

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:)	
)	
RIVER CANYON REAL ESTATE)	Case No. 12-20763 EEB
INVESTMENTS, LLC)	Chapter 11
)	
Debtor.)	

**FOURTH AMENDED PLAN OF REORGANIZATION PROPOSED BY
RIVER CANYON REAL ESTATE INVESTMENTS, LLC**

April 10, 2013

Harvey Sender
David V. Wadsworth
Sender Wasserman Wadsworth, P.C.
1660 Lincoln Street, Suite 2200
Denver, CO 80264

Counsel for Debtor

NO MATERIALS OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS APPROVED BY THE BANKRUPTCY COURT HAVE BEEN AUTHORIZED FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN

ARTICLE I
INTRODUCTION

River Canyon Real Estate Investments, LLC, Debtor in Possession, by and through its counsel Sender Wasserman Wadsworth, P.C., hereby proposes and files the following Fourth Amended Plan of Reorganization (the “Plan”) pursuant to Section 1121(a) of the Bankruptcy Code. This Plan should be considered in conjunction with the Disclosure Statement (the “Disclosure Statement”) filed on February 8, 2013.

ARTICLE II
DEFINITIONS AND RULES OF INTERPRETATION

1. Scope of Definitions and Rules of Interpretation.

For purposes of the Plan, all capitalized terms not otherwise defined shall have the meanings ascribed to them in Article II of the Plan. Any term used in the Plan that is not defined herein, but is otherwise defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules. For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in singular or plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit filed, or to be filed, shall mean such document or exhibit as it may have been or may be amended, modified or supplemented; (d) captions and headings to articles and sections are inserted for convenience or reference only and are not intended to be a part of or to affect the interpretation of the Plan; and (e) the rules of construction set forth in Section 102 of the Bankruptcy Code shall

apply. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(c) shall apply. The rights and obligations arising under the Plan shall be interpreted, governed by, and construed and enforced in accordance with the laws of the State of Colorado, the Bankruptcy Code, and the Bankruptcy Rules.

2. Definitions.

2.1. “38 Lots” shall refer to those lots owned by the Debtor for which a water tap was purchased pre-petition. The 38 Lots shall also include the lot known by street address as 7915 Cicero, for which the Debtor is seeking to transfer a tap purchased from a third-party pre-petition. The 38 Lots are identified on **Exhibit B** hereto, incorporated herein by this reference.

2.2. “128 Lots” shall refer to those lots owned by the Debtor for which a water tap was not purchased pre-petition. The 128 Lots are identified on **Exhibit A** hereto, incorporated herein by this reference.

2.3. “Administrative Claim” shall mean (i) a Claim for a cost or expense of administration of the Bankruptcy Case as contemplated in Section 503(b) of the Bankruptcy Code and entitled to priority pursuant to Section 507(a)(2) of the Bankruptcy Code; and (ii) all fees due under 28 U.S.C. § 1930.

2.4. “Allowed” shall mean a Claim (i) to the extent it is not a Contested Claim; or (ii) a Contested Claim, proof of which was filed with the Bankruptcy Court on or before any applicable Bar Date, and (x) as to which no objection has been filed by the Objection Date, unless such Claim is to be determined in a forum other than the Bankruptcy Court, in which case such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of

the Bankruptcy Court; or (y) as to which an objection was filed by the Objection Date, to the extent allowed by a Final Order.

2.5. “Bankruptcy Case” shall mean the case commenced under Chapter 11 of the Bankruptcy Code by the Debtor now pending before the Bankruptcy Court.

2.6. “Bankruptcy Code” shall mean Title 11 of the United States Code.

2.7. “Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Colorado.

2.8. “Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure, as amended and promulgated under section 2075, Title 28, United States Code.

2.9. “Bar Date” shall mean August 16, 2012, the last date set by the Bankruptcy Court for filing Claims that are not Administrative Claims.

2.10. “Claim” shall mean a claim against the Debtor or its Estate, as defined in Section 101(5) of the Bankruptcy Code.

2.11. “Class” shall mean any class into which Claims or Interests are classified pursuant to this Plan.

2.12. “Confirmation” shall mean the entry by the Bankruptcy Court of an order confirming the Plan in accordance with Chapter 11 of the Bankruptcy Code; “Confirmation Order” shall mean such order; and “Confirmation Date” shall mean the date on which such order is entered.

2.13. “Contested” when used with respect to a Claim shall mean a Claim that has not been Allowed: (i) that is listed in any of Debtor’s schedules of liabilities as disputed, unliquidated, or contingent; (ii) to the extent the proof of claim exceeds the scheduled amount; (iii) that is not listed in any such schedules; or, (iv) as to which an objection has been filed and as to which no Final Order allowing such Claim has been entered.

2.14. “Debtor” shall mean River Canyon Real Estate Investments, LLC.

2.15. “Disclosure Statement” shall mean the disclosure document describing the Plan as required to be filed by the Debtor, approved by the Court, and distributed to the various classes of Claims under the Plan as provided in Section 1125 of the Bankruptcy Code.

2.16. “Douglas County Litigation” shall mean the civil action pending in the Douglas County, Colorado District Court captioned *River Canyon Real Estate Investments, LLC v. United Water & Sanitation District*, and assigned Case No. 2012 CV 2440.

2.17. “Effective Date” shall mean the first business day after the passage of fifteen (15) days from the date the Confirmation Order is entered.

2.18. “Escrow Agent” shall mean Land Title Guarantee Company, located at 5690 DTC Boulevard, Greenwood Village, Colorado 80111.

2.19. “Estate” shall mean the bankruptcy estate created by the commencement of the Bankruptcy Case, both prior to and following the Confirmation Date.

2.20. “Exit Loan” shall mean the loan made by Development Finance, L.P. or its assignee to Debtor in the amount of \$10,000,000 and described in the Debtor’s Notice of Exit Financing filed with the Bankruptcy Court on March 8, 2013 (Docket No. 291).

2.21. “Exit Lender” shall mean Development Finance, L.P. or its assignee.

2.22. “Facility Acquisition Fees” shall mean the disputed and duplicative Facility Acquisition Fees asserted due by RMD in RMD Claim No. 32 and United in United Claim No. 30 pursuant to fee resolutions passed by the respective districts. The disputed Facility Acquisition Fees are described with particularity on a lot-by-lot basis in **Exhibits A & B** hereto.

2.23. “Final Order” shall mean an order or judgment of the Bankruptcy Court or other court of competent jurisdiction which has not been reversed, stayed, modified, or amended and as to which

(i) the time to appeal or seek review, rehearing, or certiorari has expired (without regard to whether the time to seek relief of a judgment under Rule 60(b) of the Federal Rules of Civil Procedure has expired); and (ii) no appeal or petition for review, rehearing, or certiorari is pending, or if pending as to which no bond or other stay has been issued, or as to which any right to appeal or seek review, rehearing, or certiorari has been waived.

2.24. “Golf Course Lots” shall refer to those lots owned by the Debtor identified on **Exhibit C** hereto, incorporated herein by this reference.

2.25. “Insider” shall mean any Person defined in Section 101(31)(B) of the Bankruptcy Code.

2.26. “Interest” shall mean a member’s membership interests, if any, in the Debtor.

2.27. “Late Filed Claim” shall mean any Claim filed in the Bankruptcy Case after the Bar Date.

2.28. “Lot” shall refer to an individual lot owned by the Debtor and, when followed by a number, the number shall correspond to the Debtor’s internal account number for said lot. The account numbers are set forth on **Exhibit A** hereto. For example, “Lot 41” refers to the lot owned by the Debtor and identified with account number 41.

2.29. “Operations Fees” shall mean the Operations Fees asserted due by RMD in RMD Claim No. 32 pursuant to fee resolutions passed by RMD. The disputed Operations Fees are described with particularity on a lot-by-lot basis in **Exhibits A & B** hereto.

2.30. “Person” shall mean an individual, corporation, partnership, joint venture, trust, estate, unincorporated association, unincorporated organization, cooperative, limited liability company, governmental entity or political subdivision thereof, or any other legally recognized entity.

