursuant to § 506(a)(1) of the
14 Bankruptcy Code, the amount of US Bank’s Allowed Secured Claim shall be limited to the value
15 of its collateral, which US Bank asserts (and the Debtor does not contest) is \$27,100,000. The
16 remainder of US Bank’s Allowed Claim shall be treated as a general unsecured claim in Class 5.
17 The Debtor intends to pay US Bank’s Allowed Secured Claim in full, with interest at the Plan
18 Rate, over a period of seven years.

19 Specifically, the Debtor will execute and deliver to US Bank a promissory note (the “New
20 US Bank Note”) in the principal face amount of \$27,100,000, *i.e.* the amount of US Bank’s
21 Allowed Secured Claim. The New US Bank Note will mature and become fully due and payable
22 on the 7th anniversary of the Effective Date (the “New US Bank Note Maturity Date”). During the
23 term of the New US Bank Note, the Debtor will make monthly principal and interest payments to
24 US Bank based upon a 25 year amortization schedule with interest at the Plan Rate. On the New
25 US Bank Note Maturity Date, all remaining amounts of principal and interest due under the New
26 US Bank Note will be immediately due and payable, and will be paid by the Debtor to US Bank
27 either through a sale of the Real Property or through refinancing of the Real Property. The first
28 payment of principal and interest will be made on the Effective Date, and each monthly payment

1 thereafter will be made on the first business day of each month during the term of the New US
2 Bank Note.

3 US Bank will retain its existing lien on the property that served as collateral for US Bank's
4 Claim pre-petition until the New US Bank Note has been satisfied in full. At any time prior to the
5 end of the term, the Debtor may pay the balance of the New US Bank Note without penalty.

6 The Debtor anticipates that, during the first approximately 24 months following the
7 Effective Date of the Plan, before the occupancy of the Real Property becomes stabilized, the Real
8 Property may not generate sufficient net cash flow, after paying operating expenses, to make the
9 full amount of monthly principal and interest payments payable under the New US Bank Note (the
10 "Monthly Note Payments"). Accordingly, on the Effective Date of the Plan, as part of the New
11 Value infused by RCCH, or the Successful Bidder, RCCH or the Successful Bidder will deposit
12 \$3,000,000 into an interest bearing reserve account (the "Reserve Account") which will be
13 specifically earmarked and used to pay any cash flow deficiency between the monthly net cash
14 flow generated by the Real Property and the Monthly Note Payments during the term of the New
15 US Bank Note (a "Cash Flow Deficiency"). To the extent that the use of the funds in the Reserve
16 Accounts will result in the amount of funds in the Reserve Account being reduced to an amount
17 below \$200,000, at any time during the term of the New US Bank Note, the Reorganized Debtor
18 (from any retained excess cash flow) or RCCH, or the Successful Bidder, if any, (from an
19 additional contribution of capital) will replenish the Reserve Account such that the Reserve
20 Account shall always be maintained in the total amount of \$200,000 until the New US Bank Note
21 matures.

22 The failure to maintain the Reserve Account in the total amount of at least \$200,000 will
23 constitute a default under the New US Bank Note and the lien in the collateral securing the New
24 US Bank Note.

25 Immediately upon payment, in full, of the New US Bank Note, US Bank's Allowed
26 Secured Claim, and its secured interest in the Real Property, will be deemed satisfied,
27 extinguished, released and discharged, in full.
28

1 **(ii) US Bank’s Treatment if the § 1111(b) Election is Made**

2 If US Bank makes the § 1111(b) election, then US Bank’s entire Allowed Claim will be
3 treated as fully secured, and US Bank will not have any claims in Class 5.

4 In this event, the Debtor will treat US Bank’s Allowed Claim as follows:

5 • US Bank will retain its lien on the Real Property in the full amount of its Allowed
6 Claim, as such Allowed Claim is determined by the Court.

7 • For purposes of this analysis, the Debtor assumes that (i) US Bank’s Allowed Claim
8 will be established at no more than \$59,000,000, rather than the nearly \$71,000,000 asserted by US
9 Bank in its pleadings filed in this case; and (ii) the value of US Bank’s collateral is \$27.1 million.
10 The actual amount of US Bank’s Allowed Claim, and the value of its collateral base, will be
11 established by the Court. Attached hereto Exhibit “B” is a cash flow projection reflecting various
12 alternative scenarios for the treatment of US Bank’s claim depending on three different estimated
13 collateral values (\$27.1 million, \$28 million and \$29 million) and three different claim amounts
14 (\$59 million, \$65 million and \$71 million) (collectively, the “Alternative Scenarios”). The Court
15 may determine that these various amounts are different than those set forth in the projections;
16 consequently, Exhibit “B” to the Disclosure Statement is merely illustrative of the Alternative
17 Scenarios and the final projections of cash flow may be adjusted accordingly following the Court’s
18 determinations of these variables.

19 • The Reorganized Debtor will make an initial principal payment to US Bank on the
20 Effective Date of the Plan in the amount of \$425,000 from the New Value contributed by RCCH
21 or the Successful Bidder, if any.

22 • The Reorganized Debtor will pay the remaining total amount of US Bank’s
23 Allowed Claim over a period of 300 months as follows:

24 (i) In the first year following the Effective Date of the Plan, the Reorganized
25 Debtor will make payments of \$126,250 per month to US Bank, for a total annual payment
26 of \$1,515,000;

27 (ii) In the second year following the Effective Date of the Plan, the Reorganized
28 Debtor will make payments of \$141,250 per month to US Bank, for a total annual payment

1 of \$1,695,000 and a total payment on US Bank's Allowed Claim at the end of twenty four
2 months in the amount of \$3,210,000;

3 (iii) In the third year following the Effective Date of the Plan, the Reorganized
4 Debtor will make payments of \$156,250 per month to US Bank, for a total annual payment
5 of \$1,875,000 and a total payment on US Bank's Allowed Claim at the end of thirty six
6 months in the amount of \$5,085,000;

7 (iv) In the fourth year following the Effective Date of the Plan, the Reorganized
8 Debtor will make payments of \$171, 250 per month to US Bank, for a total annual payment
9 of \$2,055,000 and a total payment on US Bank's Allowed Claim at the end of forty eight
10 months in the amount of \$7,140,000;

11 (v) In the fifth year following the Effective Date of the Plan, the Reorganized
12 Debtor will make payments of \$186,250 per month to US Bank, for a total annual payment
13 of \$2,235,000 and a total payment on US Bank's Allowed Claim at the end of sixty months
14 in the amount of \$9,375,000;

15 (vi) In the sixth through tenth years following the Effective Date of the Plan, the
16 Reorganized Debtor will make payments of \$186,250 per month to US Bank, for total
17 annual payments of \$2,235,000 per year and a total payment on US Bank's Allowed Claim
18 at the end of 120 months in the amount of \$20,550,000;

19 (vii) In the eleventh through fifteenth years following the Effective Date of the
20 Plan, the Reorganized Debtor will make payments of \$201,250 per month to US Bank, for
21 total annual payments of \$2,415,000 per year and a total payment on US Bank's Allowed
22 Claim at the end of 180 months in the amount of \$32,625,000;

23 (viii) In the sixteenth through twentieth years following the Effective Date of the
24 Plan, the Reorganized Debtor will make payments of \$216,250 per month to US Bank, for
25 total annual payments of \$2,595,000 per year and a total payment on US Bank's Allowed
26 Claim at the end of 240 months in the amount of \$45,600,000;

27 (ix) In the twenty-first through twenty-fifth years following the Effective Date of
28 the Plan, the Reorganized Debtor will make payments of \$216,250 per month to US Bank,

1 for total annual payments of \$2,595,000 per year until the total amount of US Bank's
2 Allowed Claim of \$59,000,000 (including the initial principal payment of \$425,000) is paid
3 in full.

4 • Notwithstanding the foregoing payment schedule, the Reorganized Debtor shall
5 have the right and ability to make principal reduction payments to US Bank during the twenty-five
6 year payoff period, without penalty, from excess cash flow, if any, from the operations of the Real
7 Property.

8 • The foregoing repayment schedule reflects that US Bank will receive an internal
9 rate of return (*i.e.*, interest) at the rate of 6.52% per annum during the 25 year repayment period,
10 based on the assumption that the value of US Bank's collateral is \$27.1 million and the allowed
11 amount of its claim is \$59 million.

