THIS PROPOSED AMENDED DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE COURT.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
RIVER EAST PLAZA, LLC,	)	Case No. 11-05141
	)	
Debtor.	)	Honorable Bruce W. Black
	)	

AMENDED DISCLOSURE STATEMENT WITH RESPECT TO THE AMENDED JOINT CHAPTER 11 PLAN OF THE DEBTOR, GENEVA LEASING ASSOCIATES, INC. AND GENEVA INVESTMENT MANAGEMENT SERVICES, INC.

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Dated: May 20, 2011

ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT, INCLUDING THE FOLLOWING SUMMARY, ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, ANY EXHIBITS ANNEXED TO THE PLAN, THIS DISCLOSURE STATEMENT AND ALL EXHIBITS TO THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. **ALL CREDITORS SHOULD READ CAREFULLY THE "RISK FACTORS" SECTION HEREOF BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SEE ARTICLE V BELOW, "CERTAIN RISK FACTORS TO BE CONSIDERED."**

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE, RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND LOCAL BANKRUPTCY RULE 3016-1 AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE LAW. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY SUCH OTHER AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON, PARTY OR ENTITY FOR ANY OTHER PURPOSE.

THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE PLAN SUMMARY IN THIS DISCLOSURE STATEMENT. ALL EXHIBITS TO THIS DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

AS TO CONTESTED MATTERS, EXISTING LITIGATION INVOLVING, OR POSSIBLE ADDITIONAL LITIGATION TO BE BROUGHT BY, OR AGAINST, THE DEBTOR, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION OR A WAIVER, BUT RATHER AS A STATEMENT MADE WITHOUT PREJUDICE SOLELY FOR SETTLEMENT PURPOSES, WITH FULL RESERVATION OF RIGHTS, AND IS NOT TO BE USED FOR ANY LITIGATION PURPOSE WHATSOEVER BY ANY PERSON, PARTY OR ENTITY. AS SUCH, THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NONBANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY IN INTEREST, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, FINANCIAL OR OTHER EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR.

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I. INTRODUCTION

River East Plaza, LLC, the debtor and debtor-in-possession herein (the "Debtor") and Geneva Leasing Associates, Inc. and Geneva Investment Management Services, Inc. (collectively, "Geneva," and together with the Debtor, the "Proponents") hereby provide this Amended Disclosure Statement (as it may be amended, the "Disclosure Statement") to Creditors pursuant to 11 U.S.C. § 1125 and in support of the Proponents' Amended Joint Chapter 11 Plan dated May 20, 2011 (the "Plan") filed with the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") in the above-captioned case. The Debtor and Geneva are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. The purpose of this Disclosure Statement is to provide Creditors whose Claims or Interests are impaired under the Plan with adequate information to make an informed and prudent business judgment when voting on the Plan. This Disclosure Statement is not meant to take the place of the Plan. Because Creditors will be bound by the Plan if the Bankruptcy Court confirms it, the Proponents urge Creditors to read the Plan carefully and to consult with their own attorneys about the Plan's effect on their Claims. Each capitalized term used in this Disclosure Statement that is not otherwise defined herein shall have the meaning ascribed to such term in the Plan.

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This Disclosure Statement sets forth certain information, based largely upon information contained in the Debtor's filings in this Chapter 11 Case, regarding the Debtor's prepetition operating and financial history, its reasons for seeking protection under chapter 11 of the Bankruptcy Code and significant events that have occurred during the Chapter 11 Case. This Disclosure Statement also describes certain terms and provisions of the Plan, certain effects of confirmation of the Plan, the releases and exculpations to be furnished under the Plan, and the manner in which Distributions will be made under the Plan. In addition, this Disclosure Statement discusses the confirmation process and the voting procedures that Holders of Claims entitled to vote on the Plan must follow for their votes to be counted.

A. General.

On February 10, 2011 (the "Petition Date"), River East Plaza, LLC filed a voluntary petition for relief under chapter 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the "Bankruptcy Code"), with the Bankruptcy Court.

This Disclosure Statement is being distributed pursuant to section 1125 of the Bankruptcy Code to Holders of Claims with respect to the Debtor that are entitled to vote on the Plan in connection with (i) the solicitation of acceptances of the Plan and (ii) the hearing to consider confirmation of the Plan. A hearing on the confirmation of the Plan is scheduled for **July 11, 2011 at 10:00 a.m., prevailing Central Time**.

The Plan is annexed as Exhibit A to this Disclosure Statement.

In addition, a Ballot for voting to accept or reject the Plan is enclosed with this Disclosure Statement for the Holders of Claims that are entitled to vote to accept or reject the Plan.

Copies of the Plan and the Disclosure Statement are available for review at the Office of the Clerk, United States Bankruptcy Court for the Northern District of Illinois, 219 South Dearborn Street, Room 713, Chicago, Illinois 60604, online at http://ecf.ilnb.uscourts.gov or upon written request to Debtor's counsel at:

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Attn: Michael E. Gosman

On May 18, 2011, the Bankruptcy Court entered an order [Dkt. No. 138] (the "Scheduling Order") authorizing the Proponents to serve upon Holders of Claims the Disclosure Statement, the Plan and the Ballot in connection with the solicitation of votes with respect to the Plan.

THE ENTRY OF THE SCHEDULING ORDER DOES NOT CONSTITUTE APPROVAL OF THE ADEQUACY OF THIS DISCLOSURE STATEMENT OR A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.

The Scheduling Order and the exhibits thereto set forth in detail the deadlines, procedures and instructions for voting to accept or reject the Plan and for filing objections to confirmation of the Plan, the Voting Deadline (defined herein below) and the applicable standards for tabulating the Ballots. In addition, detailed voting instructions accompany each Ballot. Each Holder of a Claim entitled to vote on the Plan should read in their entirety this Disclosure Statement (including the Exhibits attached hereto), the Plan and the instructions accompanying the Ballot before voting on the Plan. These documents contain, among other things, important information

concerning the classification of Claims and Interests for voting purposes and the tabulation of votes. No solicitation of votes to accept the Plan may be made except pursuant to section 1125 of the Bankruptcy Code.

B. Plan Overview: Primary Elements of the Plan.

The Plan will be implemented by means of financing to be provided by SLC Lender to the Reorganized Debtor on the Effective Date. The Plan financing to be provided by SLC Lender will be a $15,500,000 loan secured by a first priority mortgage and security interest in the Project and all other assets of the Debtor and Reorganized Debtor, an amount the Debtor believes is sufficient to fund payment of all Allowed Secured Claims, including amounts payable to the Lender on account of its Allowed Class 2 Claim on the Effective Date pursuant to the treatment afforded to that Claim under the Plan and all amounts needed to fund the Secured Claim Reserve Account on the Effective Date.

In addition to the mortgage loan from SLC Lender, SLC Investor will provide funding in order to purchase all equity of the Reorganized Debtor on the Effective Date. The Debtor believes the $2,050,000 provided by SLC Investor will be sufficient to fund all outstanding or reimbursable Administrative Claims, Professional Fee Claims and Priority Claims (other than those real estate taxes to be paid from the Reserve pursuant to Section 4.3 of the Plan) up to $550,000, and to provide up to $1,500,000 needed to fund the Unsecured Claims Reserve Account for the benefit of Holders of Allowed Junior Mechanics Lien Claims and Allowed Claims in Classes 5, 6 and 7 in an amount sufficient to assure that the Distributions on such Allowed Claims shall not be less than four percent (4%).