2.31. “Plan” shall mean this Plan of Reorganization, as it may be modified or amended from time to time pursuant to Section 1127 of the Bankruptcy Code and Article VIII of the Plan.

2.32. “Plan Proponent” shall mean the Debtor.

2.33. “Post-Petition” shall mean anytime on or subsequent to May 23, 2012 and prior to the Confirmation Date.

2.34. “Pre-Petition” shall mean any time prior to May 23, 2012.

2.35. “Priority Claim” shall mean a Claim entitled to priority in payment pursuant to Section 507(a)(4), 507(a)(5) or 507(a)(7) of the Bankruptcy Code.

2.36. “Professional Fees” shall mean all fees, disbursements and other awards to and for Professional Persons approved by the Bankruptcy Court after appropriate notice and hearing.

2.37. “Professional Person” shall mean all professionals retained in this bankruptcy case pursuant to Section 327 of the Bankruptcy Code.

2.38. “Pro Rata” shall mean with respect to any Person entitled to distribution, the percentage which such Person’s Allowed Claim bears to the sum of all Allowed Claims in the same class.

2.39. “Reorganized Debtor” shall mean the reorganized Debtor under the confirmed Plan.

2.40. “Reserve” shall mean the amount of cash held by the Reorganized Debtor following the Effective Date that are or may become due and owing following the Effective Date, including without limitation amounts that may become payable on account of Contested Claims as provided in Article X herein.

2.41. “RMD” shall mean Ravenna Metropolitan District.

2.42. “RMD Claim No. 32” shall mean RMD’s Amended Proof of Claim filed January 16, 2013 and assigned Claim No. 32 by the Clerk of Court.

2.43. “Secured Claim” shall mean any Claim secured by a valid and enforceable lien against the property of the Debtor, but only to the extent of the value of the collateral securing such Claim.

2.44. “Secured Tax Claim” shall mean any Tax Claim secured by a valid and enforceable lien against property of the Debtor.

2.45. “Settlement Agreement” shall mean the settlement agreement between the Debtor and Beal Bank USA dated September 18, 2012.

2.46. “Sewer Fees” shall mean the Sewer Fees asserted due by RMD in RMD Claim No. 32 pursuant to fee resolutions passed by RMD. The disputed Sewer Fees are described with particularity on a lot-by-lot basis in **Exhibits A & B** hereto.

2.47. “Tap Fees” shall mean the disputed and duplicative amounts for water tap fees asserted due by RMD in RMD Claim No. 32 and United in United Claim No. 30 pursuant to fee resolutions passed by the respective districts. The disputed Tap Fees are described with particularity on a lot-by-lot basis in **Exhibit A** hereto.

2.48. “Tax Claim” shall mean any Claim of a governmental unit for taxes entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

2.49. “Tax Lien Certificate Holders” shall mean any holder of a tax lien certificate issued by the Douglas County, Colorado treasurer with respect to the real property owned by the Debtor, including the following: 777 South High Street, LLC; Kelsey McEwen Alexander; Martha M. Batyik-Lyons or Robert Lyons; BBB LT Trust; Gerald Bensema; Matthew Browne; William A. Brown; John E. Carpenter; A.J. Carvalho; CB Capital Investments 311, LLC; Clark Property Tax Investments, LLC; CCR Associates; Douglas County, Colorado; Equity Trust Co FBO Ross J. Hegstrom IRA; William D. Ewan; FRHL, LLC & UMB Bank Colorado, N.A.; FRTL-C2009, LLLP

& UMB Bank Colorado, N.A.; Hanna M. Goldberg; Tom & Rhonda Hansch; Warren R. & Sally A. Hopkins; INA Group, LLC; Dennis R. Larratt; Thomas W. McGee; Charles W. Mobley; Gary & Michele Ohlman; Poobah, LLC; John G. Richardson; The Property Management Company, LLC; and, Deborah Torp.

2.50. “United” shall mean United Water & Sanitation District.

2.51. “United Claim No. 30” shall mean United’s Amended Proof of Claim filed January 30, 2013 and assigned Claim No. 30 by the Clerk of Court.

2.52. “United Claim Order” shall mean the Final Order entered by the Douglas County District Court with respect to the allowance or disallowance of United Claim No. 30.

2.53. “Unsecured Claim” shall mean any Claim that is not secured by a valid and enforceable lien against the property of the Debtor (including a Claim for penalties held by a taxing authority which is not related to any pecuniary loss), and that is not an Administrative Claim, a Priority Claim, a Secured Claim, or a Tax Claim.

2.54. “Water Resource Fees” shall mean the disputed and duplicative amounts for Water Resource fees asserted due by RMD in RMD Claim No. 32 and United in United Claim No. 30 pursuant to fee resolutions passed by the respective districts. The disputed Water Resource are described with particularity on a lot-by-lot basis in **Exhibits A & B** hereto.

ARTICLE III **CLASSIFICATION OF CLAIMS AND INTERESTS**

1. Introduction.

All Claims and Interests in the Bankruptcy Case are classified in the Classes below. Notwithstanding any other provision of the Plan, a Claim in a particular Class is entitled to receive distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that

Class, and only to the extent such Claim has not been paid, released, or otherwise satisfied prior to the Effective Date.

2. Classification.

Claims and Interests are classified as follows:

<u>Class 1</u>	Administrative Claims
<u>Class 2</u>	Tax Claims and Secured Tax Claims
<u>Class 3</u>	Priority Claims
<u>Class 4-A</u>	Secured Claim of 777 South High Street, LLC
<u>Class 4-B</u>	Secured Claim of Clark Property Tax Investments
<u>Class 4-C</u>	Secured Claim of Tom & Rhonda Hansch
<u>Class 4-D</u>	Secured Claim of FRTL-C2009 LLLP and UMB Bank Colorado, N.A
<u>Class 4-E</u>	Secured Claim of Gary & Michele Ohlman
<u>Class 4-F</u>	Secured Claim of William A. Brown
<u>Class 4-G</u>	Secured Claim of A.J. Carvalho
<u>Class 4-H</u>	Secured Claim of C.B. Capital Investments 311, L.P.
<u>Class 4-I</u>	Secured Claim of John E. Carpenter
<u>Class 4-J</u>	Secured Claim of Matthew Brown
<u>Class 4-K</u>	Secured Claim of CCR Associates
<u>Class 4-L</u>	Secured Claim of Charles W. Mobley
<u>Class 4-M</u>	Secured Claim of Equity Trust Co. FBO Ross J. Hegstrom IRA
<u>Class 4-N</u>	Secured Claim of BBB LT Trust
<u>Class 4-O</u>	Secured Claim of U.S. Bank, Custodian for Lien Logic Fund I or John G. Richardson
<u>Class 4-P</u>	Secured Claim of FRHL LLC & UMB Bank Colorado, N.A.
<u>Class 4-Q</u>	Secured Claim of INA Group, LLC

<u>Class 4-R</u>	Secured Claim of Poobah, LLC
<u>Class 4-S</u>	Secured Claim of The Property Management Company, LLC
<u>Class 4-T</u>	Secured Claim of Douglas County
<u>Class 4-U</u>	Secured Claim of Warren R. & Sally A. Hopkins
<u>Class 4-V</u>	Secured Claim of William D. Ewan
<u>Class 4-W</u>	Secured Claim of Deborah Torp
<u>Class 4-X</u>	Secured Claim of Dennis R. Larratt
<u>Class 4-Y</u>	Secured Claim of Gerald Bensema
<u>Class 4-Z</u>	Secured Claim of Hanna M. Goldberg
<u>Class 4-AA</u>	Secured Claim of Kelsey McEwen Alexander
<u>Class 4-BB</u>	Secured Claim of Martha M. Batyik Lyons or Robert E. Lyons
<u>Class 4-CC</u>	Secured Claim of Thomas W. McGee
<u>Class 5</u>	Secured Claim of Ravenna Metropolitan District or Ravenna Metropolitan District & United Water & Sanitation District (128 Lots and Golf Course)
<u>Class 6</u>	Secured Claim of Ravenna Metropolitan District or Ravenna Metropolitan District & United Water & Sanitation District (38 Lots)
<u>Class 7</u>	Secured Claim of Beal Bank USA
<u>Class 8</u>	Secured Claim of 1 st Net Real Estate Services, Inc.
<u>Class 9</u>	General Unsecured Claims
<u>Class 10</u>	Interests
<u>Class 11</u>	Late Filed Claims