12 • In the event the Court finds that US Bank's Allowed Claim is greater than
13 \$59,000,000 and/or that the value of US Bank's collateral is more than \$27.1 million, then (i) the
14 stream of payments on US Bank's claim will remain the same as set forth above but (ii) any
15 balance of US Bank's Allowed Claim remaining on the 25th anniversary of the Effective Date will
16 be paid in full at such time through either the sale of the Property or a refinancing of the Property.
17 Attached hereto as Exhibit "C" is an "IRR Sensitivity Analysis" reflecting the internal rate of
18 return (or interest) that US Bank will receive under the Alternative Scenarios. Generally, the IRR
19 Sensitivity Analysis reflects the following interest to be paid to US Bank under the Alternative
20 Scenarios:

	\$59 million	\$65 million	\$71 million
\$27.1 million	6.52%	6.95%	7.32%
\$28 million	6.20%	6.64%	7.02%
\$29 million	5.86%	6.31%	6.70%

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26 • The Debtor anticipates that, during the first approximately 24 months following the
27 Effective Date of the Plan, before the occupancy of the Real Property becomes stabilized, the Real
28 Property may not generate sufficient net cash flow, after paying operating expenses, to make the

1 full amount of monthly payments called for in the foregoing payment schedule. Accordingly, just
2 as with the Debtor's treatment of US Bank's claim if US Bank does not make the § 1111(b)
3 election, on the Effective Date of the Plan, as part of the New Value infused by RCCH or the
4 Successful bidder, if any, RCCH or the Successful Bidder will deposit \$3,000,000 into the Reserve
5 Account, which will be specifically earmarked and used to pay any cash flow deficiency between
6 the monthly net cash flow generated by the Real Property and the required monthly payments set
7 forth in the foregoing payment schedule. To the extent that the use of the funds in the Reserve
8 Accounts will result in the amount of funds in the Reserve Account being reduced to an amount
9 below \$200,000, at any time during the 25 year payment period, the Reorganized Debtor (from any
10 retained excess cash flow) or RCCH, or the Successful Bidder, if any, (from an additional
11 contribution of capital) will replenish the Reserve Account such that the Reserve Account shall
12 always be maintained in the total amount of \$200,000 until the US Bank's Allowed Claim is paid
13 in full matures. The failure to maintain the Reserve Account in the total amount of at least
14 \$200,000 will constitute a default under the Plan and the lien in the Real Property securing the
15 New US Bank Note.

16 • Immediately upon payment, in full, of US Bank's Allowed Claim, US Bank's
17 secured interest in the Real Property will be deemed satisfied, extinguished, released and
18 discharged, in full.

19 • The Reorganized Debtor reserves its right and ability to sell or refinance the Real
20 Property at any time during the twenty-five year payment period, so long as the net sale or loan
21 proceeds (after payment of costs of sale or loan) are sufficient to pay the remaining amount of US
22 Bank's Allowed Claim in full.

23 **b. Class 2-B –Allowed Secured Claim of Maricopa County**

24 This Class consists of the Allowed Secured Claim of Maricopa County, Arizona
25 ("Maricopa County"), if any, that is secured by a tax lien on the Real Property. This Class is
26 impaired.

27 Commencing on the Effective Date, the Allowed Secured Claim of Maricopa County, if
28 any, will be paid in equal quarterly payments of principal and interest over a term of 1 year.

1 Interest will accrue and will be paid at the statutory rate plus 2%. The County will retain its
2 existing secured interest in the Real Property until this claim has been satisfied in full.

3 If funds generated from the normal operations of the Real Property are insufficient to pay
4 the secured real property tax claims as provided herein, the payments required herein to Maricopa
5 County will be made from the New Value contributed by RCCH or the Successful Bidder, if any.

6 **c. Class 2-C –Allowed Secured Claim of Fennemore Craig**

7 This Class consists of the Allowed Secured Claim of Fennemore Craig in the amount of
8 \$26,439. This Class is impaired.

9 Although the retention agreement between Fennemore Craig and the Debtor does not
10 provide for the payment of interest on Fennemore Craig’s claim, Fennemore Craig’s Allowed
11 Secured Claim shall include interest at the Plan Rate from the date that the amount due and owing
12 to Fennemore Craig first became 60 days past due until the Effective Date of the Plan. On the
13 Effective Date of the Plan, Fennemore Craig will be entitled to apply its collateral (consisting of a
14 cash retainer) to the principal amount of Fennemore Craig’s claim plus any such accrued interest.
15 Regardless of the total amount of Fennemore Craig’s claim, Fennemore Craig’s application of its
16 retainer to the principal amount of the claim and any accrued interest shall be deemed to be in full
17 and final satisfaction of Fennemore Craig’s claims against the Debtor. To the extent that the
18 amount of the retainer is greater than the amount of Fennemore Craig’s claim, including accrued
19 interest, Fennemore Craig shall deliver any excess funds to the Debtor after application of the
20 retainer to Fennemore Craig’s claim.

21 **d. Class 2-D –Allowed Secured Claim of Larson Allen**

22 This Class consists of the Allowed Secured Claim of Larson Allen in the amount of
23 \$3,941.56. This Class is impaired.

24 Although the retention agreement between Larson Allen and the Debtor provides for the
25 payment of interest on Larson Allen’s claim at the rate of 1.5% per month, Larson Allen’s
26 Allowed Secured Claim shall include interest at the Plan Rate from the date that the amount due
27 and owing to Larson Allen first became 60 days past due until the Effective Date of the Plan. On
28 the Effective Date of the Plan, Larson Allen will be entitled to apply its collateral (consisting of a

1 cash retainer) to the principal amount of Larson Allen's claim plus any such accrued interest.
2 Regardless of the total amount of Larson Allen's claim, Larson Allen's application of its retainer
3 to the principal amount of the claim and any accrued interest shall be deemed to be in full and final
4 satisfaction of Larson Allen's claims against the Debtor. To the extent that the amount of the
5 retainer is greater than the amount of Larson Allen's claim, including accrued interest, Larson
6 Allen shall deliver any excess funds to the Debtor after application of the retainer to Larson
7 Allen's claim.

8 **3. Class 3: Allowed Claim of Eye Level Holdings**

9 This Class consists of the Allowed Claim of Eye Level Holdings for unreimbursed tenant
10 improvement costs and expenses owing by the Debtor to Eye Level Holdings in the amount of
11 approximately \$130,346 ("Eye Level Holdings' Reimbursement Claim"). This Class is impaired.

12 Eye Level Holdings' Reimbursement Claim shall not accrue interest. Eye Level Holdings'
13 Reimbursement Claim shall be satisfied and paid in full by Eye Level Holdings setting off against
14 the monthly rent owing by Eye Level Holdings to the Reorganized Debtor the following amounts
15 pursuant to the following schedule until Eye Level Holdings' Reimbursement Claim is satisfied in
16 full:

17 For the first six months that rent is due from Eye Level Holdings to the Debtor following
18 the Effective Date, Eye Level Holdings shall be entitled to set off the amount of \$5,000 per month
19 from its monthly rent payment to the Reorganized Debtor. For the following six months, Eye Level
20 Holdings shall be entitled set off the amount of \$7,000 per month from its monthly rent payment to
21 the Reorganized Debtor. For the following six months, Eye Level Holdings shall be entitled set off
22 the amount of \$10,000 per month from its monthly rent payment to the Reorganized Debtor until
23 Eye Level Holdings' Reimbursement Claim is paid in full.

24 **4. Class 4: Tenant Security Deposits**

25 This Class consists of all Allowed Unsecured Claims of tenants for pre-petition security
26 deposits held by the Debtor in the total aggregate amount of approximately \$212,592.86. This
27 Class is impaired.

28 The Reorganized Debtor shall retain its right and ability to determine whether and what

1 extent a tenant is entitled to the return of its security deposit pursuant to the terms of the lease
2 between the Debtor and the tenant and applicable state law. However, notwithstanding anything to
3 the contrary in the lease between the Debtor and its tenants or in applicable law, valid and
4 enforceable tenant security deposits will be paid to tenants within 90 days of the later of either (a)
5 the date that the Debtor determines the appropriate amount of the security deposit to be returned or
6 (b) the date the tenant vacates its premises. This 90 day delay is necessary in order to ensure that
7 the Debtor has sufficient funds on hand to return the security deposit to the tenant, either from the
8 cash flow of the Real Property or from an infusion of cash from one or more of the New Interest
9 Holders.

10 **5. Class 5: Unsecured Claims**

11 This Class consists of all Allowed Unsecured Claims of Creditors that are not specifically
12 treated elsewhere in the Plan (*e.g.*, this Class does not include the Allowed Claim of Eye Level
13 Holdings, claims of tenants for security deposits, or any administrative or priority claims). If US
14 Bank does not make the § 1111(b) election, then US Bank’s unsecured deficiency claim—*i.e.*, the
15 difference between the amount of US Bank’s Allowed Claim and the value of the Real Property—
16 will be included in this Class. If US Bank makes the § 1111(b) election, then US Bank will not
17 have a deficiency claim and will not participate in distributions to holders in this Class 5. This
18 Class is impaired.

19 **a. Treatment of Allowed Unsecured Claims if US Bank Does 20 Not Make the § 1111(b) Election**

21 If US Bank does not make the § 1111(b) election, then Allowed Unsecured Claims will be
22 treated as follows:

23 • If RCCH is the successful bidder at the auction discussed below, RCCH and/or any
24 other affiliates of the Debtor holding Unsecured Claims, including Cavan Management Services
25 (the manager of RCCH) (“CMS”), will waive their Unsecured Claims against the Debtor and the
26 Debtor’s Estate, and will not participate in any distribution to Class 5 Claimants. However, if
27 RCCH is not the successful bidder at the auction, then RCCH and/or any other affiliates of the
28 Debtor holding Allowed Unsecured Claims against the Debtor, including CMS, shall participate in
the distributions to this Class.

1 this Plan) will be paid in full but without interest, by the Reorganized Debtor from the New Value
2 contribution, on the 90th day following the Effective Date of the Plan. The Debtor estimates that
3 these claims will not exceed approximately \$75,000.

4 • Upon their receipt of the funds from the Reorganized Debtor, all Allowed
5 Unsecured Claims in this Class shall be deemed paid and discharged in full.