The treatment of Classes of Creditors under the Plan may be briefly summarized as follows:

- **Class 1 Priority Claims**. As of the date hereof the number and amount of such Claims is unknown. They will be treated as follows:
    - All Allowed Priority Claims against the Debtor will be paid in full.
- **Class 2 Secured Claims of Lender**. The Lender's Secured Claims are estimated by the Debtor in the amount of $15,500,000 less the Reserve and are 1 in number. A recent appraisal obtained by the Debtor for the Property valued the Property at $16,000,000, and a supplement to that appraisal values the Property between $12,800,000 and $13,600,000 if disposition occurred within a sixty-day marketing period.[1]

  The Lender may elect to have its Secured Claim treated in either of the two following ways under the Plan:

[1] These value figures are for Disclosure Statement estimations only; should it become necessary for some reason to fix them, the Court will decide the issue based upon evidence presented at that time.

- On the Effective Date, the Lender shall be paid an amount equal to Fifteen Million Five Hundred Thousand and 00/100 Dollars ($15,500,000),[2] minus the Reserve, provided that the Lender consents to the Plan not later than June 17, 2011 and votes its Claims to accept the Plan by such date; or

- On the Effective Date, if the Lender does not consent to and vote its Claims to accept the Plan by June 17, 2011, then the Lender shall be paid the amount of the Lender's Secured Claim as determined by the Court pursuant to a valuation at the Confirmation Hearing on the Plan to be made pursuant to Bankruptcy Rule 3012, minus the Reserve.

The Reserve shall be equal to: (i) the amount to be deposited in the Secured Claims Reserve Account, which amount shall be equal to the amount of all Mechanics Lien Claims (pending resolution as to whether such estimated Claims are adjudicated to be Senior Mechanics Lien Claims or Junior Mechanics Lien Claims pursuant to Section 6.1 the Plan) and the estimated amount of all Other Secured Claims; and (ii) all unpaid real estate taxes on the Project accrued prepetition (collectively, the "Reserve"). If either Secured Claim Amount "A" or Secured Claim Amount "B" set forth in Sections 4.3(a) and 4.3(b) of the Plan, respectively, is elected by the Lender, that amount may be supplemented pursuant to Section 6.3 of the Plan by payment to the Lender, as part of its Allowed Class 2 Claim, any residue remaining in the Secured Claims Reserve Account after payment of all Allowed Class 3 Senior Mechanics Lien Claims and Allowed Class 4 Other Secured Claims.

If the Reserve is insufficient to fund Distributions for all Allowed Class 3 Senior Mechanics Lien Claims, Allowed Class 4 Other Secured Claims and all Allowed Claims for unpaid real estate taxes on the Project accrued prepetition as set forth in items (i) and (ii) in the preceding paragraph, then the Lender and any affiliate to whom it has paid any Distribution under the Plan on account of Lender's Class 2 Claims shall remit to the Reorganized Debtor Cash in the amount necessary to complete Distributions from the Reserve (the "Clawback Payment"). The Reorganized Debtor shall use the Clawback Payment to replenish the Reserve and complete the required Distributions to the Holders of such Allowed Claims entitled to be paid from the Reserve pursuant to the Plan.

- **Class 3 Mechanics Lien Claims**. Mechanics Lien Claims are estimated to aggregate $1,717,599 and 23 in number.

  These Claims will be treated in one of two alternative ways, depending on whether they are ultimately determined in the pending State Court Mechanics Lien Litigation to be either senior in priority or, alternatively, not senior to the Lender's Liens and thus Unsecured as a practical matter.

  The two alternative forms of treatment are:

[2] The proposed Distribution discounts the referenced appraisal by $500,000 to account for anticipated carrying costs and sale expenses, but makes no provision for the Reserve.

(i) **Treatment of Senior Mechanics Lien Claims**. Any Claim determined to be an Allowed Senior Mechanics Lien Claim (*i.e.* senior in priority to the Lender's Liens) pursuant to the Mechanic's Lien Resolution Process set forth in Section 6.1 of the Plan will be paid in full from the Secured Claims Reserve Account unless lesser treatment is agreed to in writing by the Holder and the Reorganized Debtor.

(ii) **Treatment of Junior Mechanics Lien Claims**. Any Mechanics Lien Claim determined to be an Allowed Junior Mechanics Lien Claim (*i.e.* junior in priority to Lender's Liens) pursuant to the Mechanic's Lien Resolution Process set forth in Section 6.1 of the Plan, and thus Unsecured, shall be entitled to receive as soon as reasonably practicable thereafter, its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account

- **Class 4 – Other Secured Claims**. It is unknown whether there are any Secured Claims which are senior in priority to the Lender's Liens other than the Lender's Secured Claim and the Senior Mechanics Lien Claims. Any such Claims which are senior in priority to the Lender's Secured Claims shall receive the following treatment: payment in full of the Claim from the Secured Claim Reserve Account following a determination that such Claim is an Allowed Class 4 Other Secured Claim.

- **Class 5 – General Unsecured Claims**. The General Unsecured Class 5 Claims are estimated to aggregate $3,900,000 and be 57 in number. Each Holder of an Allowed Class 5 Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.

- **Class 6 – Lender's Deficiency Claims**. The Debtor estimates the Lender's Deficiency Claims to be $26,900,000 and 1 in number. Each Holder of an Allowed Class 6 Claim (if any) shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account; provided, however, that Lender shall not have any Class 6 Lender's Deficiency Claim (and thus shall receive no Distribution on account of such Claim) if Lender makes an election for treatment of its Claims under section 1111(b)(2) of the Bankruptcy Code.

- **Class 7 – Mezzanine Unsecured Claims**. The Debtor estimates the Mezzanine Unsecured Claims to be $5,191,989 and 1 in number. Each Holder of an Allowed Class 7 Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.

- **Class 8 –Interests in Debtor**. All Interests in the Debtor will be extinguished under the Plan, and they will receive no Distributions.

In short, the basic financing provisions of the Plan may be summarized as follows:

(i) The Plan will be implemented by means of financing to be provided by SLC Lender to the Reorganized Debtor on the Effective Date. The Plan financing to be provided by SLC Lender will be a $15,500,000 loan secured by a first priority mortgage and security interest

in the Project and all other assets of the Debtor and Reorganized Debtor, an amount the Debtor believes is sufficient to fund payment of all Allowed Secured Claims, including amounts payable to the Lender on account of its Allowed Class 2 Claim on the Effective Date pursuant to the treatment afforded to that Claim under the Plan and all amounts needed to fund the Secured Claim Reserve Account on the Effective Date; and

(ii) In addition to the mortgage loan from SLC Lender, SLC Investor will provide funding in order to purchase all equity of the Reorganized Debtor on the Effective Date. The Debtor believes the $2,050,000 provided by SLC Investor will be sufficient to fund all outstanding or reimbursable Administrative Claims, Professional Fee Claims and Priority Claims (other than those real estate taxes to be paid from the Reserve pursuant to Section 4.3 of the Plan) up to $550,000, and to provide up to $1,500,000 needed to fund the Unsecured Claims Reserve Account for the benefit of Holders of Allowed Junior Mechanics Lien Claims and Allowed Claims in Classes 5, 6 and 7 in an amount sufficient to assure that the Distributions on such Allowed Claims shall not be less than four percent (4%).