ARTICLE IV
DESCRIPTION, TREATMENT AND IMPAIRMENT OF CLAIMS AND INTERESTS

The Classes of Claims and Interests, as well as their treatment and an analysis of whether they are impaired or unimpaired, are described as follows:

(a) **Class 1** – **Administrative Claims**

(1) Description and Treatment: Class 1 consists of all Administrative Claims. Except as may otherwise be agreed between the Debtor and the holder of an Administrative Claim, the Debtor will pay all Administrative Claims that are Allowed as of the Effective Date, including all payments required to be made to the U.S. Trustee program pursuant to Section 1930(a)(6) of the Bankruptcy Code, in cash in full on the Effective Date or as soon thereafter as reasonably practicable, or on such other terms as may be mutually agreed to by the holder of an Administrative Claim and the Debtor. Subsequent to the Effective Date, the Debtor will pay each Administrative Claim that becomes Allowed following the Effective Date in cash in full as soon as reasonably practicable after the date the Claim is Allowed, or on such other terms as may be mutually agreed to by the holder of an Administrative Claim and the Debtor. The Debtor shall make all payments required to be made to the U.S. Trustee program pursuant to Section 1930(a)(6) of the Bankruptcy Code on a quarterly basis until the Bankruptcy Case is closed, converted, or dismissed.

(2) Impairment: Class 1 is not impaired by the Plan.

(b) **Class 2** – **Tax Claims and Secured Tax Claims**

(1) Description and Treatment: Class 2 consists of all Tax Claims and Secured Tax Claims and includes the Tax Claims and Secured Tax Claims held by Douglas County, Colorado for 2011 and 2012 real property taxes and 2012 commercial

personal property taxes. The total amount of the Class 2 Claims as of April 30, 2013 will be \$1,930,742.18.¹ The Class 2 Claims are fully-secured. Interest shall accrue on the Class 2 Claims at the statutory rate of twelve percent (12%) per annum beginning May 1, 2013. Douglas County shall retain its liens against property securing the claims until paid in full. The Debtor shall pay the 2012 commercial personal property taxes in full on the Effective Date. The Debtor shall pay the remaining amount of the Class 2 Claims through the sale of lots or in its discretion, but in no event later than five (5) years from the Petition Date. In connection with each lot sale, the Debtor shall pay the Class 2 Claim amount with respect to said lot to the Douglas County Treasurer. Upon receipt of the amount due and owing with respect to said lot, Douglas County shall release its lien against said lot. In addition, in satisfaction of the Debtor's obligation to assure the holder of the Class 2 Claim the full value of the Class 2 Claim pursuant to Section 1129(a)(9)(C) of the Bankruptcy Code, beginning the twentieth day of the first full month following the Effective Date, the Debtor shall make regular monthly interest only installment payments to Douglas County, which payments shall be calculated based upon the total amount then due and owing on account of all Class 2 Claims. Claims of taxing authorities for penalties not related to actual pecuniary loss shall be treated under Class 9.

(2) Impairment: Class 2 is impaired by the Plan.

(c) **Class 3 – Priority Claims**

(1) Description and Treatment: Class 3 consists of all Priority Claims. Except as may otherwise be agreed between the Debtor and the holder of a Priority Claim, the

¹ This amount includes all statutory interest accrued through April 30, 2013.

Debtor shall pay all Priority Claims that are Allowed as of the Effective Date in cash in full on the Effective Date or as soon thereafter as is reasonable practicable. To the extent that any Class 3 Claim is Allowed after the Effective Date, and except as may otherwise be agreed between the Debtor and the holder of such claim, it will be paid in full in cash on or within ten (10) days of entry of a Final Order allowing the Claim or as soon thereafter as is reasonably practicable.

(2) Impairment: Class 3 is not impaired by the Plan.

(d) Class 4 – Secured Claims of Tax Lien Certificate Holders

(1) Description and Treatment: Class 4 consists of the Allowed Secured Claims of Tax Lien Certificate Holders arising from unpaid 2008, 2009 and 2010 real property taxes. Each individual Tax Lien Certificate Holder comprises a separate sub-class of Class 4. The sub-classes are described in Article III.2 herein. Each sub-class is treated identically. The total amount of all Class 4 Claims as of April 30, 2013 will be \$5,168,438.53.² Douglas County conducted tax lien sales for all of the liens securing the Class 4 Claims. The redemption period for all such tax lien certificates did not expire prior to the Petition Date. Accordingly, all such tax lien certificates are subsumed within the Class 4 Claim and shall be redeemed through the payments described herein to Douglas County. Pursuant to applicable statutes, Douglas County acts as the agent of the Tax Lien Certificate Holders with respect to collection of redemption amounts. The redemption amounts for each individual lot as of April 30, 2013 are set forth in Exhibits A & B hereto. The Class 4 Claims are fully-secured. Interest shall accrue on the Class 4 Claims at the statutory rate of ten

² This amount includes all statutory interest accrued through April 30, 2013.

percent (10%) per annum beginning May 1, 2013. The holders of Class 4 Claims shall retain their liens against property securing the claims until paid in full. The Debtor shall redeem tax certificates through the sale of lots or in its discretion, but in no event later than five (5) years after the Petition Date. In connection with each lot sale, the Debtor shall redeem by delivering the redemption amount for said lot to the Douglas County Treasurer and the Douglas County Treasurer shall deliver the redemption amount to the Tax Lien Certificate Holder pursuant to C.R.S. § 39-12-103 in full satisfaction of said holder's Class 4 Claim. Upon receipt of the redemption amount for an individual lot, Douglas County and/or the applicable Tax Lien Certificate Holder shall release its lien against said lot. In addition, beginning the twentieth day of the first full month following the Effective Date, the Debtors shall make monthly interest only payments to Douglas County, which payments shall be calculated based upon the total amount of unredeemed tax certificates outstanding as of any payment due date. Douglas County shall distribute all such payments to Tax Lien Certificate Holders pursuant to C.R.S. § 39-12-103.

(2) Impairment: All Class 4 Claims are impaired by the Plan.

(e) **Class 5 – Secured Claim of Ravenna Metropolitan District or Ravenna Metropolitan District & United Water & Sanitation District (128 Lots and Golf Course)**

(1) Description and Treatment: Class 5 consists of the portion of RMD's disputed Claim No. 32 and United's disputed Claim No. 30 for unpaid Tap Fees, Facility Acquisition Fees, Water Resource Fees, Sewer Fees and Operations Fees secured by liens against each of the 128 Lots. The claims are duplicative with respect to Tap Fees, Facility Acquisition Fees, and Water Resource Fees; only RMD asserts a claim

for unpaid Operations Fees and Sewer Fees. These claims are included in one class because each fee is purportedly secured by an equal priority statutory lien against each of the 128 Lots.³

The Class 5 Claims are junior to the Class 2 and Class 4 Claims. Based upon the Bankruptcy Court's Order Valuing Security dated March 26, 2013 (Docket No. 314), the value of the 128 Lots is \$6,707,392. After deducting the Class 2 and Class 4 Claims, the value of the 128 Lots securing the Class 5 Claims is \$2,254,631.22.

The Debtor objects to United Claim No. 30. The Debtor's objection to United's Claim is pending in the Douglas County Litigation. The Debtor also objects to United's election to have Class 5 treated under § 1111(b). The treatment of the Class 5 Claims is dependent, first, upon whether the § 1111(b) election is deemed effective as to any of the Lots and, second, upon the determination of the validity, priority and extent of United Claim No. 30.