6 **6. Class 6: Interest Holders**

7 Class 6 consists of all Allowed Interests of the Interest Holder in the Debtor. The Debtor's
8 Interest Holder is RCCH. RCCH will purchase the equity interests in the Reorganized Debtor by
9 the contribution of cash to the Reorganized Debtor, on the Effective Date, in the amount of
10 \$8,000,000 (*i.e.*, the New Value). The New Value will be used to:

11 (a) pay the amount necessary to pay all Class 1 Allowed Priority Claims as set forth above;

12 (b) pay the amounts to Maricopa County as set forth above, to the extent that cash flow
13 from the Real Property is insufficient to pay the taxes;

14 (c) pay the \$425,000 initial principal payment to US Bank, if US Bank makes the § 1111(b)
15 election;

16 (d) pay the amount necessary to fund the Reserve Account in the amount of \$3,000,000 as
17 required by the treatment of Class 2-A Claimants as set forth above;

18 (e) pay either (1) the Unsecured Distribution Amount of \$500,000, if US Bank does not
19 make the § 1111(b) election or (2) the amount necessary to pay Allowed Unsecured Claims in
20 Class 5 (estimated at approximately \$75,000), in full, if applicable if US Bank makes the § 1111(b)
21 election; and

22 (f) fund a capital reserve account, in the amount of approximately \$4.5 million, necessary
23 to fund, among other things, (1) tenant improvements, (2) broker's commissions, and (3) other
24 necessary and appropriate capital expenses of the Real Property to ensure that the value of the Real
25 Property is maintained.

26 If the Court determines that, under the circumstances, the New Value to be contributed by
27 RCCH is insufficient, or that other parties-in-interest should be allowed to bid for the equity
28 interests in the Reorganized Debtor, then other interested parties may bid for the equity interests in

1 the Reorganized Debtor by meeting all of the terms and conditions identified below. Such bids
2 shall be made pursuant to the following auction procedures and terms:

3 a. The auction of the equity interests in the Reorganized Debtor will be held at the
4 time of the Confirmation Hearing in the courtroom, with the Court presiding over the bidding.

5 b. Any party wishing to bid on the equity interests of the Reorganized Debtor must
6 satisfy the following requirements to be a "Qualified Bidder":

7 i. The bidder must be a current Creditor or Interest Holder of the Debtor. This
8 requirement is necessary to avoid any potential registration or like requirements of any
9 applicable securities laws or regulations.

10 ii. The bidder must deposit \$1,000,000 in cash ("Deposit") with the Debtor's
11 counsel at least twenty-five days prior to the Confirmation Hearing. Any Deposits will be
12 returned to any unsuccessful bidder on the day following the Confirmation Hearing. The
13 Deposit, plus any additional amounts bid by the Successful Bidder at the auction for the
14 equity interests in the Reorganized Debtor, will be delivered to the Reorganized Debtor on
15 the Effective Date of the Plan.

16 iii. At least twenty-five days prior to the Confirmation Hearing, all bidders must
17 provide satisfactory evidence to the Debtor of their ability to make a cash payment to the
18 Debtor, on the Effective Date of the Plan, in the amount of no less than \$8,250,000. To the
19 extent that the Debtor contests the sufficiency of the evidence submitted regarding a
20 bidder's ability to pay such amount, the evidence will be presented to the Court at the
21 Confirmation Hearing, prior to bidding, and the Court will make a determination as to the
22 sufficiency of the evidence and whether the bidder should be deemed to be a Qualified
23 Bidder.

24 iv. At least twenty-five days prior to the Confirmation Hearing, all bidders must
25 provide satisfactory evidence to the Debtor of their ability to operate the Reorganized
26 Debtor in such a manner as to satisfy the requirements of this Plan, including payments to
27 administrative claimants, secured creditors and unsecured creditors, on the terms and
28 conditions set forth herein. To the extent that the Debtor contests the sufficiency of the

1 evidence submitted regarding a bidder's ability to make payments as required by the Plan,
2 the evidence will be presented to the Court at the Confirmation Hearing, prior to bidding,
3 and the Court will make a determination as to the sufficiency of the evidence and whether
4 the bidder should be deemed to be a Qualified Bidder.

5 v. At least twenty-five days prior to the Confirmation Hearing, all bidders must
6 provide satisfactory evidence to the Debtor that they are authorized to do business in the
7 State of Arizona, and have, or have the ability to obtain, any and all necessary permits
8 and/or licenses to operate the Real Property. To the extent that the Debtor contests the
9 sufficiency of such evidence, the evidence will be presented to the Court at the
10 Confirmation Hearing, prior to bidding, and the Court will make a determination as to the
11 sufficiency of the evidence and whether the bidder should be deemed to be a Qualified
12 Bidder.

13 c. All bids for the interests in the Reorganized Debtor shall be in increments of no less
14 than \$250,000.

15 d. In order for a Qualified Bidder's bid to be determined to be higher and better than
16 the New Value to be contributed by RCCH as set forth above, the Qualified Bidder's bid must:

17 i. Exceed, by at least \$250,000, RCCH's \$8 million bid; and

18 ii. Provide that the Qualified Bidder will comply with and perform under the
19 terms of this Plan, including the payments to creditors (including tenant security deposits)
20 as provided herein.

21 e. RCCH shall have the right and ability to bid at the auction.

22 Competing bids will be assessed by the Court for their relative merits including, but not
23 limited to, the amount of the bid and the expertise of the would-be New Interest Holder to manage
24 and guide the Reorganized Debtor after the Effective Date and to satisfy the requirements of this
25 Plan, including its ability to make the payments to creditors required herein and to satisfy the
26 assumed obligations as required herein.

27 On the Effective Date, if RCCH is not the successful bidder at the auction, then the
28 Successful Bidder at the auction must deliver its cash bid to the Reorganized Debtor and, upon

1 such delivery, the Successful Bidder will be deemed to hold the equity interests in the Reorganized
2 Debtor, subject to all terms and conditions of this Plan, including the obligations to other creditors
3 as provided herein and the assumption of liabilities as provided herein.

4 **D. MEANS FOR EXECUTING THE PLAN.**

5 **1. Funding**

6 The Plan will be funded by operation of the Property and a capital infusion in the amount
7 of the New Value by RCCH or the Successful Bidder, if an auction as described above is held. As
8 a showing of good faith and commitment to the Plan, RCCH will place \$250,000 in “escrow” in
9 the trust account of the Debtor’s bankruptcy counsel on or before the Confirmation Date. These
10 funds will become a part of the Estate and will fund the New Value contribution obligations set
11 forth herein at confirmation ***only in the event that*** RCCH is the successful bidder for the equity
12 interests in the Reorganized Debtor. Additionally, these funds will only be available to, and
13 become a part of, the Estate if a Confirmation Order confirming this Plan is entered and becomes a
14 Final Order.

15 **2. Liquidation of Estate Property**

16 The Debtor shall have the authority to retain such brokers, agents, counsel, or
17 representatives as it deems necessary to market, lease and/or sell assets of the Reorganized Debtor.

18 **3. Management**

19 The Plan will be implemented by the retention of the Debtor’s existing management, CMS.
20 This implementation will also include the management and disbursement of the funds infused by
21 RCCH, or the Successful Bidder, if any, as set forth above and in accordance with the terms of this
22 Plan.

23 **4. Disbursing Agent**

24 The Reorganized Debtor shall act as the Disbursing Agent under the Plan.

25 **5. Documentation of Plan Implementation**

26 In the event any entity which possesses an Allowed Secured Claim or any other lien in any
27 of the Debtor’s property for which the Plan requires the execution of any documents to incorporate
28 the terms of the Plan, fails to provide a release of its lien or execute the necessary documents to

1 satisfy the requirements of the Plan, the Debtor may record a copy of this Plan or the Confirmation
2 Order with the appropriate governmental agency and such recordation shall constitute the lien
3 release and creation of any necessary new liens to satisfy the terms of the Plan. If the Debtor
4 deems advisable, it may obtain a further Order from the Court that may be recorded in order to
5 implement the terms of the Plan.

6 **6. New Obligations**

7 Any Allowed Claims which are otherwise impaired herein, and which are paid in deferred
8 payments, shall be a New Obligation of the Reorganized Debtor under the terms described herein
9 and completely replace any pre-confirmation obligations of the Debtor.

10 **VII. EFFECT OF CONFIRMATION.**

11 Except as otherwise provided in the Plan or the Confirmation Order, Confirmation acts as a
12 Discharge, effective as of Confirmation, of any and all debts of the Debtor that arose any time
13 before the entry of the Confirmation Order including, but not limited to, all principal and all interest
14 accrued thereon, pursuant to §1141(d)(1) of the Bankruptcy Code. The Discharge shall be effective
15 as to each Claim, regardless of whether a Proof of Claim thereon was filed, whether the Claim is an
16 Allowed Claim, or whether the Holder thereof votes to accept the Plan.

17 In addition, any pre-confirmation obligations of the Debtor dealt with in the Plan shall be
18 considered New Obligations of the Debtor, and these New Obligations shall not be considered in
19 default unless and until the Reorganized Debtor defaults on the New Obligations pursuant to the
20 terms of the Plan. The New Obligations provided for in the Plan shall be in the place of, and
21 completely substitute for, any pre-Confirmation obligations of the Debtor. Once the Plan is
22 confirmed, the only obligations of the Debtor shall be such New Obligations as provided for under
23 the Plan.