C. Holders of Claims Entitled to Vote.

Pursuant to section 1126 of the Bankruptcy Code, only holders of allowed claims or equity interests in classes of claims or equity interests that are impaired and that are not deemed to have rejected a proposed plan of reorganization or liquidation are entitled to vote to accept or reject such plan. Generally, a claim or interest is impaired under a plan if the holder's legal, equitable or contractual rights are altered under the plan. Classes of claims or equity interests under a chapter 11 plan in which the holders of claims or equity interests are unimpaired under a chapter 11 plan are deemed to have accepted a proposed plan and are not entitled to vote to accept or reject such plan. In addition, classes of claims or equity interests in which the holders of claims or equity interests will not receive or retain any property on account of such claims or interests are deemed to have rejected a proposed plan and are not entitled to vote to accept or reject such plan.

In connection with the Plan:

- Class 2 (Lender's Secured Claims), Class 3 (Mechanics Lien Claims), Class 5 (General Unsecured Claims), Class 6 (Lender's Deficiency Claims) and Class 7 (Mezzanine Unsecured Claims) are Impaired, and to the extent Claims in Classes 2, 3, 5, 6 and 7 are Allowed Claims, the Holders of such Claims are entitled to vote to accept or reject the Plan.

- Class 1 (Priority Claims) and Class 4 (Other Secured Claims) are Unimpaired. As a result, Holders of Claims in these Classes are deemed to have accepted the Plan and are not entitled to accept or reject the Plan.

- Holders of Class 8 (Interests in the Debtor) will not receive or retain any property on account of such Interests and are Impaired and are deemed to have rejected the Plan. As a result, Holders of Interests in this Class are not entitled to vote to accept or reject the Plan.

ACCORDINGLY, A BALLOT TO ACCEPT OR REJECT THE PLAN IS BEING PROVIDED ONLY TO HOLDERS OF CLAIMS IN CLASSES 2, 3, 5, 6 and 7.

The Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan. For a more detailed description of the requirements for confirmation of the Plan, see Article VII.B below.

For a summary of the treatment of each Class of Claims and Equity Interests, see Article IV.B below.

D. Voting Procedures.

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. If you hold a Claim in more than one Class and you are entitled to vote Claims in more than one Class, you will receive separate Ballots that must be used for each separate Class of Claims. Please vote and return your Ballot(s).

All Ballots should be sent to the following address:

Clerk of the United States Bankruptcy Court
for the Northern District of Illinois
Case Number 11-05141
219 South Dearborn Street, 7th Floor
Chicago, Illinois 60604

TO BE COUNTED, YOUR BALLOT(S) INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE ACTUALLY RECEIVED BY THE CLERK OF THE BANKRUPTCY COURT **NO LATER THAN JUNE 29, 2011 (the "Voting Deadline")**, UNLESS EXTENDED BY THE PROPONENTS. YOU MAY RETURN OR FILE YOUR BALLOT(S) VIA ECF ELECTRONIC FILING, U.S. MAIL, OVERNIGHT MAIL, COURIER OR HAND DELIVERY. ALL SUBMITTED BALLOTS (OTHER THAN THOSE FILED BY ECF) MUST BE SIGNED *ORIGINALS*.

If you are a Holder of a Claim entitled to vote on the Plan and did not receive a Ballot, received a damaged Ballot or lost your Ballot(s), or if you have any questions concerning the procedures for voting on the Plan, please notify counsel for the Debtor, Michael Gosman at (414) 978-5350 or mgosman@whdlaw.com.

E. Confirmation Hearing.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing on confirmation of the Plan for July 11, 2011 at 10:00 a.m., prevailing Central Time, before the Honorable Bruce W. Black, United States Bankruptcy Court for the Northern District of Illinois, Everett McKinley Dirksen Building, Courtroom 615, 219 South Dearborn Street, Chicago, Illinois (the "Confirmation Hearing"). The Bankruptcy Court has directed that objections, if any, to the confirmation of the Plan be served and filed so that they are received on

or before June 29, 2011, in the manner described below in Article VII.A. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

THE PROPONENTS BELIEVE THAT THE PLAN WILL ACCOMPLISH THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR'S CREDITORS. THE PROPONENTS THEREFORE URGE CREDITORS TO VOTE TO ACCEPT THE PLAN.

F. General Structure of the Plan.

The Proponents filed their Plan on May 19, 2011. The Plan will be implemented by means of financing to be provided by SLC Lender to the Reorganized Debtor on the Effective Date. The Plan financing to be provided by SLC Lender will be a $15,500,000 loan secured by a first priority mortgage and security interest in the Project and all other assets of the Debtor and Reorganized Debtor, an amount the Debtor believes is sufficient to fund payment of all Allowed Secured Claims, including amounts payable to the Lender on account of its Allowed Class 2 Claim on the Effective Date pursuant to the treatment afforded to that Claim under the Plan and all amounts needed to fund the Secured Claim Reserve Account on the Effective Date.

In addition to the mortgage loan from SLC Lender, SLC Investor will provide $2,050,000 in funding in order to purchase all equity of the Reorganized Debtor on the Effective Date. The Debtor believes this funding provided by SLC Investor will be sufficient to fund all outstanding or reimbursable Administrative Claims, Professional Fee Claims and Priority Claims (other than those real estate taxes to be paid from the Reserve pursuant to Section 4.3 of the Plan) up to $550,000, and to provide up to $1,500,000 needed to fund the Unsecured Claims Reserve Account for the benefit of Holders of Allowed Junior Mechanics Lien Claims and Allowed Claims in Classes 5, 6 and 7 in an amount sufficient to assure that the Distributions on such Allowed Claims shall not be less than four percent (4%).

The primary elements of the Plan are simple. The Plan provides that (i) Administrative and Priority Claims will be paid in full, (ii) Secured Claims be paid in full up to the value of the collateral securing their Claim, and (iii) Unsecured Claims, including Junior Mechanics Lien Claims and Claims in Classes 5, 6 and 7, will receive their Pro Rata Share of up to $1,500,000, estimated to equal approximately 4% of such Allowed Claims.

G. Summary of Treatment of Claims and Interests Under the Plan.

As contemplated by the Bankruptcy Code, Administrative Claims and Priority Tax Claims are not classified under the Plan. Except to the extent the Holder of an Allowed Administrative Claim agrees otherwise, each Holder of an Allowed Administrative Claim shall be paid in respect of such Allowed Claim the full amount thereof, without interest, in Cash, on the fourteenth (14^{th}) Business Day following the later of (i) the Effective Date, or (ii) the date upon which such Administrative Claim becomes an Allowed Administrative Claim or (iii) the date upon which such Administrative Claim becomes due; provided, however, that an Administrative Claim representing a liability incurred in the ordinary course of business of the

Debtor may be paid at the Debtor's election in the ordinary course of business so long as any such payment is authorized by the Cash Collateral Order.

Each Holder of an Allowed Priority Tax Claim, including prepetition accrued real estate tax claims, shall receive in full satisfaction of such Holder's Allowed Priority Tax Claim (i) on the Effective Date, the amount in Cash of such Holder's Allowed Tax Claim, with interest thereon from and after the Confirmation Date at the rate determined by the Bankruptcy Court in accordance with section 511 of the Bankruptcy Code or (ii) such other lesser treatment as may be agreed upon in writing by such Holder and the Reorganized Debtor. The Confirmation Order shall enjoin any Holder of a Priority Tax Claim from commencing or continuing any action or proceeding against any responsible Person or officer or director of the Debtor or the Reorganized Debtor that otherwise would be liable to such Holder for payment of a Priority Tax Claim, so long as no default has occurred with respect to such Priority Tax Claim under Section 2.3 of the Plan.

Section 7.6 of the Plan provides for time periods and procedures with respect to the objections to and allowances of Claims, including Administrative Claims and Fee Claims. The time periods and procedures are necessary to permit the Debtor and Reorganized Debtor an adequate opportunity to review, reconcile and resolve all Claims against it.