If the § 1111(b) election is deemed ineffective as to all of the Lots, the treatment proposed under Class 5-A applies, regardless of whether the holder of the Class 5 Claims is RMD alone or both RMD and United. In such event, the escrow procedures described herein will not be applicable and the Debtor shall pay the amounts due on the Class 5 Claims directly to RMD. Payment to RMD is

³ With respect to 126 of the 128 Lots, the only asserted unpaid fees are Tap Fees, Facility Acquisition Fees, and Operations Fees. For these Lots, the Tap Fees comprise 93.76% of the equal priority lien amount, the Facility Acquisition Fees comprise 3.10% of this amount, and the Operation Fees comprise 3.14% of this amount. With respect to the remaining two Lots, the percentages are slightly lower due to additional Water Resource Fees and Sewer Fees.

appropriate even if United's claims are allowed because United's fee resolutions allow the Debtor to pay RMD instead of United and such payments are deemed to satisfy fee obligations purportedly owed to United.

If it is determined that the § 1111(b) election is effective as to some or all of the Lots, until such time as entry of the United Claim Order, the sale and escrow procedures described herein shall apply. Assuming the § 1111(b) election is effective as to some or all of the Lots, upon entry of the United Claim Order, if said Order provides that United's claim is disallowed, the treatment proposed under Class 5-A applies, all escrowed funds shall be distributed to RMD and the Debtor as provided in the United Claim Order and the escrow procedure shall terminate.

Assuming the § 1111(b) election is effective as to some or all of the Lots, upon entry of the United Claim Order, if said Order provides that United's claim is allowed, the claim will necessarily be identical to and duplicative of RMD's claim. In such event, the treatment proposed under Class 5-B applies with respect to Tap Fees, Facility Acquisition Fees, and Water Resource fees, and the treatment proposed under Class 5-C applies with respect to Operations Fees and Sewer Fees. In addition, all escrowed funds shall be distributed to RMD and the Debtor as provided in the United Claim Order and the escrow procedure shall terminate.

The Bankruptcy Court valued the Golf Course Lots in a negative amount. The Class 5 Claim with respect to the Golf Course Lots is therefore unsecured. Accordingly, all claims with respect to the Golf Course Lots are treated under Class 9. In addition, on the Effective Date, RMD and United shall release their liens with

respect to the Golf Course Lots and shall provide the seven water taps and water tap certificates for the Golf Course Lots to the Debtor.

(2) Impairment: Class 5 is impaired by the Plan.

Class 5-A – Secured Claim of Ravenna Metropolitan District and, if the § 1111(b) is Ineffective, Secured Claim of Ravenna Metropolitan District and United Water & Sanitation District (128 Lots)

The Class 5-A Claim shall be allowed as to 117 of the 128 Lots in the amounts set forth in Exhibit A in the column titled “Lot Value Less Tax Lien Amounts (Class 5-A Release Price)”. The Claim amount with respect to each Lot shall be referred to hereinafter as the “Class 5-A Release Price”. The aggregate amount of the Class 5-A Claims is \$2,254,631.22. Simple interest shall accrue on the Class 5-A Claims as to each Lot beginning on the Effective Date at the rate of four point five percent (4.5%) per annum or in an amount set by the Bankruptcy Court. RMD and, if applicable, United shall retain their liens against each Lot securing their Class 5-A Claims until paid in full. The Debtor shall pay the Class 5-A Claims through the sale of Lots, but in no event later than ten (10) years after the Effective Date. The Debtor shall pay the Class 5-A Claims with respect to each Lot by paying RMD the Class 5-A Release Price (together with interest) for such Lot. The Debtor may also pay the Class 5-A Release Price with respect to a Lot at any time prior to selling said Lot to a third party. Upon RMD’s receipt of the Class 5-A Release Price, RMD and, if applicable, United shall release their liens against said Lot and RMD and United shall release a water tap and water tap certificate to the Lot purchaser, thereby enabling the purchaser to utilize the Ravenna water system.

If the § 1111(b) election is deemed effective as to some or all of the Lots, sales of Lots and payments shall be made pursuant to the sale and escrow procedures described herein.

RMD's and, if applicable, United's claims with respect to the 11 Lots identified as Lots 71, 177-185, and 237 are completely unsecured and treated under Class 9.

Class 5-B – Secured Claim of Ravenna Metropolitan District & United Water & Sanitation District (128 Lots – Tap Fees, Facility Acquisition Fees, and Water Resource Fees)

As set forth in **Exhibit A**, United asserts secured claims in the amount of \$74,257.62 against 126 of the 128 Lots, a secured claim in the amount of \$75,461.64 against Lot 137, and a secured claim in the amount of \$74,621.14 against Lot 236. United has elected to have its disputed secured claims with respect to each of the 128 Lots treated under 11 U.S.C. § 1111(b). The Debtor asserts that United cannot make the election because RMD did not make the election and therefore not more than half of the members of Class 5 elected § 1111(b) treatment. The Debtor also asserts that the election cannot be made as to 30 of the 128 Lots, because (i) the duplicative claims are unsecured with respect to 11 Lots and (ii) the claimants' interests on account of the claims with respect to an additional 19 Lots is of inconsequential value. These 30 Lots are identified in **Exhibit A**, and described as Lots 71, 92, 177-185, 194-196, and 230-245.

Lots 71, 177-185, and 237 (Unsecured)

RMD and United's duplicative claims with respect to Lots 71, 177-185, and 237 are unsecured and treated under Class 9.

Lots 92, 194-196, 230-236, and 238-245 (Inconsequential Value)

The treatment of RMD's and United's claims with respect to these 19 Lots (the "I.V. Lots") is dependent upon whether the Bankruptcy Court determines that the claimants' interest on account of their claims with respect to the I.V. Lots is of inconsequential value.

If the Bankruptcy Court determines the interest is of inconsequential value, the claims shall be secured as to each of the I.V. Lots to the extent of 96.86% of the value of the claimants' interests in the Lots with respect to Lots 92, 194-196, 230-235, and 238-245 and to the extent of 96.41% of the value of the claimants' interests in Lot 236. The total amount of the Class 5-B Claims with respect to the I.V. Lots under this analysis is \$65,070.28.⁴ The Debtor shall pay the Class 5-B Claims with respect to the I.V. Lots in full on the Effective Date to RMD.⁵

If the Bankruptcy Court determines the claimants' interests are not of inconsequential value, the treatment of the claims with respect to the I.V. Lots shall be identical to that set forth below with respect to the 1111(b) Lots.

⁴ The total secured value is \$67,201.68. The difference of \$2,131.40 and the 3.14% reduction from 18 of the 19 Lots reflects the percentage due RMD on account of the unpaid Operations Fees. The 3.59% reduction from Lot 236 reflects the Water Resource Fee also owed on this Lot.

⁵ The Debtor will also pay the \$2,131.40 due RMD on account of the unpaid Operations Fees and Water Resource Fees on the 19 Lots in full on the Effective Date.

1111(b) Election

The treatment of RMD's and United's claims with respect to the 98 Lots described as Lots 41, 61, 82, 83, 86-91, 93-123, 125-145, 148, 164-175, 197, 198, 200-205, 207, 208, 210, 213, 214, 216, 219-221, 225-229, and 254 (the "1111(b) Lots") shall be as follows: RMD and United shall retain liens against each of the 1111(b) Lots except Lot 57 in the amount of \$74,257.62 per Lot until paid in full with respect to said Lots. RMD and United shall retain liens against Lot 57 securing their claims in the amount of \$75,461.64 until paid in full with respect to Lot 57.⁶ The amount of RMD's and United's liens with respect to an individual Lot is referred to hereinafter as the "1111(b) Secured Claim." The total amount of the 1111(b) Secured Claim against each individual Lot shall be paid as provided in the sale and escrow procedures described herein. In no event shall an 1111(b) Secured Claim be paid later than ten (10) years after the Effective Date. The Debtor may also pay the amount of the 1111(b) Secured Claim with respect to a Lot at any time prior to selling said Lot to a third party.