24 **VIII. LIQUIDATION ANALYSIS**

25 If the Plan is not confirmed, and the Debtor's assets were liquidated instead, it is likely that
26 only US Bank would recover anything from such liquidation, and all other creditors (other than
27 Fennemore Craig and Larson Allen) will not recover anything from the Debtor or the Debtor's
28

1 Estate. Indeed, the value of the Debtor's Property is \$27.1 million, while US Bank's asserted
2 secured claim encumbering the Property is at least approximately \$57 million. Furthermore, the
3 Debtor's personal property is virtually worthless and is likely covered by US Bank's security
4 interest in the Debtor's assets. Although the Debtor owns a significant claim against a related
5 entity, the Debtor is informed and believes that such claim is uncollectible.

6 The Debtor's Plan provides a better recovery than such a liquidation, regardless of whether
7 US Bank makes the § 1111(b) election. First, if US Bank makes the § 1111(b) election, unsecured
8 claims, other than related party claims, will be paid in full from the New Value contribution. If US
9 Bank does not make the election, then Allowed Unsecured Creditors will share in a pro rata
10 distribution of \$500,000 on the Effective Date and a pro rata interest in the Subordinated
11 Debenture. Finally, under the Plan, US Bank will recover either (a) the value of its collateral, plus
12 a market rate of interest, plus its share of the Unsecured Distribution Amount and Subordinated
13 Debenture, if it does not make the § 1111(b) election; or (b) cash payments in the total amount of
14 its Allowed Claim if it makes the § 1111(b) election. Either of these treatments will result in a
15 better recovery to US Bank than if the Property were liquidated.

16 Thus, the Plan provides for a better recovery to creditors than a liquidation.

17 **IX. TAX CONSEQUENCES**

18 Pursuant to §1125(a)(1) of the Bankruptcy Code, the Debtor is to provide a discussion of
19 the potential material tax consequences of the Plan to the Debtor, any successor to the Debtor, and a
20 hypothetical investor typical of the holders of claims or interests in the case, that would enable such
21 a hypothetical investor of the relevant Class to make an informed judgment about the Plan.
22 However, the Debtor need not include such information about any other possible or proposed plan.
23 In determining whether the Disclosure Statement provides adequate information, the Court shall
24 consider the complexity of the case, the benefit of additional information to creditors and other
25 parties in interest, and the cost of providing additional information. The following discussion
26 summarizes certain considerations that may affect the anticipated federal income tax consequences
27 of the Plan's implementation to Creditors and to the Debtor. It does not address all federal income
28

1 tax consequences of the Plan nor does it address the state or local income tax or other state or local
2 tax consequences of the Plan's implementation to Creditors or to the Debtor.

3 This description of the federal income tax consequences of implementing the Plan is based
4 on Debtor's interpretation of the applicable provisions of the Internal Revenue Code of 1986, as
5 amended (the "IRC"), the regulations promulgated thereunder, and other relevant authority.
6 Debtor's interpretation, however, is not binding on the IRS or any court. The Debtor has not
7 obtained, nor does it intend to obtain, a private letter ruling from the IRS, nor has the Debtor
8 obtained an opinion of counsel with respect to any of these matters. The discussion below is
9 general in nature and is not directed to the specific tax situation of any particular interested
10 taxpayer. **For these reasons, all Creditors and the Interest Holder should consult with their
11 own tax advisors as to the tax consequences of implementation of the Plan to them under
12 applicable federal, state, and local tax laws.**

13 **A. Tax Consequences to the Debtor**

14 In general, pursuant to IRC Section 108, the amount of any debt of a corporation that is
15 partially or totally discharged pursuant to a Title 11 bankruptcy case is excluded from gross
16 income. According to IRC Section 108(b), the amount of debt discharge income ("DDI") that is
17 excluded from gross income must be applied to reduce the tax attributes of the Debtor. The
18 Debtor's tax attributes are reduced in the following order: (1) net operating losses ("NOLs"); (2)
19 general business credits; (3) minimum tax credit; (4) capital loss carryovers; (5) reduction in tax
20 basis of the Debtor's property; (6) passive activity loss and credit carryovers; and (7) foreign tax
21 credit carryovers. The Debtor may elect to apply the debt discharge exclusion first to depreciable
22 property and thereafter to the tax attributes in the above-prescribed order.

23 **B. Tax Consequences to the Secured and Unsecured Creditors**

24 Both the Secured Claimants and/or the Unsecured Claimants may be required to report
25 income or be entitled to a deduction as a result of implementation of the Plan. The exact tax
26 treatment depends on, among other things, each Claimant's method of accounting, the nature of
27 each Claimant's claim, and whether and to what extent such Claimant has taken a bad debt
28

1 deduction in prior taxable years with respect to the particular debt owed to it by one of the Debtors.
2 **Each Holder of a secured claim or an unsecured claim is urged to consult with his, her, or its**
3 **own tax advisor regarding the particular tax consequences of the treatment of his, her, or its**
4 **claim under the Plan.**

5 **X. OBJECTIONS TO AND ESTIMATIONS OF CLAIMS.**

6 **A. Objections and Bar Date for Filing Objections.**

7 As soon as practicable, but in no event later than 45 days after the Effective Date, objections
8 to Claims shall be filed with the Bankruptcy Court and served upon the holders of each of the
9 Claims to which objections are made pursuant to the Bankruptcy Code and the Bankruptcy Rules.
10 Objections filed after such date will be barred.

11 **B. Settlement of Claims.**

12 Settlement of any objection to a Claim not exceeding \$10,000 shall be permitted on the
13 eleventh (11th) day after notice of the settlement has been provided to the Debtor, the Creditors, the
14 settling party, and other persons specifically requesting such notice, and if on such date there is no
15 written objection filed, such settlement shall be deemed approved. In the event of a written
16 objection to the settlement, the settlement must be approved by the Court on notice to the objecting
17 party.

18 **C. Estimation of Claims.**

19 For purposes of making distributions provided for under the Plan, all Claims objected to
20 shall be estimated by the Disbursing Agent at an amount equal to (i) the amount, if any, determined
21 by the Court pursuant to §502(c) of the Bankruptcy Code as an estimate for distribution purposes;
22 (ii) an amount agreed to between the Debtor and the Claimant; or, (iii) that amount set forth as an
23 estimate in the Plan or Disclosure Statement. Notwithstanding anything herein to the contrary, no
24 distributions shall be made on account of any Claim until such Claim is an Allowed Claim.

25 **D. Unclaimed Funds and Interest.**

26 Distribution to Claimants shall be mailed by the Reorganized Debtor to the Claimants at the
27 address appearing on the master mailing matrix unless the Claimant provides the Reorganized
28

1 Debtor with an alternative address. For a period of one year from the date that a distribution was to
2 be made by the disbursing agent but has gone uncollected by the Claimant, the disbursing agent
3 shall retain any distributions otherwise distributable hereunder which remain unclaimed or as to
4 which the disbursing agent has not received documents required pursuant to the Plan. Thereafter,
5 the unclaimed funds shall be deposited in the appropriate distribution account for distribution to
6 other Claimants entitled to participate in such respective fund.

7 **XI. NON-ALLOWANCE OF PENALTIES AND FINES.**

8 No distribution shall be made under the Plan on account of, and no Allowed Claim, whether
9 Secured, Unsecured, Administrative, or Priority, shall include any fine, penalty, exemplary or
10 punitive damages, late charges, default interest or other monetary charges relating to or arising
11 from any default or breach by the Debtor, and any Claim on account thereof shall be deemed
12 Disallowed, whether or not an objection was filed to it.

13 **XII. CLOSING OF CASE.**

14 Until these cases are officially closed, the Reorganized Debtor will be responsible for filing
15 pre- and post-confirmation reports required by the United States Trustee and paying the quarterly
16 post-confirmation fees of the United States Trustee, in cash, pursuant to 28 U.S.C. §1930, as
17 amended. Pursuant to 11 U.S.C. §1129(a)(12), all fees payable under §1930 of Title 28, as
18 determined by the Court at the hearing on confirmation of the Plan, will be paid, in cash, on the
19 Effective Date.

20 **XIII. MODIFICATION OF THE PLAN.**

21 In addition to its modification rights under §1127 of the Bankruptcy Code, the Debtor may
22 amend or modify the Plan at any time prior to Confirmation without leave of the Court. The Debtor
23 may propose amendments and/or modifications of the Plan at any time subsequent to Confirmation
24 with leave of the Court and upon notice to Creditors. After Confirmation of the Plan, the Debtor
25 may, with approval of the Court, as long as it does not materially or adversely affect the interests of
26 Creditors, remedy any defect or omission or reconcile any inconsistencies of the Plan, or in the
27 Confirmation Order, if any may be necessary to carry out the purposes and intent of the Plan.
28

1 **XIV. JURISDICTION OF THE COURT.**

2 The Court will retain jurisdiction until the Plan has been fully consummated for, including
3 but not limited to, the following purposes:

4 1. The classification of the Claims of any Creditors and the re-examination of
5 any Claims which have been allowed for the purposes of voting, and for the determination
6 of such objections as may be filed to the Creditor's Claims. The failure by the Debtor to
7 object to or examine any Claim for the purpose of voting shall not be deemed to be a
8 waiver of the Debtor's rights to object to or to re-examine the Claim in whole or in part.

9 2. To determine any Claims which are disputed by the Debtor, whether such
10 objections are filed before or after Confirmation, to estimate any Un-liquidated or
11 Contingent Claims pursuant to 11 U.S.C. § 502(c)(1) upon request of the Debtor or any
12 holder of a Contingent or Un-liquidated Claim, and to make determination on any objection
13 to such Claim.