The table below summarizes the classification and treatment of Claims against and Interests in the Debtor under the Plan. The classification and treatment for all Classes are described in more detail in Article IV.B hereof.

For certain Classes of Claims, estimated percentage recoveries also are set forth below. These estimates are based upon information contained in filings with the Bankruptcy Court and a number of assumptions. For certain Classes of Claims, the actual amounts of Allowed Claims could materially exceed or could be materially less than the estimated amounts shown in the table that follows.

SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN

Class	***Description***	***Treatment***	***Entitled to Vote***	***Est. Amt of Scheduled or Filed Claims or Interests***	***Est. Recovery***
Class 1	Priority Claims	On the later of (i) the Effective Date if such Priority Claim is an Allowed Priority Claim as of the Effective Date or (ii) the date on which such Priority Claim becomes an Allowed Priority Claim, each Holder of an Allowed Priority Claim shall receive in full satisfaction, settlement and release of and in	Deemed to Accept	Unknown	100%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Est. Amt of Scheduled or Filed Claims or Interests*	*Est. Recovery*
		exchange for such Allowed Priority Claim at the election of the Reorganized Debtor made on or prior to the Effective Date (a) Cash equal to the amount of such Allowed Priority Claim or (b) such other treatment as to which the Reorganized Debtor and the Holder of such Allowed Priority Claim agree upon in writing.			
Class 2	Lender's Secured Claims	(a) On the Effective Date, the Lender shall be paid an amount equal to Fifteen Million Seven Hundred Thousand and 00/100 Dollars ($15,500,000), minus the Reserve, provided that the Lender consents to the Plan not later than June 17, 2011 and votes its Claims to accept the Plan by such date; or (b) On the Effective Date, if the Lender does not consent to and vote its Claims to accept the Plan by June 17, 2011, then the Lender shall be paid the amount of the Lender's Secured Claim as determined by the Court pursuant to a valuation at the Confirmation Hearing on the Plan to be made pursuant to Bankruptcy Rule 3012, minus the Reserve. The Reserve shall be equal to: (i) the amount to be deposited in the Secured Claims Reserve Account, which amount shall be equal to the amount of all Mechanics Lien Claims (pending resolution as to whether such estimated Claims are adjudicated to be Senior	Yes	$15,500,000 less the Reserve	100%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Est. Amt of Scheduled or Filed Claims or Interests*	*Est. Recovery*
		Mechanics Lien Claims or Junior Mechanics Lien Claims pursuant to Section 6.1 the Plan) and the estimated amount of all Other Secured Claims; and (ii) all unpaid real estate taxes on the Project accrued prepetition. If either Secured Claim Amount "A" or Secured Claim Amount "B" set forth in Sections 4.3(a) and 4.3(b) of the Plan, respectively, is elected by the Lender, that amount may be supplemented pursuant to Section 6.3 of the Plan by payment to the Lender, as part of its Allowed Class 2 Claim, any residue remaining in the Secured Claims Reserve Account after payment of all Allowed Class 3 Senior Mechanics Lien Claims and Allowed Class 4 Other Secured Claims. If the Reserve is insufficient to fund Distributions for all Allowed Class 3 Senior Mechanics Lien Claims, Allowed Class 4 Other Secured Claims and all unpaid real estate taxes on the Project accrued prepetition as set forth in items (i) and (ii) in the preceding paragraph, then the Lender and any affiliate to whom it has paid any Distribution under the Plan on account of Lender's Class 2 Claims shall remit to the Reorganized Debtor Cash in the amount necessary to complete Distributions from the Reserve (the "Clawback Payment"). The Reorganized Debtor shall use the Clawback Payment to			

Class	*Description*	*Treatment*	*Entitled to Vote*	*Est. Amt of Scheduled or Filed Claims or Interests*	*Est. Recovery*
		replenish the Reserve and complete the required Distributions to the Holders of such Allowed Claims entitled to be paid from the Reserve pursuant to the Plan.			
Class 3	Mechanics Lien Claims	Each Holder of an Allowed Class 3 Mechanics Lien Claims shall receive one of the following alternative forms of treatment: (a) If, pursuant to the Mechanics Lien Resolution Process described in Section 6.1 of the Plan, any Filed Mechanics Lien Claim, or any portion thereof, is determined to be an Allowed Senior Mechanics Lien Claim, then (i) pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and contractual rights to which such Claim entitles such Holder in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(D) of the Bankruptcy Code and except as provided in Sections 4.3, 6.2 and 6.3 of the Plan, and such Claim (including any amounts to which such Holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights except as provided in Sections 4.3, 6.2 and 6.3 of the Plan, or (ii) such other lesser treatment as may be agreed upon in writing by such Holder and the Reorganized Debtor. Specifically, any Class 3 Claim determined to be a	Yes	$1,717,599	100% (plus interest) if the Mechanics Lien Claim is determined to be a Senior Mechanics Lien Claim. 4% if the Mechanics Lien Claim is determined to be a Junior Mechanics Lien Claim.

Class	***Description***	***Treatment***	***Entitled to Vote***	***Est. Amt of Scheduled or Filed Claims or Interests***	***Est. Recovery***
		Senior Mechanics Lien Claim pursuant to the Mechanics Lien Resolution Process as set forth in Section 6.1 of the Plan shall be paid in full from the Secured Claims Reserve Account. (b) If, pursuant to the Mechanics Lien Resolution Process described in Section 6.1 of the Plan, any Filed Mechanics Lien Claim, or any portion thereof, is determined to be an Allowed Junior Mechanics Lien Claim, then upon such determination the Holder of such Allowed Junior Mechanics Lien Claim shall receive, as soon as reasonably practicable thereafter, its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.			
Class 4	Other Secured Claims	Each Holder of an Allowed Class 4 Other Secured Claim, against the Debtor shall receive the following treatment: payment in full of the Claim from the secured Claim Reserve following a determination that such Claim is an Allowed Class 4 Other Secured Claim.	Deemed to Accept	Unknown	100%
Class 5	General Unsecured Claims	Each Holder of an Allowed Class 5 General Unsecured Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.	Yes	$3,900,000	4%
Class 6	Lender's Deficiency Claims (if any)	Each Holder of an Allowed Class 6 Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims	Yes	$26,900,000	4%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Est. Amt of Scheduled or Filed Claims or Interests*	*Est. Recovery*
		Reserve Account; provided, however, that Lenders shall not have any Class 6 Lender's Deficiency Claim (and thus shall receive no Distribution on account of such Claim) if Lender makes an election for treatment of its Claims under section 1111(b)(2) of the Bankruptcy Code.			
Class 7	Mezzanine Unsecured Claims	Each Holder of an Allowed Class 7 Mezzanine Unsecured Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.	Yes	$5,191,989	4%
Class 8	Interests in Debtor	Holders of Class 8 Interests shall not receive or retain any interest, property or other consideration under the Plan on account of their Class 8 Interests, which shall be deemed to be extinguished on the Effective Date.	Deemed to Reject		0%

THE FOREGOING IS ONLY A SUMMARY OF CERTAIN INFORMATION CONTAINED IN THE PLAN AND DISCLOSURE STATEMENT. ALL CREDITORS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW THOSE DOCUMENTS IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN OR TAKING ANY ACTION WITH RESPECT THERETO.