If any 1111(b) Secured Claim is not paid prior to the date the present value of the claimants' interests in the Lot, using an 11% annual discount rate, equals the 1111(b) Secured Claim as to the Lot, interest shall begin accruing on the claim at the annual rate of 11% until paid in full. For example, the present value of the claimants' interests in Lot 41 is \$47,728.49. Using an 11% discount rate, the 1111(b) Secured Claim in the amount of \$74,257.62 will equal the present value of

⁶ If the I.V. Lots are treated the same as the 1111(b) Lots, RMD and United shall retain a lien against each of the I.V. Lots except Lot 236 in the amount of \$74,257.62. RMD and United shall retain a lien against Lot 236 securing its claim in the amount of \$74,621.14.

the interest in May 2017. Accordingly, if Lot 41 is not sold prior to May 2017, interest will begin accruing on the 1111(b) Secured Claim with respect to Lot 41 at the annual rate of 11% on June 1, 2017 until the earlier of the date the Lot is sold or ten (10) years after the Effective Date.⁷

Class 5-C – Secured Claim of Ravenna Metropolitan District (128 Lots – Operations Fees & Sewer Fees)

In the event it is determined that RMD and United hold the Class 5 Claims with respect to unpaid Tap Fees, Facility Acquisition Fees, and Water Resource Fees, RMD shall nevertheless retain a lien on 117 of the 128 Lots for unpaid Operations Fees and Sewer Fees. RMD's claim for Operations Fees and Sewer Fees with respect to Lots 71, 177-185, and 237 are unsecured and treated under Class 9.

The lien for unpaid Operations Fees is equal to 3.14% of the total amount of the Class 5 Claims with respect to each of these 117 Lots, with the exception of Lot 137 and Lot 236. With respect to Lot 137, the Operations Fee is equal to 3.09% of the total amount of the Class 5 Claims. With respect to Lot 236, the Operations Fee is equal to 3.12% of the total amount of the Class 5 Claims. The exact amount of the unpaid Operations Fee with respect to these 117 Lots is set forth in **Exhibit A**. Lot

⁷ Using an 11% discount rate, payment of the \$75,257.62 1111(b) Secured Claim amount 10 years after the Effective Date will exceed the present value of the claimants' interests in all Lots with a present value of \$24,839.17 or less. This subset of the 128 Lots includes 103 Lots. Given the inconsequential present value of the I.V. Lots, payment of the 1111(b) Secured Claim 10 years after the Effective Date will greatly exceed the present value of the claimants' interests in said Lots. The dates at which interest will begin to accrue on the remaining 25 Lots, if not sold prior to the date payment of the 1111(b) Secured Claim equals or exceeds the present value of the claimants' interests, are set forth on **Exhibit A**.

137 is the only Lot among the 128 Lots with an unpaid Sewer Fee. With respect to Lot 137, the Sewer Fee is equal to 1.08% of the total amount of the Class 5 Claims.

The liens for unpaid Operations Fees and Sewer Fees against each Lot are of equal priority to the 1111(b) Secured Claim. Accordingly, the Operations Fee and Sewer Fee liens must be deducted from the each Lot's value prior to calculating the present value of RMD's and United's interest in said Lot relating to Tap Fees, Facility Acquisition Fees, and Water Resource Fees. These calculations are included in **Exhibit A**. The Operations Fee and Sewer Fee liens amount ranges from \$36.49 to \$1,598.89 and are referred to hereinafter as the "Class 5-C Release Price".

Simple interest shall accrue on the Class 5-C claims beginning on the Effective Date at the rate of four point five percent (4.5%) per annum or in an amount set by the Bankruptcy Court. RMD shall retain its liens against property securing the Claims until paid in full. The Debtor shall pay the Class 5-C Release Price for each individual Lot as provided in the sale and escrow procedures described herein, but in no event later than ten (10) years after the Effective Date. The Debtor may also pay the Class 5-C Release Price with respect to a Lot at any time prior to selling said Lot to a third party.

Class 5 Sale & Escrow Procedures

The Debtor shall fund its payments made on account of the Class 5 Claims, in part, with proceeds from the sale of Lots. Accordingly, after the Effective Date, the Debtor may sell individual Lots free and clear of all Class 5 Claims provided the liens with respect to each individual Lot attach to the proceeds of sale and the Debtor maintains strict compliance with the sale and escrow procedures set forth herein. In

addition, the Debtor may pay the Class 5 Claim amount with respect to a Lot prior to sale, provided the liens with respect to each such Lot attach to the payment and the Debtor maintains strict compliance with the sale and escrow procedures set forth herein.

No Escrow Procedure if § 1111(b) Election Deemed Ineffective

In the event the § 1111(b) Election is deemed ineffective as to all Lots, the escrow procedures set forth herein shall not be applicable and the treatment proposed under Class 5-A shall control.

Lot Sales and Class 5 Pre-Payments Prior to Entry of the United Claim Order

Assuming the § 1111(b) is deemed effective, prior to entry of the United Claim Order, upon the sale of any Lot or pre-payment of the Class 5 Claims with respect to a Lot, the total amount of the 1111(b) Secured Claim and the Class 5-C Release Price (together, the “Class 5 Escrow Amount”) with respect to any 1111(b) Lot shall be deposited with the Escrow Agent and (ii) the liens securing the Class 5 Claim with respect to said Lot shall attach to the escrowed funds. The escrow amounts with respect to each individual Lot are set forth in **Exhibit A** in the column titled “Class 5 Escrow”.

The title insurance company administering a Lot sale closing shall directly transfer the Class 5 Escrow Amount to the Escrow Agent at closing and note such transfer on the settlement statement for the sale. On or within five (5) business days of the Lot sale closing, the Debtor shall deliver a “Notice of Deposit with Escrow Agent” to United and RMD. A copy of the settlement statement shall be attached to the Notice. Upon such deposit, the liens securing the Class 5 Claim with respect to

said Lot shall be released from the Lot without further Order of the Court and attach to the funds deposited with the Escrow Agent. Provided these procedures are followed, no further order from the Bankruptcy Court will be required and the title insurance company administering the closing may rely upon the Confirmation Order for authorization to close the sale free and clear of any liens securing the Class 5 Claim for unpaid Tap Fees, Facility Acquisition Fees, Water Resource Fees, Sewer Fees, and Operations Fees. In addition, upon the deposit of the Class 5 Escrow amount with respect to an individual 1111(b) Lot, RMD and United shall release their liens against said Lot and RMD and United shall release a water tap and water tap certificate to the Lot purchaser, thereby enabling the purchaser to utilize the Ravenna water system.

In the event the Debtor wishes to pre-pay the Class 5 Claim amount with respect to an individual 1111(b) Lot prior to the sale of such Lot and prior to entry of the United Claim Order, the Debtor shall deposit the Class 5 Escrow Amount with respect to the Lot with the Escrow Agent and deliver a "Notice of Deposit with Escrow Agent" to United and RMD. Proof of such deposit shall be attached to the Notice. Upon such deposit, the liens securing the Class 5 Claim with respect to said Lot shall be released from the Lot without further Order of the Court and attach to the funds deposited with the Escrow Agent. Provided these procedures are followed, no further order from the Bankruptcy Court will be required and the title insurance company administering the closing of such Lot may rely upon the Confirmation Order and Notice of Deposit with Escrow Agent for authority to close the sale free and clear of any liens securing the Class 5 Claim for unpaid Tap Fees, Facility

Acquisition Fees, Water Resource Fees, Sewer Fees, and Operations Fees. In addition, upon the deposit of the Class 5 Escrow amount with respect to an individual 1111(b) Lot, RMD and United shall release their liens against said Lot and RMD and United shall release a water tap and water tap certificate to the Lot purchaser, thereby enabling the purchaser to utilize the Ravenna water system.

RMD's and United's claim with respect to the 11 Lots identified as Lots 71, 177-185, and 237 are completely unsecured. On the Effective Date, RMD and United shall release their liens against said Lots and RMD and United shall release water taps and water tap certificates for each Lot to the Debtor.

All funds on deposit with the Escrow Agent on the date the United Claim Order is entered shall be distributed to RMD, United and/or the Debtor as provided in the United Claim Order.