14 3. To determine all questions and disputes regarding title to the assets of the
15 Estate, and determination of all causes of action, controversies, disputes or conflicts,
16 whether or not subject to action pending as of the date of Confirmation, between the Debtor
17 and any other party, including but not limited to, any rights of the Debtor to recover assets
18 pursuant to the provisions of the Bankruptcy Code.

19 4. The correction of any defect, the curing of any omission or any
20 reconciliation of any inconsistencies in the Plan, or the Confirmation Order, as may be
21 necessary to carry out the purposes and intent of the Plan.

22 5. The modification of the Plan after Confirmation, pursuant to the Bankruptcy
23 Rules and the Bankruptcy Code.

24 6. To enforce and interpret the terms and conditions of the Plan.

25 7. The entry of an order, including injunctions, necessary to enforce the title,
26 rights and powers of the Debtor, and to impose such limitations, restrictions, terms and
27 conditions of such title, right and power that this Court may deem necessary.

28 8. The entry of an order concluding and terminating this case.

1 **XV. RETENTION AND ENFORCEMENT OF CLAIMS.**

2 Pursuant to §1123(b)(3) of the Bankruptcy Code, the Reorganized Debtors shall retain and
3 may enforce any and all claims of the Debtor, except those claims specifically waived herein. Any
4 retained causes of action include, but are not limited to, all avoidance actions, fraudulent
5 conveyance actions, preference actions, and other claims and causes of action of every kind and
6 nature whatsoever, arising before the Effective Date which have not been resolved or disposed of
7 prior to the Effective Date, whether or not such claims or causes of action are specifically identified
8 in the Disclosure Statement.

9 Any recovery obtained from retained causes of action shall become an additional asset of
10 the Debtor, unless otherwise ordered by the Court, and shall be available for distribution in
11 accordance with the terms of the Plan.

12 **XVI. EXECUTORY CONTRACTS.**

13 The Debtor hereby expressly assumes any and all tenant leases in existence as of the
14 Confirmation Date and all executory contracts listed in the Debtor's Schedules of Assets and
15 Liabilities. Every other executory contract and/or unexpired lease of the Debtor not expressly
16 assumed by this Plan is hereby rejected.

17 Claims under § 502(g) of the Code arising as a result of the rejection of executory contracts
18 or unexpired leases shall be filed no later than 30 days after the Confirmation Date. Any such
19 Claims not timely filed and served shall be Disallowed.

20 **XVII. REVESTING.**

21 Except as provided for in the Plan or in the Confirmation Order, on the Effective Date the
22 Reorganized Debtor shall be vested with all the property of the Estate free and clear of all claims,
23 liens, charges, and other interests of Creditors, arising prior to the Effective Date. Upon the
24 Effective Date, the Reorganized Debtor shall operate their business free of any restrictions.

25 **XVIII. DISCLAIMER.**

26 Court approval of this Disclosure Statement and the accompanying Plan of Reorganization,
27 is not a certification of the accuracy of the contents thereof. Furthermore, Court approval of these
28

1 documents does not constitute the Court's opinion as to whether the Plan should be approved or
2 disapproved.

3 **XIX. RISKS.**

4 The risk of the Plan lies with the Debtor's ability to fund the Plan and ultimately to
5 refinance or sell the Property to pay off its creditors. If the funds to be infused by the Interest
6 Holder are infused, this will lessen the risk accordingly. However, the success of the Debtor
7 depends in large part on the recovery of the national economy over the next several years following
8 confirmation.

9 **XX. PROPONENTS RECOMMENDATION/ALTERNATIVES TO THE PLAN.**

10 The Debtor recommends that all creditors entitled to vote for the Plan do so. The Debtor's
11 Plan will pay US Bank the full amount of its secured claim and provide funds to pay unsecured
12 creditors. The alternatives to confirmation of the Plan would be either conversion of this case to a
13 case under Chapter 7 of the Bankruptcy Code or its dismissal.

14 Dismissal of this case would result in the foreclosure of the Property by US Bank. In such a
15 case, Unsecured Creditors will receive nothing on account of their claims.

16 Conversion will result in the appointment of a Chapter 7 trustee and, most likely, the hiring
17 of an attorney by the trustee. Expenses incurred in administering the Chapter 7 case would take
18 priority in the right to payment over allowed, administrative expenses incurred in the Chapter 11
19 case. Both Chapter 7 and Chapter 11 administrative expenses take priority over the payment of
20 unsecured claims without priority. In other words, conversion would likely decrease the net
21 amount available to pay currently existing creditors.

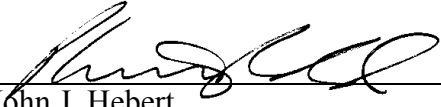
22 The most likely effect of conversion of the case to a Chapter 7 would be a foreclosure on
23 the Property by US Bank, and, as a result, Unsecured Creditors would receive nothing.

24 For all these reasons, the Debtor urges you to vote to accept the Plan and to return your
25 ballots in time to be counted.

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DATED: October 12, 2010.

POLSINELLI SHUGHART PC

By: 
John J. Hebert
Mark W. Roth
Philip R. Rudd
CityScape Plaza
One East Washington, Suite 1200
Phoenix, AZ 85004
Attorneys for the Debtor

COPY of the foregoing mailed (or served via electronic notification if indicated by an “*”) on October 12, 2010, to:

U.S. TRUSTEE’S OFFICE
230 N. 1st Avenue, Suite 204
Phoenix, AZ 85003

Richard Lorenzen * rlorenzen@perkinscoie.com
PERKINS COIE BROWN & BAIN, P.A.
2901 N. Central Ave., Suite 2000
Phoenix, AZ 85012-2788