II. BUSINESS DESCRIPTION AND REASONS FOR CHAPTER 11 FILINGS

A. Description of the Debtor's Business Operations.

River East Plaza, LLC was formed in November, 1999 for the purpose of purchasing, developing and operating the property located at 401-465 East Illinois Street, Chicago, IL, commonly known as "River East Plaza." River East Plaza contains approximately 475,000 square feet of office, retail and art gallery space which is held for rental.

B. The Debtor's Prepetition Financing.

The Lender is the sole participant in a loan to the Debtor made by Bank of Beverly Hills, a predecessor in interest to the Lender. The loan, which was amended and restated in June 2006, was made to the Debtor to allow it to, among other things, refinance its then existing indebtedness with respect to the Project and complete the renovation of the office and retail space. There were discussions with the Lender regarding a potential new loan to convert certain floors of the Project to residential condominium lofts, but due to the recession, the new loan never materialized. As of the Petition Date, the Debtor estimates it owed the Lender approximately $39,400,000.

C. Events Leading to Commencement of the Chapter 11 Case.

The Debtor became unable to meet its debt service to the Lender towards the end of 2008.

Prior to the FDIC takeover of Bank of Beverly Hills, the Debtor had negotiated with Bank of Beverly Hills a restructuring of its loan obligations which its cash flow was sufficient to serve. When Bank of Beverly Hills was ultimately taken over by the FDIC, the restructuring was not consummated.

On February 25, 2009, the Lender commenced foreclosure proceedings against the Debtor on the case captioned *First Bank of Beverly Hills v. River East Plaza, LLC, et al*., Case No. 09 CH 08486, before the Circuit Court of Cook County, Illinois, County Department – Chancery Division. On April 19, 2009, U.S. Equities Realty, Inc. was appointed Receiver of River East Plaza under 735 Ill. Comp. Stat. 5/15-1701 through 1704, and the Receiver has remained in place to date.

Notwithstanding the foreclosure action and the appointment of the Receiver, the Debtor continued to seek means of resolving its defaults under its agreements with the Lender. After obtaining financial support for a plan to restructure the loan, the Debtor caused proposals to be made to the Lender. However, the Lender rejected the Debtor's proposals and instead continued its foreclosure action.

III. THE CHAPTER 11 CASE

A. Continuation of Business; Stay of Litigation.

As a consequence of the Debtor's financial difficulties, on February 10, 2011 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

Since the Petition Date, the Project continues to be operated by the Receiver. No trustee or examiner has been appointed.

An immediate effect of the filing of the Debtor's bankruptcy petition was the imposition of the automatic stay under section 362 of the Bankruptcy Code, which, with limited exceptions,

enjoins the commencement or continuation of all collection efforts by Creditors, the enforcement of Liens against Property of the Debtor and the continuation of litigation against the Debtor, including the foreclosure action and pending foreclosure sale of the Property by the Lender.

B. Authorization to Use Cash Collateral and Debtor In-Possession Financing.

The Lender holds a first priority lien and security interest on substantially all of the Debtor's pre-petition assets, including the Property and the operating proceeds of the Property ("Cash Collateral"). Cash Collateral is defined in section 363 of the Bankruptcy Code and includes, but is not limited to, "cash, negotiable instruments, documents of title, securities, deposit accounts, . . . other cash equivalents . . . and . . . proceeds, products, offspring, rents or profits of property subject to a security interest . . ." 11 U.S.C. § 363(a). Under the Bankruptcy Code, the Debtor is prohibited from using the Cash Collateral unless either the Lender consents or the Bankruptcy Court, after notice and a hearing, authorizes such use.

From the Petition Date until April 26, 2011, the Lender consented to the Receiver's use of Cash Collateral on the Debtor's behalf. On April 14, 2011, the Debtor Filed a *Motion for an Interim Order Pursuant to Sections 361, 362, 363 and 364 of the Bankruptcy Code and Bankruptcy Rule 4001 (I) Authorizing Use of Cash Collateral, (II) Authorizing Borrowing with Priority Over Administrative Expenses and Secured by Liens on Property of the Estate and (III) Granting Adequate Protection* (the "Interim Cash Collateral and DIP Financing Motion"). On April 26, 2011, the Court entered an agreed interim order granting the relief sought in the Debtor's Interim Cash Collateral and DIP Financing Motion (the "Interim Order"). On April 28, the Debtor filed a Motion seeking a final order approving the use of Cash Collateral and DIP Financing (the "Final Cash Collateral and DIP Financing Motion"). The Court entered a Final Order approving the relief sought in the Final Cash Collateral and DIP Financing Motion on May 6, 2011.

C. Schedules and Statements of Financial Affairs.

The Debtor filed *Schedules of Assets and Liabilities* and *Statement of Financial Affairs* (collectively, the "Schedules and Statements") with the Bankruptcy Court on March 15, 2011 [Dkt No. 67] and Amended Schedules and Statements on March 22, 2011 [Dkt. Nos. 80-84]. Among other things, the Schedules and Statements set forth the Claims of known Creditors against the Debtor as of the Petition Date, based upon the Debtor's books and records and those of the Receiver.

D. Official Committee of Unsecured Creditors.

No Committee of Unsecured Creditors has been formed in this case.

E. Claims Bar Date and Proofs of Claim.

The Bankruptcy Court has established June 29, 2011 as the deadline for filing proofs of claim against the Debtor's Estate – including pre-petition claims and claims entitled to administrative priority – for all persons and entities excluding governmental units. The Bankruptcy Court has established August 9, 2011, as the deadline for filing proofs of claim

against the Debtor's estate by "governmental units," as such term is defined in 11 U.S.C. § 101(27). The Debtor, based on its Schedules and Statements, the monthly operating reports, and the proofs of Claim filed against it believes that the following is an approximate breakdown of the categories of claims and approximate amount of claims against it: (i) Class 1 Claims in unknown amount and number; (ii) Class 2 Claims of $15,500,000 less the Reserve and 1 in number; (iii) Class 3 Claims of $1,717,599 and 23 in number; (iv) Class 4 Claims in unknown amount and number; (v) Class 5 Claims of $3,900,000 and 57 in number; (vi) Class 6 Claims of $26,900,000 and 1 in number; and (vii) Class 7 Claims of $5,191,989 and 1 in number.[3]

IV. THE PLAN

A. Overview of Chapter 11.

The following is a non-technical discussion of the provisions of the Plan. This Disclosure Statement and the descriptions herein are qualified in their entirety by reference to the provisions of the Plan, a copy of which is attached hereto as Exhibit A. Each Holder of a Claim or Interest is urged to carefully review the terms of the Plan. In the event of any inconsistency between the provisions of the Plan and the summary contained herein, the terms of the Plan will govern.

Generally, a Chapter 11 plan (i) separates claims and interests into different classes; (ii) specifies the property or treatment that each class is to receive under the plan; and (iii) contains other provisions necessary to effect the reorganization or liquidation of the debtor.

Generally, the Plan does not impair Priority Tax Claims and Other Secured Claims. The Plan provides that (i) Administrative and Priority Claims will be paid in full, (ii) Secured Claims will be paid in full up to the value of the collateral securing their Claim, and (iii) Unsecured Claims, including Junior Mechanics Lien Claims and Claims in Classes 5, 6 and 7, will receive their Pro Rata Share of up to $1,500,000 funded to the Unsecured Claims Reserve Account, estimated to equal approximately 4% of such Allowed Claims, and (iv) terminates all Interests in the Debtor.

As described in Article IV.J., "Effect of Plan Confirmation", the Plan provides certain parties with releases of all Claims and causes of action based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date.

Under the Plan, the Reorganized Debtor will serve as Disbursing Agent for purposes of effecting Cash Distributions to Holders of Allowed Claims. Any Avoidance Actions or Causes of Action are also vested in the Reorganized Debtor as of the Effective Date.