Lot Sales and Class 5 Pre-Payments Subsequent to Entry of the United Claim Order

Assuming the § 1111(b) is deemed effective, subsequent to entry of the United Claim Order, the following sale procedures shall apply: If it is determined that RMD is the holder of the Class 5 Claim, the Class 5-A treatment described herein shall control and RMD's Claim with respect to an individual lot shall be deemed paid in full when RMD receives payment of the Class 5-A Release Price. Upon RMD's receipt of the Class 5-A Release Price, whether paid in connection with the sale of a Lot or prepaid, RMD shall release its liens against said Lot and RMD and United shall release a water tap and water tap certificate to the Lot purchaser, thereby enabling the purchaser to utilize the Ravenna water system.

Assuming the § 1111(b) is deemed effective, subsequent to entry of the United Claim Order, if it is determined that RMD and United each hold the Class 5 Claim with respect to unpaid Tap Fees, Facility Acquisition Fees, and Water Resource Fees, and RMD is the holder of the Class 5 Claim with respect to unpaid Operations Fees and Sewer Fees, the Class 5-B Claims and Class 5-C Claims shall be deemed paid in full with respect to an individual Lot when RMD receives payment of the full amount of the 1111(b) Secured Claim and Class 5-C Release Price. Upon RMD's receipt of the full amount of the 1111(b) Secured Claim with respect to a Lot, whether paid in connection with the sale of a Lot or prepaid, RMD and United shall release their lien against said Lot and RMD and United shall release a water tap and water tap certificate to the Lot purchaser, thereby enabling the purchaser to utilize the Ravenna water system. Upon RMD's receipt of the Class 5-C Release Price, whether paid in connection with the sale of a Lot or prepaid, RMD shall release its lien against said Lot.

(f) **Class 6 – Secured Claim of Ravenna Metropolitan District or Ravenna Metropolitan District and United Water & Sanitation District (38 Lots)**

(1) Description and Treatment: Description and Treatment: Class 6 consists of the portion of RMD Claim No. 32 and United Claim No. 30 for unpaid Facility Acquisition Fees, Water Resource Fees, Sewer Fees and Operations Fees secured by liens against each of the 38 Lots, and the Lots known by street address as 11118 Caretaker Road (the "Sales Office") and 8470 Dante (the "Guard House"). The claims are duplicative with respect to Tap Fees, Facility Acquisition Fees, and Water Resource Fees; only RMD asserts a claim for unpaid Operations Fees and Sewer Fees. These claims are included in one class because each fee is purportedly secured

by an equal priority statutory lien again each of the 38 Lots, the Sales Office and the Guard House.

The Class 6 Claims are junior to the Class 2 and Class 4 Claims. Based upon the Bankruptcy Court's Order Valuing Security dated March 26, 2013 (Docket No. 314), the value of the 38 Lots is \$2,705,590.00. After deducting the Class 2 and Class 4 Claims, the value of the 38 Lots securing the Class 5 Claims is \$1,091,607.27.

The Class 6 Claims are fully secured as to each Lot with the exception of Lot 193. While the Guard House and Sales Office were not included in the Order Valuing Security, there are no unpaid taxes against these Lots. The only debts associated with the Guard House are unpaid fees totaling \$4,780.80. The only debts associated with the Sales Office are unpaid fees totaling \$5,984.82. Given these minimal amounts, the Debtor treats the Class 6 Claims as fully secured as to the Guard House and Sales Office.

In addition to the foregoing, United asserts that the Debtor has not paid the Tap Fee with respect to Lot 218. The Debtor disputes this assertion and responds that a Tap Fee has been paid in connection with a different Lot, and United wrongfully refuses to complete an assignment of the water tap to Lot 218. United has made a § 1111(b) election with respect to both Lot 193 and Lot 218. In addition to its general assertion that the election cannot be deemed effective with respect to any Lots, the Debtor asserts that United cannot make the election as to Lot 193 because United's interest on account of its claim with respect to Lot 193 is of inconsequential value. The Debtor also asserts that United cannot make the election

as to Lot 218 because there is no basis for refusing to complete the water tap assignment.

The Debtor objects to United Claim No. 30. The Debtor's objection to United's claim is pending in the Douglas County Litigation. Except as set forth below with respect to Lot 193 and Lot 218, the treatment of the Class 6 Claims is not dependent upon the determination of the validity, priority and extent of United Claim No. 30.

Guard House, Sales Office, and 38 Lots Except Lot 193 and Lot 218

With respect to the Guard House, the Sales Office, and each of the 38 Lots except Lot 193 and Lot 218, the Class 6 Claim is fully secured and shall be allowed in the amount of \$195,800.43. The Debtor shall pay \$195,800.43 to RMD in full satisfaction of the Class 6 Claims with respect to these Lots on the Effective Date. Payment to RMD is appropriate even if United's claim is allowed because United's fee resolutions allow the Debtor to pay RMD instead of United and such payments are deemed to satisfy fee obligations purportedly owed to United. Upon the Debtor's payment of \$195,800.43 on or before the Effective Date, RMD and United shall release their liens securing the Class 6 Claims with respect to the Guard House, the Sales Office, and each of the 38 Lots except Lot 193 and Lot 218.

Lot 193

The treatment of RMD's and United's duplicate claims with respect to Lot 193 is dependent upon the determination of the validity, priority and extent of United Claim No. 30 and whether the § 1111(b) election is allowed.

In the event it is determined that (i) only RMD is the holder of the claim with respect to Lot 193 or (ii) RMD and United are the holders of the claims with respect to Lot 193 and the § 1111(b) election is not allowed, the claim shall be secured in the amount of \$566.33 and the Debtor shall pay the secured amount in full to RMD. Upon the Debtor's payment of \$566.33, RMD and United shall release their liens securing the Class 6 Claims with respect to Lot 193.

In the event it is determined that RMD and United are the holders of the claims with respect to Lot 193, and the § 1111(b) election is allowed, upon entry of the United Claim Order, the Debtor shall pay (a) \$2,739.52 to RMD in full satisfaction of the claim with respect to Tap Fees, Facility Acquisition Fees, and Water Resource Fees and (b) \$266.18 to RMD in full satisfaction of the claim with respect to Operations Fees.⁸ Upon the Debtor's payment of \$3,005.70, RMD and United shall release their liens securing the Class 6 Claims with respect to Lot 193. If Lot 193 is sold prior to entry of the United Claim Order and the § 1111(b) election is allowed, RMD's and United's liens shall attach to \$3,005.70 of the sale proceeds, the Debtor shall deposit sale proceeds in the amount of \$3,005.70 with the Escrow Agent, and said funds shall be distributed as provided in said Order.

Lot 218

The treatment of RMD's and United's duplicate claims with respect to Lot 218 is dependent upon both (i) consensual resolution by the parties or determination by a court of competent jurisdiction regarding the assignment of the water tap with

⁸ No Sewer Fees are due on this Lot.

respect to Lot 218⁹ and (ii) the determination of the validity, priority and extent of United Claim No. 30.

In the event the purchased water tap is assigned to Lot 218 and it is determined that either RMD or RMD and United are the holders of the claims with respect to Lot 218, the claims shall be fully secured and the Debtor shall pay the allowed claim amount of \$4,780.80 in full to RMD. Upon the Debtor's payment of \$4,780.80 (whether to RMD or the Escrow Agent), RMD and United shall release their liens securing the Class 6 Claims with respect to Lot 218. If Lot 218 is sold prior to a determination or resolution of the tap assignment issue, the Debtor shall comply with the Class 5 sale and escrow procedures with respect to Lot 218, United's and RMD's disputed liens shall attach to \$77,176.57 of the sale proceeds, the Debtor shall deposit sale proceeds in the amount of \$77,176.57 with the Escrow Agent, and said funds shall be distributed as provided in either an applicable court order or as agreed to by the Debtor, RMD and United.