By: /s/ Cathie Bernales

Raintree North

For the Years Ending	Year 1 Sep-2011	Year 2 Sep-2012	Year 3 Sep-2013	Year 4 Sep-2014	Year 5 Sep-2015	Year 6 Sep-2016	Year 7 Sep-2017
Potential Gross Revenue							
Base Rental Revenue	\$ 3,130,713	\$ 4,282,229	\$ 5,573,426	\$ 5,719,151	\$ 5,869,186	\$ 6,645,077	\$ 7,221,611
Absorption & Turnover Vacancy	\$ (139,721)	\$ (137,782)	\$ (276,169)	\$ (132,840)	\$ (296,722)	\$ (401,863)	\$ (370,588)
Base Rent Abatements	\$ (667,972)	\$ (566,071)	\$ (630,766)	\$ (243,164)	\$ (300,361)	\$ (1,042,375)	\$ (753,912)
Scheduled Base Rental Revenue	\$ 2,323,020	\$ 3,578,376	\$ 4,666,491	\$ 5,343,147	\$ 5,272,103	\$ 5,200,839	\$ 6,097,131
Base Rental Step Revenue	\$ 41,034	\$ 478,383	\$ 544,184	\$ 655,345	\$ 781,464	\$ 491,782	\$ 299,050
Expense Reimbursement Revenue							
Real estate taxes	\$ 953	\$ 10	\$ 19,571	\$ 71,241	\$ 95,959	\$ 80,308	\$ 67,786
Insurance	\$ 77	\$ 1	\$ 2,827	\$ 8,973	\$ 11,775	\$ 9,780	\$ 8,249
Utilities	\$ 515	\$ 8	\$ 18,262	\$ 58,480	\$ 76,751	\$ 64,101	\$ 54,220
Janitorial	\$ 167	\$ 2	\$ 6,338	\$ 20,036	\$ 26,159	\$ 21,609	\$ 18,262
Repairs & maintenance	\$ 118	\$ 2	\$ 4,295	\$ 13,667	\$ 17,895	\$ 14,871	\$ 12,574
HVAC	\$ 40	\$ 1	\$ 1,039	\$ 3,598	\$ 4,815	\$ 4,229	\$ 3,627
Grounds & landscape	\$ 65	\$ 1	\$ 2,217	\$ 7,141	\$ 9,410	\$ 7,913	\$ 6,692
Refuse Removal	\$ 7	\$ -	\$ 261	\$ 823	\$ 1,089	\$ 906	\$ 766
Elevator	\$ 24	\$ -	\$ 743	\$ 2,456	\$ 3,253	\$ 2,785	\$ 2,366
Exterminating	\$ 7	\$ -	\$ 261	\$ 823	\$ 1,089	\$ 906	\$ 766
Security and Fire	\$ 16	\$ -	\$ 663	\$ 2,078	\$ 2,718	\$ 2,234	\$ 1,880
Parking Lot	\$ 3	\$ -	\$ 145	\$ 425	\$ 545	\$ 419	\$ 348
Property Management	\$ 84	\$ 1	\$ 4,790	\$ 16,345	\$ 21,070	\$ 16,944	\$ 14,627
Misc. expenses	\$ 16	\$ -	\$ 601	\$ 1,903	\$ 2,495	\$ 2,066	\$ 1,751
Total Reimbursement Revenue	\$ 2,092	\$ 26	\$ 62,013	\$ 207,989	\$ 275,023	\$ 229,071	\$ 193,914
Rooftop	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200	\$ 25,200
Utility Reimb.	\$ 12,000	\$ 12,120	\$ 12,241	\$ 12,364	\$ 12,487	\$ 12,612	\$ 12,738
Other	\$ 7,200	\$ 7,344	\$ 7,491	\$ -	\$ -	\$ -	\$ -
Parking Revenue	\$ 156,129	\$ 205,412	\$ 254,005	\$ 270,533	\$ 269,883	\$ 271,961	\$ 279,329
Total	\$ 200,529	\$ 250,076	\$ 298,937	\$ 308,097	\$ 307,570	\$ 309,773	\$ 317,267
Total Potential Gross Revenue	\$ 2,566,675	\$ 4,306,861	\$ 5,571,625	\$ 6,514,578	\$ 6,636,160	\$ 6,231,465	\$ 6,907,362
General Vacancy	0	0	(114,990)	(140,959)	(27,714)	(15,630)	0
Effective Gross Revenue	2,566,675	4,306,861	5,456,635	6,373,619	6,608,446	6,215,835	6,907,362
Operating Expenses							
Real estate taxes	\$ 888,118	\$ 621,682	\$ 683,851	\$ 854,813	\$ 897,554	\$ 924,480	\$ 952,214
Insurance	\$ 97,524	\$ 100,450	\$ 103,464	\$ 106,568	\$ 109,765	\$ 113,058	\$ 116,449
Utilities	\$ 539,619	\$ 601,677	\$ 664,247	\$ 695,934	\$ 710,676	\$ 728,587	\$ 752,405
Janitorial	\$ 154,107	\$ 188,596	\$ 223,471	\$ 237,515	\$ 240,504	\$ 245,459	\$ 254,206
Repairs & maintenance	\$ 120,005	\$ 137,073	\$ 154,305	\$ 162,319	\$ 165,356	\$ 169,307	\$ 174,985
HVAC	\$ 32,747	\$ 37,103	\$ 41,312	\$ 43,656	\$ 44,620	\$ 45,738	\$ 47,175
Grounds & landscape	\$ 77,993	\$ 80,333	\$ 82,742	\$ 85,226	\$ 87,782	\$ 90,415	\$ 93,128
Refuse Removal	\$ 9,001	\$ 9,272	\$ 9,550	\$ 9,836	\$ 10,131	\$ 10,435	\$ 10,748
Elevator	\$ 26,985	\$ 27,794	\$ 28,629	\$ 29,488	\$ 30,372	\$ 31,284	\$ 32,222
Exterminating	\$ 9,001	\$ 9,272	\$ 9,550	\$ 9,836	\$ 10,131	\$ 10,435	\$ 10,748
Security and Fire	\$ 22,513	\$ 23,188	\$ 23,884	\$ 24,600	\$ 25,339	\$ 26,099	\$ 26,882
Parking Lot	\$ 4,510	\$ 4,646	\$ 4,785	\$ 4,928	\$ 5,076	\$ 5,228	\$ 5,385
Property Management	\$ 76,137	\$ 127,766	\$ 163,700	\$ 191,209	\$ 198,254	\$ 186,475	\$ 207,221
Misc. expenses	\$ 14,699	\$ 17,968	\$ 21,263	\$ 22,612	\$ 22,905	\$ 23,381	\$ 24,207
Total Operating Expenses	\$ 2,072,959	\$ 1,986,820	\$ 2,214,753	\$ 2,478,540	\$ 2,558,465	\$ 2,610,381	\$ 2,707,975
Net Operating Income	\$ 493,716	\$ 2,320,041	\$ 3,241,882	\$ 3,895,079	\$ 4,049,981	\$ 3,605,454	\$ 4,199,387
Debt Service	\$ 2,085,000	\$ 2,085,000	\$ 2,085,000	\$ 2,085,000	\$ 2,085,000	\$ 2,085,000	\$ 2,085,000
Leasing & Capital Costs							
Tenant Improvements	\$ 1,188,197	\$ 1,588,924	\$ 1,323,432	\$ 248,730	\$ 839,592	\$ 1,464,713	\$ 1,305,079
Leasing Commissions	\$ 427,331	\$ 527,175	\$ 555,832	\$ 159,472	\$ 361,935	\$ 669,805	\$ 649,388
Asset Management Fees	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Capital Improvements	\$ 198,000	\$ 203,940	\$ 210,058	\$ 216,360	\$ 222,850	\$ 229,536	\$ 236,422
Total Leasing & Capital Costs	\$ 2,113,528	\$ 2,620,039	\$ 2,389,322	\$ 924,562	\$ 1,724,377	\$ 2,664,054	\$ 2,490,889
Cash Flow	\$ (3,704,812)	\$ (2,384,998)	\$ (1,232,440)	\$ 885,517	\$ 240,604	\$ (1,143,600)	\$ (376,502)
Capital and Interest Reserve	\$ 4,295,188	\$ 1,910,190	\$ 677,750	\$ 1,563,267	\$ 1,803,871	\$ 660,271	\$ 283,769

EXHIBIT A

Raintree North
1111b Projection

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
For the Years Ending	Sep-2011	Sep-2012	Sep-2013	Sep-2014	Sep-2015	Sep-2016	Sep-2017	Sep-2018	Sep-2019	Sep-2020	Sep-2021
Potential Gross Revenue											
Base Rental Revenue	\$ 3,130,713	\$ 4,282,229	\$ 5,573,426	\$ 5,719,151	\$ 5,869,186	\$ 6,845,077	\$ 7,221,611	\$ 7,582,979	\$ 8,126,637	\$ 8,360,773	\$ 8,535,180
Absorption & Turnover Vacancy	\$ (139,721)	\$ (137,782)	\$ (276,169)	\$ (132,840)	\$ (296,722)	\$ (401,863)	\$ (370,568)	\$ (255,650)	\$ (446,658)	\$ (138,619)	\$ (355,379)
Base Rent Abatements	\$ (667,972)	\$ (566,071)	\$ (630,766)	\$ (243,164)	\$ (300,361)	\$ (1,042,375)	\$ (753,912)	\$ (609,409)	\$ (912,746)	\$ (329,368)	\$ (402,802)
Scheduled Base Rental Revenue	\$ 2,323,020	\$ 3,578,376	\$ 4,666,491	\$ 5,343,147	\$ 5,272,103	\$ 5,200,839	\$ 6,097,131	\$ 6,717,920	\$ 6,767,233	\$ 7,892,786	\$ 7,776,989
Base Rental Step Revenue	\$ 41,034	\$ 478,383	\$ 544,184	\$ 655,345	\$ 781,484	\$ 491,782	\$ 299,050	\$ 309,112	\$ 287,417	\$ 401,874	\$ 525,288
Expense Reimbursement Revenue											
Real estate taxes	\$ 953	\$ 10	\$ 19,571	\$ 71,241	\$ 95,959	\$ 80,308	\$ 67,786	\$ 66,263	\$ 55,834	\$ 75,810	\$ 86,913
Insurance	\$ 77	\$ 1	\$ 2,827	\$ 8,973	\$ 11,775	\$ 9,780	\$ 8,249	\$ 8,085	\$ 6,847	\$ 9,312	\$ 10,658
Utilities	\$ 515	\$ 8	\$ 18,262	\$ 58,480	\$ 76,751	\$ 64,101	\$ 54,220	\$ 52,753	\$ 44,359	\$ 60,468	\$ 69,251
Janitorial	\$ 167	\$ 2	\$ 6,338	\$ 20,036	\$ 26,159	\$ 21,609	\$ 18,262	\$ 17,856	\$ 15,173	\$ 20,854	\$ 23,751
Repairs & maintenance	\$ 118	\$ 2	\$ 4,295	\$ 13,667	\$ 17,895	\$ 14,871	\$ 12,574	\$ 12,263	\$ 10,361	\$ 14,166	\$ 16,191
HVAC	\$ 40	\$ 1	\$ 1,039	\$ 3,598	\$ 4,815	\$ 4,229	\$ 3,627	\$ 3,387	\$ 2,686	\$ 3,590	\$ 4,207
Grounds & landscape	\$ 65	\$ 1	\$ 2,217	\$ 7,141	\$ 9,410	\$ 7,913	\$ 6,892	\$ 6,501	\$ 5,438	\$ 7,359	\$ 8,459
Refuse Removal	\$ 7	\$ -	\$ 261	\$ 823	\$ 1,089	\$ 906	\$ 766	\$ 747	\$ 631	\$ 854	\$ 980
Elevator	\$ 24	\$ -	\$ 743	\$ 2,456	\$ 3,253	\$ 2,785	\$ 2,366	\$ 2,262	\$ 1,862	\$ 2,505	\$ 2,895
Exterminating	\$ 7	\$ -	\$ 261	\$ 823	\$ 1,089	\$ 906	\$ 766	\$ 747	\$ 631	\$ 854	\$ 980
Security and Fire	\$ 16	\$ -	\$ 663	\$ 2,078	\$ 2,718	\$ 2,234	\$ 1,866	\$ 1,856	\$ 1,593	\$ 2,174	\$ 2,478
Parking Lot	\$ 3	\$ -	\$ 145	\$ 425	\$ 545	\$ 419	\$ 348	\$ 360	\$ 329	\$ 465	\$ 515
Property Management	\$ 84	\$ 1	\$ 4,790	\$ 16,345	\$ 21,070	\$ 16,944	\$ 14,827	\$ 14,829	\$ 12,827	\$ 18,998	\$ 20,744
Misc. expenses	\$ 16	\$ -	\$ 601	\$ 1,903	\$ 2,495	\$ 2,066	\$ 1,751	\$ 1,701	\$ 1,439	\$ 1,973	\$ 2,258
Total Reimbursement Revenue	\$ 2,092	\$ 26	\$ 62,013	\$ 207,989	\$ 275,023	\$ 229,071	\$ 193,914	\$ 189,610	\$ 160,010	\$ 219,382	\$ 250,280
Total Potential Gross Revenue	\$ 2,566,675	\$ 4,306,861	\$ 5,571,625	\$ 6,514,578	\$ 6,636,160	\$ 6,231,465	\$ 6,907,362	\$ 7,544,592	\$ 7,542,448	\$ 8,858,476	\$ 8,896,053
General Vacancy	\$ 0	\$ 0	\$ (114,990)	\$ (140,959)	\$ (27,714)	\$ (15,630)	\$ 0	\$ (119,994)	\$ (3,542)	\$ (262,951)	\$ (70,820)
Effective Gross Revenue	\$ 2,566,675	\$ 4,306,861	\$ 5,456,635	\$ 6,373,619	\$ 6,608,446	\$ 6,215,835	\$ 6,907,362	\$ 7,424,598	\$ 7,538,906	\$ 8,595,525	\$ 8,825,233
Operating Expenses											
Real estate taxes	\$ 888,118	\$ 621,682	\$ 683,851	\$ 854,813	\$ 897,554	\$ 924,480	\$ 952,214	\$ 980,781	\$ 1,010,204	\$ 1,040,511	\$ 1,071,726
Insurance	\$ 97,524	\$ 100,450	\$ 103,464	\$ 106,568	\$ 109,765	\$ 113,058	\$ 116,449	\$ 119,943	\$ 123,541	\$ 127,247	\$ 131,064
Utilities	\$ 539,619	\$ 601,677	\$ 664,247	\$ 695,934	\$ 710,676	\$ 728,587	\$ 752,405	\$ 780,167	\$ 797,096	\$ 832,555	\$ 849,780
Janitorial	\$ 154,107	\$ 188,596	\$ 223,471	\$ 237,515	\$ 240,504	\$ 245,459	\$ 254,206	\$ 265,304	\$ 289,043	\$ 284,582	\$ 287,944
Repairs & maintenance	\$ 120,005	\$ 137,073	\$ 154,305	\$ 162,319	\$ 165,356	\$ 169,307	\$ 174,985	\$ 181,778	\$ 185,330	\$ 194,268	\$ 197,793
HVAC	\$ 32,747	\$ 37,103	\$ 41,312	\$ 43,656	\$ 44,620	\$ 45,738	\$ 47,175	\$ 48,902	\$ 49,895	\$ 52,279	\$ 53,374
Grounds & landscape	\$ 77,993	\$ 80,333	\$ 82,742	\$ 85,226	\$ 87,782	\$ 90,415	\$ 93,128	\$ 95,922	\$ 98,799	\$ 101,763	\$ 104,817
Refuse Removal	\$ 9,001	\$ 9,272	\$ 9,550	\$ 9,836	\$ 10,131	\$ 10,435	\$ 10,748	\$ 11,071	\$ 11,403	\$ 11,745	\$ 12,097
Elevator	\$ 26,985	\$ 27,794	\$ 28,629	\$ 29,488	\$ 30,372	\$ 31,284	\$ 32,222	\$ 33,188	\$ 34,184	\$ 35,210	\$ 36,266
Exterminating	\$ 9,001	\$ 9,272	\$ 9,550	\$ 9,836	\$ 10,131	\$ 10,435	\$ 10,748	\$ 11,071	\$ 11,403	\$ 11,745	\$ 12,097
Security and Fire	\$ 22,513	\$ 23,188	\$ 23,884	\$ 24,600	\$ 25,339	\$ 26,099	\$ 26,882	\$ 27,688	\$ 28,519	\$ 29,374	\$ 30,256
Parking Lot	\$ 4,510	\$ 4,646	\$ 4,785	\$ 4,928	\$ 5,076	\$ 5,228	\$ 5,385	\$ 5,547	\$ 5,714	\$ 5,884	\$ 6,062
Property Management	\$ 76,137	\$ 127,766	\$ 163,700	\$ 191,209	\$ 198,254	\$ 186,475	\$ 207,221	\$ 222,738	\$ 226,167	\$ 257,866	\$ 264,757
Misc. expenses	\$ 14,699	\$ 17,968	\$ 21,263	\$ 22,612	\$ 22,905	\$ 23,381	\$ 24,207	\$ 25,258	\$ 25,616	\$ 27,094	\$ 27,423
Total Operating Expenses	\$ 2,072,959	\$ 1,986,820	\$ 2,214,753	\$ 2,478,540	\$ 2,558,465	\$ 2,610,381	\$ 2,707,975	\$ 2,809,358	\$ 2,876,914	\$ 3,012,123	\$ 3,085,456
Net Operating Income	\$ 493,716	\$ 2,320,041	\$ 3,241,882	\$ 3,895,079	\$ 4,049,981	\$ 3,605,454	\$ 4,199,387	\$ 4,615,240	\$ 4,661,992	\$ 5,583,402	\$ 5,739,777