[3] These estimates are based on the Debtor's estimates and a review of the Claims Filed in this Chapter 11 Case.

B. Classification and Treatment of Claims and Interests.

The following is a summary of the provisions of the Plan as they relate to the classification and treatment of Claims and Interests thereunder. This summary is not the Plan. All parties in interest are referred to the Plan for full and complete information as to its provisions. To the extent there are any inconsistencies, the Plan will control.

There are eight (8) classes of Claims and Interests under the Plan. Administrative Claims and Priority Tax Claims are not subject to classification pursuant to 11 U.S.C. § 1123(a)(1) and thus are not entitled to vote. Classes 1 and 4 are Unimpaired and thus are presumed to have accepted the Plan pursuant to 11 U.S.C. § 1126(f). Holders of Interests in Class 8 will neither receive nor retain any interests on account of their Interests under the Plan and thus are presumed to have rejected the Plan pursuant to 11 U.S.C. § 1126(g). Claims in Classes 2, 3, 5, 6 and 7 are Impaired and thus entitled to vote on the Plan.

The Classes of Claims and Interests shall be treated as follows:

1. Unclassified Claims.

Unclassified Claims consist of Administrative Claims and Priority Tax Claims are entitled to priority pursuant to 11 U.S.C. § 507(a)(2).

a. Administrative Claims

Administrative expenses are the actual and necessary costs and expenses of the Chapter 11 Case that are allowed under sections 503(b) and 507(a)(1) of the Bankruptcy Code. Other Administrative Claims include Professional Fee Claims by a Person retained or to be compensated for services rendered or costs incurred on or after the Petition Date and on or prior to the Effective Date pursuant to section 327, 328, 329, 330, 503(b) or 1103 of the Bankruptcy Code in the Chapter 11 Case.

All Administrative Claims will be treated as follows:

Unless otherwise ordered by the Bankruptcy Court, requests for payment of Administrative Claims incurred through the Effective Date, with the exception of Fee Claims, must be Filed with the Bankruptcy Court and served on the Reorganized Debtor not later than fifteen (15) days after the Confirmation Date (the "Administrative Claims Bar Date"), which request for payment must contain a good faith estimate of any Administrative Claims accruing between the Administrative Claims Bar Date and the Effective Date. **Any Person that is required to File and serve a request for payment of an Administrative Claim and fails to timely File and serve such request, shall be forever barred, estopped and enjoined from asserting such Administrative Claim or participating in Distributions under the Plan on account thereof.** Objections to an Administrative Claim must be Filed with the Bankruptcy Court and served on the Reorganized Debtor and the requesting party and their respective counsel, if any, not later than thirty (30) days after the Effective Date.

Each Professional who holds or asserts a Fee Claim incurred through the Effective Date shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a Fee Application not later than thirty (30) days after the Effective Date (the "Fee Claim Bar Date"). **Any Person that is required to File and serve a Fee Application and fails to timely File and serve such Fee Application, shall be forever barred, estopped and enjoined from asserting such Fee Claim or participating in Distributions under the Plan on account thereof.** Objections to a Fee Claim must be Filed and served on the Reorganized Debtor and the requesting party and their respective counsel, if any, not later than sixty (60) days after the Effective Date. **Notwithstanding the foregoing, the Fee Claim Bar Date shall not apply to Professional Fee Claims incurred after the Effective Date, for which there will be no bar date except pursuant to further order of the Bankruptcy Court. Notwithstanding the foregoing, not later than seven (7) days prior to the Confirmation Hearing each Professional shall submit to the Proponents (i) the estimated amounts of all such Professional's fees and expenses incurred in the Bankruptcy Case from the Petition Date to the date thereof and (ii) an estimated good faith projection of fees and expenses to be expended through the Effective Date, which estimated amounts shall be binding upon such Professional with respect to any subsequently filed Fee Application with respect to such Professional's fees for services rendered and expenses incurred through the Effective Date.**

An Administrative Claim with respect to which request for payment has been properly filed and served pursuant to Section 2.4 of the Plan shall, to the extent not otherwise deemed Allowed by Final Order of the Bankruptcy Court prior to such date, become an Allowed Administrative Claim if no objection is filed within thirty (30) days after the Effective Date, or such later date as may be approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such 30-day period (or any extension thereof), the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order. A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 2.5 of the Plan shall become an Allowed Administrative Claim only to the extent allowed by Final Order of the Bankruptcy Court.

Except to the extent the Holder of an Allowed Administrative Claim agrees otherwise, each Holder of an Allowed Administrative Claim shall be paid in respect of such Allowed Claim the full amount thereof, without interest, in Cash, on the fourteenth (14^{th}) Business Day following the later of (i) the Effective Date, or (ii) the date upon which such Administrative Claim becomes an Allowed Administrative Claim or (iii) the date upon which such Administrative Claim becomes due; provided, however, that, prior to the Effective Date, an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtor may be paid at such Debtor's election in the ordinary course of business so long as any such payment is authorized by the Final Order approving Debtor's use of Cash Collateral and DIP financing..

b. Priority Tax Claims

Priority Tax Claims essentially consist of unsecured Claims of federal and state governmental authorities for the kinds of taxes specified in section 507(a)(8) of the Bankruptcy

Code, such as certain income taxes, property taxes, excise taxes, and employment and withholding taxes. Priority Tax Claims are given a statutory priority in right of payment.

Each Holder of an Allowed Priority Tax Claim, including prepetition accrued real estate tax claims, shall receive in full satisfaction of such Holder's Allowed Priority Tax Claim (i) on the Effective Date, the amount in Cash of such Holder's Allowed Tax Claim, with interest thereon from and after the Confirmation Date at the rate determined by the Bankruptcy Court in accordance with section 511 of the Bankruptcy Code or (ii) such other lesser treatment as may be agreed upon in writing by such Holder and the Reorganized Debtor. The Confirmation Order shall enjoin any Holder of a Priority Tax Claim from commencing or continuing any action or proceeding against any responsible Person or officer or director of the Debtor or the Reorganized Debtor that otherwise would be liable to such Holder for payment of a Priority Tax Claim, so long as no default has occurred with respect to such Priority Tax Claim under Section 2.3 of the Plan.

C. Description of the Classes.

a. Class 1 –Priority Claims (Unimpaired)

Class 1 Claims are Unimpaired. On the later of (i) the Effective Date if such Priority Claim is an Allowed Priority Claim as of the Effective Date or (ii) the date on which such Priority Claim becomes an Allowed Priority Claim, each Holder of an Allowed Priority Claim shall receive in full satisfaction, settlement and release of and in exchange for such Allowed Priority Claim at the election of the Lender made on or prior to the Effective Date (a) Cash equal to the amount of such Allowed Priority Claim; or (b) such other treatment as to which the Plan Proponent and the Holder of such Allowed Priority Claim agree upon in writing.

b. Class 2 – Lender's Secured Claims (Impaired)

Class 2 Claims are Impaired because payment of the Lender shall be accelerated and the entire Allowed Class 2 Claim shall be paid in Cash on the Effective Date, except for any portion of the Allowed Class 2 Claim payable from the Reserve (as defined below). Specifically, the Lender may elect to have its Class 2 Claim treated in either of the two following ways:

(a) Secured Claim Amount A. On the Effective Date, the Lender shall be paid an amount equal to Fifteen Million Five Hundred Thousand and 00/100 Dollars ($15,500,000), minus the Reserve, provided that the Lender consents to the Plan not later than June 17, 2011 and votes its Claims to accept the Plan by such date.