In the event the purchased water tap is not assigned to Lot 218 and it is determined that RMD is the holder of the claim with respect to this Lot or the § 1111(b) election is not allowed, RMD and, if applicable, United shall retain their

⁹ There is some confusion regarding whether the Lot in question is Lot 218 or Lot 216 (known by street address as 7820 Cicero). Given that both of these Lots are in the Bella Sera neighborhood and valued identically (although the valuation is dependent upon whether the Lot is one of the 128 Lots or the 38 Lots), the identification herein is less important than the proposed treatment. In the event the Debtor asserts the tap assignment should be made to Lot 216, RMD's and United's Claims with respect to Lot 218 shall be treated under Class 5-B and RMD's and United's Claims with respect to Lot 216 shall receive the Class 6 treatment described herein for Lot 218. In addition, Lot 216 would be valued as one of the 38 Lots and Lot 218 would be valued as one of the 128 Lots.

liens against Lot 218 until paid in full. The Debtor shall pay the claim with respect to Lot 218 from proceeds from the sale of the Lot, but in no event later than ten (10) years after the Effective Date. The Debtor shall pay the claim with a payment to RMD in the amount of \$37,550.75 together with interest at the annual rate of 4.5% or such other rate set by the Bankruptcy Court, accruing from the Effective Date. The Debtor may also pay this amount in its discretion at any time prior to selling Lot 218.

Upon receipt of the payment set forth herein, RMD and, if applicable, United shall release their liens against Lot 218 and RMD and United shall release a water tap and water tap certificate to the Lot purchaser, thereby enabling the purchaser to utilize the Ravenna water system. If Lot 218 is sold prior to entry of the United Claim Order and/or a determination or resolution of the tap assignment issue, the Debtor shall comply with the Class 5 sale and escrow procedures with respect to Lot 218, United's and RMD's disputed liens shall attach to \$77,176.57 of the sale proceeds, the Debtor shall deposit sale proceeds in the amount of \$77,176.57 with the Escrow Agent, and said funds shall be distributed as provided in either an applicable court order, including the United Claim Order, or as agreed to by the Debtor, RMD and United.

In the event the purchased water tap is not assigned to Lot 218, it is determined that RMD & United are the holders of the claims, and the § 1111(b) election is allowed, (i) RMD's and United's claims for unpaid Tap Fees, Facility Acquisition Fees, and Water Resource Fees with respect to Lot 218 shall receive treatment that is identical to the treatment of the 1111(b) Lots and 1111(b) Secured

Claims in Class 5-B and (ii) RMD's claim for unpaid Operations Fees¹⁰ with respect to Lot 218 shall receive treatment that is identical to the treatment of RMD's Class 5-C Claim. If Lot 218 is sold prior to entry of the United Claim Order and/or a determination or resolution of the tap assignment issue, the Debtor shall comply with the Class 5 sale and escrow procedures with respect to a Lot, United's and RMD's disputed liens shall attach to \$77,176.57 of the sale proceeds, the Debtor shall deposit sale proceeds in the amount of \$77,176.57 with the Escrow Agent, and said funds shall be distributed as provided in either an applicable court order, including the United Claim Order, or as agreed to by the Debtor, RMD and United.

(2) Impairment: Class 6 is impaired by the Plan.

(g) Class 7 – Secured Claim of Beal Bank USA

(1) Description and Treatment: Class 7 consists of the Allowed Secured Claim of Beal Bank USA ("Beal"). Beal's claim arises from a loan originally made in 2006 by BankFirst (the "BankFirst Loan") and secured by a lien against substantially all of the assets of the Debtor, including all real property. The Federal Deposit Insurance Corporation ("FDIC") was appointed receiver of BankFirst on July 17, 2009. In December of 2009, the FDIC, in its capacity as receiver for BankFirst, transferred to Beal, for value, all right, title and interest of BankFirst and the receivership estate in the BankFirst Loan and all security therefor and all documents pertaining thereto. Beal filed a proof of claim in the Bankruptcy Case asserting a Claim as of the Petition Date in the amount of \$36,091,723.62. The value of the Debtor's assets is substantially less than the asserted Claim amount. The Debtor and Beal have

¹⁰No Sewer Fees are due on this Lot.

mutually agreed (subject to Bankruptcy Court approval) that Beal's Allowed Secured Claim treated under this Class 7 shall be fixed in the amount of \$2,925,017.00. The remaining amount of Beal's Claim shall be treated as an Allowed Unsecured Claim under Class 9. The Class 7 Claim shall be paid in cash in full on or before the Effective Date. At such time as the Confirmation Order becomes a Final Order, the Debtor shall be deemed to have released Beal, the FDIC, CLMG Corp. (servicer of the BankFirst Loan), and their officers, employees and agents, from any and all claims and defenses, known or unknown, as the same may relate to the BankFirst Loan and all collateral for said Loan.

(2) Impairment: Class 7 is impaired by Plan.

(h) Class 8 – Secured Claim of 1st Net Real Estate Services, Inc.

(1) Description and Treatment: Class 8 consists of the Allowed Secured Claim of 1st Net Real Estate Services, Inc. ("1st Net"). 1st Net holds a lien against real property owned by the Debtor that is junior to all other liens, including the \$36 million lien held by Beal Bank USA. The value of the Debtor's property is substantially less than the amount of liens, exclusive of 1st Net's lien. Accordingly, pursuant to Section 506(a) of the Bankruptcy Code, 1st Net's Claim is an Unsecured Claim and is treated under Class 9.

(2) Impairment: Class 8 is impaired by the Plan.

(i) Class 9 – General Unsecured Claims

(1) Description and Treatment: Class 9 consists of all Unsecured Claims. Each holder of an Allowed Class 9 Claim shall receive a Pro Rata distribution in the amount of 5% of the holder's Allowed Class 9 Claim. Distributions to the Allowed

Class 9 Claim holders shall be made in three equal annual installment payments beginning on the Effective Date. In the event any Claim in Class 4, Class 5, Class 7 or Class 8 is a Contested Claim on the Effective Date, the Debtor shall deposit the distribution set forth herein in the Reserve until such Contested Claim(s) is resolved by Final Order. The Debtor shall also include in the Reserve an adequate amount to pay any Contested Class 9 Claims as provided in Article X herein.

(2) Impairment: Class 9 is impaired by the Plan.

(j) Class 10 – Interests

(1) Description and Treatment: Class 10 consists of all Interests. All Interests in the Debtor shall be cancelled upon the Effective Date. On the Effective Date, 100% of the membership interests in the Reorganized Debtor shall be issued to Lazarus Investments, LLC in full satisfaction of the Debtor's repayment obligations under the debtor in possession financing agreement approved by the Bankruptcy Court.

(2) Impairment: Class 10 is impaired by the Plan.

(k) Class 11 – Late Filed Claims

(1) Description and Treatment: Class 11 consists of all Late Filed Claims. Class 11 Claims shall be disallowed and shall receive no distribution under the Plan.

(2) Impairment: Class 11 is impaired by the Plan.

(l) Provisions Relating to Class 1, Class 2 and Class 3 Claims

The Plan contains provisions that set forth the treatment of Claims of a kind specified in Sections 507(a)(2) through 507(a)(10) of the Bankruptcy Code. Such treatment is consistent with the requirements of Section 1129(a)(9) of the Bankruptcy Code, and the holders of such Claims are not entitled to vote on this Plan. Notwithstanding any

other provision of this Plan, pursuant to Section 1123(a)(1) of the Bankruptcy Code, Claims under Sections 507(a)(2) through 507(a)(10) of the Bankruptcy Code are not designated as classes of Claims for purposes of this Plan and all references in this Plan to Class 1, Class 2 and/or Class 3 Claims are for organizational purposes and convenience of reference only.

ARTICLE V
MEANS FOR IMPLEMENTATION OF THE PLAN

1. Asset Transfer to Reorganized Debtor.

On or about the Effective Date, all assets of the Debtor shall be transferred to the Reorganized Debtor free and clear of all liens, claims, and interests of creditors, equity holders, and other parties in interest, except as otherwise provided herein. Specifically, the assets shall be transferred subject to the liens held by the holders of Claims in Class 2, 4-A, 4-B, 4-C, 4-D, 4-E, 4-F, 4-G, 4-H, 4-I, 4-J, 4-K, 4-L, 4-M, 4-N, 4-O, 4-P, 4-Q, 4-R, 4-S, 4-T, 4-U, 4-V, 4-W, 4-X, 4-Y, 4-Z, 4-AA, 4-BB, 4-CC, 5 (including 5-A, 5-B, and 5-C as applicable), 6, and 7 as discussed in the treatment of those Claims. The Reorganized Debtor shall not, except as otherwise provided in the Plan, be liable to repay any debts which accrued prior to the Confirmation Date.