For the Years Ending	Year 1 Sep-2011	Year 2 Sep-2012	Year 3 Sep-2013	Year 4 Sep-2014	Year 5 Sep-2015	Year 6 Sep-2016	Year 7 Sep-2017	Year 8 Sep-2018	Year 9 Sep-2019	Year 10 Sep-2020	Year 11 Sep-2021
Debt Service	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
Leasing & Capital Costs											
Tenant Improvements	\$ 1,188,197	\$ 1,568,924	\$ 1,323,432	\$ 248,730	\$ 839,592	\$ 1,464,713	\$ 1,305,079	\$ 796,746	\$ 1,248,159	\$ 345,667	\$ 515,617
Leasing Commissions	\$ 427,331	\$ 527,175	\$ 555,882	\$ 159,472	\$ 361,935	\$ 669,805	\$ 649,388	\$ 425,635	\$ 657,550	\$ 197,601	\$ 289,357
Asset Management Fees	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Capital Improvements	\$ 198,000	\$ 203,940	\$ 210,058	\$ 216,360	\$ 222,850	\$ 229,536	\$ 236,422	\$ 243,516	\$ 250,820	\$ 258,346	\$ 266,096
Total Leasing & Capital Costs	\$ 2,113,528	\$ 2,620,039	\$ 2,389,322	\$ 924,562	\$ 1,724,377	\$ 2,664,054	\$ 2,490,889	\$ 1,765,897	\$ 2,456,529	\$ 1,101,614	\$ 1,371,070
Cash Flow	\$ (3,134,812)	\$ (1,994,988)	\$ (1,022,440)	\$ 915,517	\$ 90,604	\$ (1,293,600)	\$ (528,502)	\$ 614,343	\$ (29,537)	\$ 2,246,788	\$ 1,953,707
Capital and Interest Reserve	\$ 4,865,188	\$ 2,870,190	\$ 1,847,750	\$ 2,763,267	\$ 2,853,871	\$ 1,560,271	\$ 1,033,769	\$ 1,648,112	\$ 1,618,575	\$ 3,865,363	\$ 5,819,070
Debt Service	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
2038 Building Sale	\$59 Million, Principal	\$57,485,000	\$53,915,000	\$51,860,000	\$49,625,000	\$47,390,000	\$45,155,000	\$42,920,000	\$40,685,000	\$38,450,000	\$36,035,000
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
Debt Service	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
2038 Building Sale	\$63,485,000	\$61,790,000	\$59,915,000	\$57,860,000	\$55,625,000	\$53,390,000	\$51,155,000	\$48,920,000	\$46,685,000	\$44,450,000	\$42,035,000
\$63 Million, Principal	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
Debt Service	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
2040 Building Sale	\$69,485,000	\$67,790,000	\$65,915,000	\$63,860,000	\$61,625,000	\$59,390,000	\$57,155,000	\$54,920,000	\$52,685,000	\$50,450,000	\$48,035,000
\$71 Million, Principal	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000
\$	\$ 1,515,000	\$ 1,695,000	\$ 1,875,000	\$ 2,055,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,235,000	\$ 2,415,000