(b) Secured Claim Amount B. On the Effective Date, if the Lender does not consent to and vote its Claims to accept the Plan by June 17, 2011, then the Lender shall be paid the amount of the Lender's Secured Claim as determined by the Court pursuant to a valuation at the Confirmation Hearing on the Plan to be made pursuant to Bankruptcy Rule 3012, minus the Reserve.

For purposes of Section 4.3 of the Plan, the Reserve shall be equal to: (i) the amount to be deposited in the Secured Claims Reserve Account, which amount shall be equal to the amount of

all Mechanics Lien Claims (pending resolution as to whether such Claims are adjudicated to be Senior Mechanics Lien Claims or Junior Mechanics Lien Claims pursuant to Section 6.1 of the Plan) and the amount of all Other Secured Claims; and (ii) all unpaid real estate taxes on the Project accrued prepetition (collectively, the "Reserve"). If either Secured Claim Amount "A" or Secured Claim Amount "B" set forth in Sections 4.3(a) and 4.3(b) of the Plan, respectively, is elected by the Lender, that amount may be supplemented pursuant to Section 6.3 of the Plan by payment to the Lender, as part of its Allowed Class 2 Claim, any residue remaining in the Secured Claims Reserve Account after payment of all Allowed Class 3 Senior Mechanics Lien Claims and Allowed Class 4 Other Secured Claims.

If the Reserve is insufficient to fund Distributions for all Allowed Class 3 Senior Mechanics Lien Claims, Allowed Class 4 Other Secured Claims and all unpaid real estate taxes on the Project accrued prepetition as set forth in items (i) and (ii) in the preceding paragraph, then the Lender and any affiliate to whom it has paid any Distribution under the Plan on account of Lender's Class 2 Claims shall remit to the Reorganized Debtor the Clawback Payment in Cash in the amount necessary to complete Distributions from the Reserve. The Reorganized Debtor shall use the Clawback Payment to replenish the Reserve and complete the required Distributions to the Holders of such Allowed Claims entitled to be paid from the Reserve pursuant to the Plan.

c. Class 3 –Mechanics Lien Claims (Impaired)

Each Holder of an Allowed Class 3 Mechanics Lien Claim shall receive one of the following alternative forms of treatment:

(a) If, pursuant to the Mechanics Lien Resolution Process described in Section 6.1 of the Plan, any Filed Mechanics Lien Claim, or any portion thereof, is determined to be an Allowed Senior Mechanics Lien Claim, then (i) pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable, and contractual rights to which such Claim entitles such Holder in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(D) of the Bankruptcy Code and except as provided in Sections 4.3, 6.2 and 6.3 of the Plan, and such Claim (including any amounts to which such Holders are entitled pursuant to section 1124(2) of the Bankruptcy Code) shall be paid in full in accordance with such reinstated rights except as provided in Sections 4.3, 6.2 and 6.3 of the Plan, or (ii) such other lesser treatment as may be agreed upon in writing by such Holder and the Reorganized Debtor. Specifically, any Class 3 Claim determined to be a Senior Mechanics Lien Claim pursuant to the Mechanics Lien Resolution Process as set forth in Section 6.1 of the Plan shall be paid in full from the Secured Claims Reserve Account.

(b) If, pursuant to the Mechanics Lien Resolution Process described in Section 6.1 of the Plan, any Filed Mechanics Lien Claim, or any portion thereof, is determined to be an Allowed Junior Mechanics Lien Claim, then upon such determination the Holder of such Allowed Junior Mechanics Lien Claim shall receive, as soon as reasonably practicable thereafter, its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.

d. Class 4 – Other Secured Claims (Unimpaired)

Each Holder of an Allowed Class 4 Other Secured Claim shall receive the following treatment: payment in full of the Claim from the Secured Claim Reserve following a determination that such Claim is an Allowed Class 4 Other Secured Claim.

e. Class 5 – General Unsecured Claims (Impaired)

Class 5 Claims are Impaired and each Holder of an Allowed Class 5 General Unsecured Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.

f. Class 6 – Lender's Deficiency Claim (Impaired)

Class 6 Claims are Impaired because the Lender is not receiving full payment for its Class Claim 6 under the Plan. Each Holder of an Allowed Class 6 Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account; provided, however, that Lender shall not have any Class 6 Lender's Deficiency Claim (and thus shall receive no Distribution on account of such Claim) if Lender makes an election for treatment of its Claims under section 1111(b)(2) of the Bankruptcy Code.

g. Class 7 – Mezzanine Unsecured Claims (Impaired)

Class 7 Claims are Impaired and each Holder of an Allowed Class 7 Mezzanine Unsecured Claim shall receive its Pro Rata Share of the funds held in the Unsecured Claims Reserve Account.

h. Class 8 –Interests in the Debtor (Impaired)

Holders of Class 8 Interests shall not receive or retain any interest, property or other consideration under the Plan on account of their Class 8 Interests, which shall be deemed to be extinguished on the Effective Date.

D. Plan Implementation.

1. Mechanics Lien Resolution Process.

On the Effective Date, title to the Project and all Property of the Estate shall vest in the Reorganized Debtor pursuant to the Plan, except as otherwise expressly provided under the Plan to make distributions to Creditors hereunder. On the Effective Date, the automatic stay in place pursuant to section 362 of the Bankruptcy Code shall be modified such that Holders of Mechanics Lien Claims may seek and obtain orders in the State Court Mechanics Lien Litigation declaring the validity, priority and extent of their respective Mechanics Lien Claims and decreeing that the Reorganized Debtor shall pay from the Secured Claims Reserve Account the amount of any such Liens found to be Senior Mechanics Lien Claims.

2. Satisfaction and Release of Mechanics Lien; Failure to Timely Deliver.

Within ten (10) Business Days of (a) the payment of an Allowed Senior Mechanics Lien Claim, (b) the payment of the settlement amount under any Mechanics Lien Claim settlement agreement, or (c) the entry of a Final Order in the State Court Mechanics Lien Litigation determining a Mechanics Lien Claim to be an Allowed Senior Mechanics Lien Claim or an Allowed Junior Mechanics Lien Claim, then Holders of Mechanics Lien Claims so paid, settled, or adjudicated, as the case may be, shall release their Liens and Mechanics Lien Claims by executing and providing to the Reorganized Debtor a Satisfaction and Release of Mechanics Lien with respect to the Debtor's Property that is the subject of such Mechanics Lien Claimant's Lien. For purposes of Bankruptcy Rule 7070(b), the Confirmation Order shall constitute a judgment divesting the Lien of the Holder of any Secured Claim from the Project and any other Property of the Debtor. If any such Holder of a Mechanics Lien Claim fails to timely provide to the Reorganized Debtor the foregoing Satisfaction and Release of Mechanics Lien, then the Bankruptcy Court (i) shall order the execution and turnover of such Satisfaction and Release of Mechanics Lien, at the Mechanics Lien Claimant's sole expense, pursuant to Bankruptcy Rule 7070(a) and (ii) may also appoint a representative of the Reorganized Debtor under Bankruptcy Rule 7070(a) to execute the Satisfaction and Release of Mechanics Lien and direct that the signature of the Lender's representative shall have the same effect as if done by the Holder of the Mechanics Lien Claim. Notwithstanding the foregoing, the Reorganized Debtor shall have all of the rights and remedies, if any, provided under 770 ILCS 60/35.