Raintree North
1111b Projection

	Year 12 Sep-2022	Year 13 Sep-2023	Year 14 Sep-2024	Year 15 Sep-2025	Year 16 Sep-2026	Year 17 Sep-2027	Year 18 Sep-2028	Year 19 Sep-2029	Year 20 Sep-2030	Year 21 Sep-2031	Year 22 Sep-2032	Year 23 Sep-2033	Year 24 Sep-2034	Year 25 Sep-2035
\$	9,019,785	9,339,035	9,463,955	9,527,881	9,533,539	9,542,465	9,542,466	9,542,467	9,542,465	9,542,467	9,542,465	9,542,469	9,542,464	9,542,465
\$	(575,323)	(380,658)	(338,117)	(228,291)	(316,885)	(445,787)	(416,564)	(433,089)	(369,176)	(163,779)	(343,351)	(509,065)	(456,133)	(273,331)
\$	(1,322,331)	(1,196,053)	(577,465)	(626,957)	(485,183)	(844,429)	(1,094,695)	(961,690)	(881,282)	(349,550)	(357,349)	(1,384,261)	(911,795)	(690,422)
\$	7,122,131	7,762,324	8,548,373	8,672,633	8,731,471	8,252,249	8,031,207	8,147,688	8,292,027	9,029,138	8,841,765	7,649,153	8,174,535	8,578,712
\$	391,595	275,774	289,700	333,975	458,462	462,442	366,943	293,531	269,610	363,749	515,354	429,584	298,752	307,925
\$	66,619	59,977	68,618	79,369	91,711	89,188	75,585	66,749	67,679	96,250	116,900	88,785	78,300	89,229
\$	8,106	7,319	8,420	9,771	11,274	10,912	9,216	8,013	8,305	14,358	14,358	10,827	9,528	10,913
\$	53,218	47,858	54,617	62,962	72,761	71,264	60,357	52,400	53,937	76,743	92,939	70,790	62,626	71,129
\$	17,912	16,231	18,741	21,765	25,054	24,367	20,403	17,665	18,557	26,575	32,004	23,921	21,113	24,216
\$	12,341	11,134	12,778	14,784	17,050	16,634	14,024	12,160	12,625	18,018	21,774	16,447	14,531	16,576
\$	3,545	3,074	3,295	3,608	4,256	4,446	3,945	3,432	3,232	4,461	5,478	4,606	4,167	4,470
\$	6,577	5,885	6,673	7,664	8,878	8,706	7,439	6,472	6,573	9,309	11,333	8,733	7,725	8,730
\$	750	672	772	900	1,038	1,008	853	740	765	1,089	1,321	1,005	881	1,012
\$	2,318	2,052	2,285	2,579	3,005	3,004	2,604	2,273	2,243	3,151	3,849	3,050	2,721	3,025
\$	750	672	772	900	1,038	1,008	853	740	765	1,089	1,321	1,005	881	1,012
\$	1,847	1,681	1,959	2,301	2,641	2,525	2,107	1,837	1,935	2,778	3,359	2,480	2,171	2,521
\$	347	325	407	502	571	513	400	346	405	602	717	478	409	499
\$	15,172	13,834	16,042	18,861	21,667	19,337	15,706	13,102	13,424	20,084	23,377	16,075	13,599	15,402
\$	1,718	1,554	1,781	2,062	2,373	2,321	1,951	1,685	1,760	2,517	3,030	2,287	2,019	2,309
\$	191,220	172,268	197,160	228,028	263,317	255,213	215,443	186,614	192,205	274,501	331,760	250,489	220,671	251,043
\$	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200
\$	13,388	13,522	13,657	13,794	13,932	14,071	14,212	14,354	14,497	14,642	14,789	14,937	15,086	15,237
\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$	303,986	316,671	324,501	334,950	338,436	340,446	348,300	354,639	364,205	379,820	380,059	380,711	390,553	406,334
\$	342,574	355,393	363,358	373,944	377,568	378,717	387,712	394,193	403,902	419,662	420,048	420,848	430,839	446,771
\$	8,047,520	8,565,759	9,398,591	9,608,580	9,830,818	9,349,621	9,001,305	9,022,026	9,157,744	10,087,050	10,108,927	8,750,074	9,124,797	9,584,451
\$	(91,718)	(106,786)	(160,728)	(216,756)	(135,533)	(130,417)	(17,279)	(14,087)	(157,169)	(295,866)	(115,905)	(57,414)	0	(169,271)
\$	7,955,802	8,458,973	9,237,863	9,391,824	9,695,285	9,219,204	8,984,026	9,007,939	9,000,575	9,791,184	9,993,022	8,692,660	9,124,797	9,415,180
\$	1,103,878	1,136,994	1,171,104	1,206,237	1,242,424	1,279,697	1,318,088	1,357,631	1,398,359	1,440,310	1,483,519	1,528,025	1,573,865	1,621,082
\$	134,997	139,047	143,218	147,514	151,940	156,498	161,193	166,029	171,009	176,140	181,424	186,867	192,472	198,247
\$	867,531	900,650	929,335	961,736	986,980	1,011,230	1,042,610	1,073,211	1,108,188	1,151,505	1,177,226	1,204,121	1,242,883	1,290,024
\$	291,355	305,162	315,409	327,709	335,078	341,406	352,664	362,702	375,687	393,313	399,216	405,615	419,712	438,833
\$	201,414	209,635	216,415	224,211	229,854	235,125	242,558	249,614	257,983	268,636	274,071	279,800	289,015	300,603
\$	54,546	56,367	58,174	60,332	61,961	63,603	65,333	67,320	69,324	72,295	73,930	75,599	77,903	80,879
\$	107,960	111,200	114,536	117,972	121,511	125,156	128,911	132,779	136,761	140,864	145,090	149,443	153,926	158,544
\$	12,460	12,834	13,219	13,615	14,024	14,445	14,878	15,324	15,783	16,258	16,745	17,248	17,765	18,298
\$	37,354	38,475	39,629	40,818	42,042	43,303	44,603	45,940	47,319	48,739	50,201	51,707	53,258	54,855
\$	12,460	12,834	13,219	13,615	14,024	14,445	14,878	15,324	15,783	16,258	16,745	17,248	17,765	18,298
\$	31,164	32,098	33,061	34,053	35,075	36,126	37,211	38,326	39,476	40,661	41,881	43,137	44,431	45,764
\$	6,243	6,431	6,623	6,822	7,027	7,237	7,454	7,678	7,908	8,146	8,390	8,642	8,901	9,169
\$	238,674	253,770	271,136	281,756	290,859	276,577	269,521	270,238	270,018	293,796	299,791	260,781	273,744	282,455
\$	27,760	29,050	30,025	31,199	31,908	32,524	33,580	34,541	35,761	37,447	38,019	38,636	39,967	41,779
\$	3,127,796	3,244,547	3,351,103	3,467,589	3,584,707	3,637,372	3,733,482	3,836,657	3,949,359	4,104,308	4,206,248	4,266,869	4,405,607	4,558,830
\$	4,828,006	5,214,426	5,876,760	5,924,235	6,130,578	5,581,832	5,250,544	5,171,282	5,051,216	5,686,876	5,786,774	4,425,791	4,719,190	4,856,350

	Year 12 Sep-2022	Year 13 Sep-2023	Year 14 Sep-2024	Year 15 Sep-2025	Year 16 Sep-2026	Year 17 Sep-2027	Year 18 Sep-2028	Year 19 Sep-2029	Year 20 Sep-2030	Year 21 Sep-2031	Year 22 Sep-2032	Year 23 Sep-2033	Year 24 Sep-2034	Year 25 Sep-2035
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000
\$ 2,537,667	\$ 1,134,585	\$ 891,204	\$ 684,206	\$ 940,081	\$ 1,886,208	\$ 1,281,213	\$ 1,484,881	\$ 1,652,659	\$ 481,489	\$ 969,725	\$ 2,422,234	\$ 2,086,984	\$ 1,253,840	
\$ 1,308,913	\$ 590,871	\$ 471,590	\$ 348,106	\$ 424,206	\$ 853,309	\$ 573,307	\$ 641,142	\$ 703,532	\$ 216,600	\$ 380,276	\$ 902,354	\$ 780,283	\$ 469,025	
\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	
\$ 274,078	\$ 282,300	\$ 290,770	\$ 299,492	\$ 308,478	\$ 317,732	\$ 327,264	\$ 337,082	\$ 347,194	\$ 357,610	\$ 368,338	\$ 379,388	\$ 390,770	\$ 402,494	
\$ 4,420,658	\$ 2,307,756	\$ 1,953,564	\$ 1,623,804	\$ 1,972,765	\$ 3,357,249	\$ 2,481,784	\$ 2,763,105	\$ 3,003,385	\$ 1,355,699	\$ 2,018,339	\$ 4,003,976	\$ 3,558,037	\$ 2,425,459	
\$ (2,007,652)	\$ 491,670	\$ 1,508,196	\$ 1,879,431	\$ 1,562,813	\$ (370,417)	\$ 173,760	\$ (186,823)	\$ (547,169)	\$ 1,736,177	\$ 1,173,435	\$ (2,173,185)	\$ (1,433,847)	\$ (164,109)	
\$ 3,811,418	\$ 4,303,088	\$ 5,811,284	\$ 7,690,715	\$ 9,253,528	\$ 8,883,111	\$ 9,056,871	\$ 8,870,048	\$ 8,322,879	\$ 10,059,056	\$ 11,232,491	\$ 9,059,306	\$ 7,625,459	\$ 7,461,350	
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	IRR
\$33,620,000	\$31,205,000	\$28,790,000	\$26,375,000	\$23,780,000	\$21,185,000	\$18,590,000	\$15,995,000	\$13,400,000	\$10,805,000	\$8,210,000	\$5,615,000	\$3,020,000	\$ 425,000	
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	6.52%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	6.20%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	5.86%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	
\$39,620,000	\$37,205,000	\$34,790,000	\$32,375,000	\$29,780,000	\$27,185,000	\$24,590,000	\$21,995,000	\$19,400,000	\$16,805,000	\$14,210,000	\$11,615,000	\$9,020,000	\$ 6,425,000	
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	6.95%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	6.84%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	6.31%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	
\$45,620,000	\$43,205,000	\$40,790,000	\$38,375,000	\$35,780,000	\$33,185,000	\$30,590,000	\$27,995,000	\$25,400,000	\$22,805,000	\$20,210,000	\$17,615,000	\$15,020,000	\$12,425,000	
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	7.32%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	7.02%
\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,415,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	\$ 2,595,000	6.70%

**Raintree North
IRR Sensitivity Analysis**

	25-Year Balloon		
	<u>\$59 Million</u>	<u>\$65 Million</u>	<u>\$71 Million</u>
\$27.1 Million	6.52%	6.95%	7.32%
\$28.0 Million	6.20%	6.64%	7.02%
\$29.0 Million	5.86%	6.31%	6.70%

EXHIBIT C