3. Secured Claims Reserve Account.

Except as otherwise set forth in the Plan or otherwise ordered by the Bankruptcy Court, on the Effective Date the Debtor shall establish from the proceeds of the mortgage loan financing obtained from SLC Lender, the Secured Claims Reserve Account and shall fund it with Cash equal to (a) 150% (or such other percentage as may be ordered by the Bankruptcy Court at the Confirmation Hearing) of the amount of all identified Mechanics Lien Claims, including, without limitation, those asserted in the State Court Mechanics Lien Litigation (pending resolution as to whether such Mechanics Lien Claims are adjudicated to be Senior Mechanics Lien Claims or Junior Mechanics Lien Claims pursuant to Section 6.1 of the Plan and (b) 150% (or such other percentage as may be ordered by the Bankruptcy Court at the Confirmation Hearing) of the amount of Allowed Other Secured Claims. Funds from the Secured Claims Reserve Account shall be used to pay Allowed Senior Mechanics Lien Claims and Allowed Other Secured Claims as set forth in the Plan, when and as they are resolved and Allowed pursuant to Final Orders or settlements. Any residue remaining in the account after all Allowed Class 3 Senior Mechanics Lien Claims and Allowed Class 4 Other Secured Claims have been paid shall be paid to the Lender on account of its Allowed Class 2 Secured Claim.

4. Real Estate Taxes

The Cash necessary to pay all unpaid real estate taxes on the Project accrued prepetition shall not be funded to the Secured Claims Reserve Account but shall instead be paid from the Reserve on the Effective Date as Distributions on such Class 1 Priority Claims.

5. Plan Financing.

SLC Lender and SLC Investor will provide Plan financing and investment, respectively, not to exceed $17,550,000 in the aggregate, as follows:

(a) SLC Lender. The Plan will be implemented by means of financing to be provided by SLC Lender to the Reorganized Debtor on the Effective Date. The Plan financing to be provided by SLC Lender will be a $15,500,000 loan secured by a first priority mortgage and security interest in the Project and all other assets of the Debtor and Reorganized Debtor, an amount the Debtor believes is sufficient to fund payment of all Allowed Secured Claims, including amounts payable to the Lender on account of its Allowed Class 2 Claim on the Effective Date pursuant to the treatment afforded to that Claim under the Plan and all amounts needed to fund the Secured Claim Reserve Account on the Effective Date.

(b) SLC Investor. In addition to the mortgage loan from SLC Lender, SLC Investor will provide funding in order to purchase all equity of the Reorganized Debtor on the Effective Date. The Debtor believes the $2,050,000 provided by SLC Investor will be sufficient to fund all outstanding or reimbursable Administrative Claims, Professional Fee Claims and Priority Claims (other than those real estate taxes to be paid from the Reserve pursuant to Section 4.3 of the Plan) up to $550,000, and to provide up to $1,500,000 needed to fund the Unsecured Claims Reserve Account for the benefit of Holders of Allowed Junior Mechanics Lien Claims and Allowed Claims in Classes 5, 6 and 7 in amount sufficient to assure that the Distributions on such Allowed Claims shall not be less than four percent (4%).

6. Manager of Reorganized Debtor; Governance of Reorganized Debtor.

The Reorganized Debtor will be wholly owned and controlled by SLC Investor, which shall retain River East Investment Partners LLC ("REIP") as the Asset Manager of the Project pursuant to an Asset Management Agreement (the "AMA"). The principals of REIP will be the Debtor's Manager, Daniel McLean, and the President of Geneva, Wayne Massey. REIP shall, among other things, provide consulting services to the Reorganized Debtor but will not govern or control the Project or the Reorganized Debtor. It is anticipated that, pursuant to the terms of the AMA, REIP will receive a quarterly fee not to exceed $25,000 to serve as the Project's Asset Manager, with the potential to receive an additional incentive fee in the future should the Project reach certain economic thresholds following repayment of SLC Lender. The executed AMA will be filed and posted to the Bankruptcy Court's docket in advance of the hearing on the confirmation of the Plan.

7. Vesting of Debtor's Estate.

On and as of the Effective Date, pursuant to section 1141(b) of the Bankruptcy Code, all remaining Property of the Estate and all assets of the Estate, including, without limitation, ownership of all rights of the Debtor under the Plan, the Confirmation Order, and all other orders entered by the Bankruptcy Court in the Chapter 11 Case on or prior to the Effective Date, the Project, all the interests of the Debtor in real or personal property (whenever acquired), all Causes of Action, including, without limitation, those Causes of Actions relating to Mechanics Lien Claims, and all other assets of any kind not otherwise distributed or released under the Plan,

and all books and records related to the Estate, shall be transferred to and vest in the Reorganized Debtor and be deemed contributed thereto free and clear of Liens, claims and encumbrances, with the exception of Senior Mechanics Lien Claims, Other Secured Claims and the Lender's Class 2 Claims and Liens associated therewith which shall be deemed released from the Project and any other Property on the Effective Date and shall attach on the Effective Date solely to the Secured Claims Reserve Account, to any extent that any Allowed Secured Claim in Classes 2, 3 or 4 is not paid on the Effective Date pursuant to the terms of the Plan.

8. Power of Attorney.

In the event any Holder of any Secured Claim fails to deliver any and all documents required under the Plan, then pursuant to the power of attorney granted to the Reorganized Debtor in the Plan, the Reorganized Debtor may execute and deliver any other documents necessary or appropriate to consummate or implement the Plan. Said power of attorney shall be utilized by the Reorganized Debtor for the completion of any documents on behalf of the Holder of a Secured Claim which the Holder of a Secured Claim fails to execute and deliver as required herein. In furtherance of this appointment, the Holder of a Secured Claim hereby irrevocably constitutes and appoints the Reorganized Debtor as its true and lawful attorney, coupled with the interest created hereby, with full power of substitution, for the Holder of a Secured Claim and in its names, place and stead, provided that such appointment shall be effective upon the Effective Date, to ask, demand, collect, receive, receipt for, sue for, compound and give acquaintance for any and all sums or properties which may be or become due, payable or distributable in connection with or with respect to the Property, with full power to settle, adjust or compromise any Claim thereunder or therefore as fully as such Holder could itself do, and to endorse or sign the name of the Debtor on all negotiable instruments and any other documents, either in its own name or in the name of the Holder, or otherwise, which the Reorganized Debtor may deem necessary or appropriate to transfer any and all of the Project and the Property, or which may be necessary or appropriate to protect and preserve the right, title and interest of the Reorganized Debtor in and to the Project and such Property. Notwithstanding the foregoing power of attorney, the Confirmation Order shall be deemed to be an Order of the Bankruptcy Court pursuant to Federal Rule of Bankruptcy Procedure 7070(a) that, among other things, directs the Debtor and Reorganized Debtor to execute and deliver any and all other documents necessary or appropriate to consummate or implement the Plan on behalf of the Debtor, and that furthermore, by operation of law under Federal Rule of Bankruptcy Procedure 7070(b), vests all of the Property in the Reorganized Debtor.

9. Avoidance Actions.

The Debtor is currently not aware of any Avoidance Actions worth pursuing and does not anticipate pursuing any Avoidance Actions. The Receiver has controlled and managed the Property for more than two years and has paid the majority, if not all, of the Property's expenses in the ordinary course, thereby rendering almost all payments made by the Receiver within ninety (90) days of the Petition Date unrecoverable as preferential transfers under section 547 of the Bankruptcy Code. However, all Avoidance Actions shall be vested in the Reorganized Debtor as of the Effective Date as the representative of the Debtor's Estate under section 1123(b)(3)(B) of the Bankruptcy Code, and may be retained, enforced or prosecuted or otherwise