2. Means for Implementation.

The Reorganized Debtor shall fund its Plan obligations with cash from operations and an exit financing facility.

3. Execution of Plan.

On the Effective Date, the Reorganized Debtor shall implement its Plan of Reorganization. Payments due under the Plan shall come from the cash flow of the Reorganized Debtor and the Exit Loan in the amount of \$10,000,000. On the due date for payments as set forth in Article IV above,

the Reorganized Debtor shall immediately distribute the required amounts to each claimant holding an Allowed Secured or Unsecured Claim and include in the Reserve adequate amounts to pay Contested Claims as provided in Article IV and Article X.

4. Management.

After the Effective Date, the manager of the Reorganized Debtor shall be Glenn Jacks.

5. Administrative Claims Bar Date.

All requests for allowance and payment of Administrative Claims, other than applications for approval of Professional Fees, must be filed with the Bankruptcy Court and served upon the Debtor no later than thirty (30) days after the Effective Date.

6. Settlement Agreement with Beal Bank USA.

The Debtor and Beal have mutually agreed (subject to Bankruptcy Court approval) that Beal's Allowed Secured Claim shall be fixed in the amount of \$2,925,017.00. The remaining amount of Beal's Claim shall be treated as an Allowed Unsecured Claim. Notwithstanding its classification for bankruptcy purposes, however, Beal does not waive its claim that its Allowed Unsecured Claim shall continue to be secured by substantially all assets of the Debtor, including its real property (the "Collateral") for all other purposes, unless and until it is discharged in accordance with the provisions of the Plan. Further, upon the occurrence of any event terminating the Settlement Agreement and expiration of any applicable "Cure Period" as defined in the Settlement Agreement, the agreement with respect to the bifurcation of Beal's claim against the Estate into secured and unsecured components shall no longer be of any force or effect, and Beal's claims shall be fully enforceable by Beal in the Bankruptcy Case as if such bifurcation had never been agreed to or designated by the parties.

7. Professional Fees Bar Date.

Final applications for approval of Professional Fees shall be filed with the Bankruptcy Court and served upon the Debtor and all other parties entitled to notice under the Bankruptcy Rules no later than ninety (90) days after the Effective Date.

8. Avoidance and Recovery Actions and Other Litigation.

The Reorganized Debtor may pursue any claims or recovery actions held by the Debtor, including but not limited to recovery under Sections 544, 547, 548 and 549 of the Bankruptcy Code. The Reorganized Debtor may abandon any claim against any third party if it is determined that the claim is burdensome or of inconsequential value and benefit. The Reorganized Debtor is authorized to employ counsel to represent it in litigation or any cause of action or claims held by the Debtor.

In addition, the Debtor may pursue other claims, including any all claims listed by the Debtor in its original and amended Schedule B. Other claims include, without limitation, (a) litigation against High Country Engineering pending in Douglas County District Court; (b) causes of action against various persons and entities arising out of (i) United's assertion and recording of liens against the Debtor's property based on certain bonds and related agreements, (ii) the Debtor's interest in the Douglas County Pipeline, and (iii) legal representation. These persons and entities include, but are not limited to: United Water & Sanitation District; Colorado Bondshares; Fred Kelly; Robert Lembke; CAW Equities, LLC; Dianne Miller; Matthew Ruhland; Miller Rosenbluth, LLC and Miller & Associates Law Offices, LLC.

9. Deposit Accounts.

All funds held by the Reorganized Debtor for distribution under the Plan shall be held in accounts which meet the insurance and guaranty requirements of Section 345(b) of the Bankruptcy Code.

10. Compromise of Claims Objections.

Following the Effective Date, the Reorganized Debtor may compromise objections to Claims or causes of action referred to in this Plan without notice and hearing for claims or causes of action asserted in the original amount of \$50,000 or less. Settlements or compromises of any claims or causes of action asserted in the amount of \$50,000 or more shall be subject to notice and an opportunity for hearing under the provisions after notice in compliance with the Local Rules of Bankruptcy Procedure.

11. Continued Operations.

After the Effective Date, the Reorganized Debtor exercising its business judgment may sell, operate or abandon any of its assets.

12. Discharge and Injunctive Relief.

Pursuant to Section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in full and complete discharge effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and causes of action that arose before the Effective Date, any contingent or non-contingent or liquidated or non-liquidated liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to Section 501 of

the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to Section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest failed to vote to accept or reject the Plan, voted to accept or reject the Plan, or was deemed to accept or reject the Plan. As provided in section 524 of the Bankruptcy Code, such discharge shall void any judgment against the Debtor, its Estate, or any successor thereto at any time obtained to the extent it relates to a Claim discharged. Upon the Effective Date, all persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any discharged Claim against the Debtor, the Estate, or any successor thereto. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring. The Reorganized Debtor shall be entitled to seek injunctive relief from the Court, if necessary, to enforce any and all provisions of the Plan.

ARTICLE VI
ACCEPTANCE OR REJECTION OF THE PLAN

1. Classes Entitled to Vote.

Each impaired Class, with the exception of Class 10, shall be entitled to vote to accept or reject the Plan. The Class 10 interests are cancelled under the Plan. Each unimpaired Class shall be deemed to have accepted the Plan, and shall not be entitled to vote to accept or reject the Plan.

2. Class Acceptance Requirement.

Under Section 1126(c) of the Bankruptcy Code, an impaired Class of Claims has accepted the Plan if the holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class who have voted on the Plan have voted to accept the Plan.

3. Cramdown.

The Debtor hereby requests confirmation pursuant to the “cramdown” provisions of Section 1129(b) of the Bankruptcy Code with respect to any impaired Class that votes to reject the Plan.

4. Class Designation.

The Debtor reserves the right to seek to designate, pursuant to Section 1126(e) of the Bankruptcy Code, any holder of a Claim whose vote on the Plan was submitted for an improper purpose or was otherwise not submitted in good faith.

ARTICLE VII
EFFECT OF CONFIRMATION

Upon Confirmation, the provisions of this Plan shall bind the Debtor and any creditor or equity security holder of the Debtor, whether or not the Claim or Interest of such Person is impaired under this Plan and whether or not such Person has accepted this Plan. Upon Confirmation, all of the property of the Debtor’s estate shall be vested in the Reorganized Debtor as provided in this Plan, free and clear of all Claims and Interests, except as specifically provided in this Plan. Upon Confirmation, all creditors and equity security holders of the Debtor are permanently enjoined from commencing or pursuing any action against the Reorganized Debtor that arose prior to the Effective Date, other than an action to enforce the provisions of this Plan.

ARTICLE VIII
DEFAULT AND PLAN MODIFICATION

1. Default and Right to Cure.

In the event of any default by the Reorganized Debtor of any payment to any claimants due under the terms of the Plan, the Reorganized Debtor shall have thirty (30) days within which to cure such default after the date of issuance of written notice from any Claim holder. Written notice shall

be provided to the Reorganized Debtor and to Debtor's counsel as provided in Article XIII, paragraph 9 herein, unless written notice of substitution of legal counsel is served upon the claim holder at least fifteen (15) days prior to the date notice is sent.

In addition, the Exit Loan includes events of default that, if uncured, shall be deemed defaults under the Plan. These events of default include (a) failure to meet minimum annual lot sale requirements; (b) failure to pay property taxes incurred after the Effective Date; and (c) failure to repay the Exit Loan in full five (5) years after the Effective Date.

2. Failure to Cure Default.

In the event that the Reorganized Debtor fails to cure any default in the requirements to make payment under the Plan, within thirty (30) days from the date that written notice is sent in compliance with paragraph 1 of this Article VII, the Reorganized Debtor shall be in default under the terms of the Plan.

3. Cure by Exit Lender

The Exit Lender may cure any payment default made by the Debtor on or within thirty (30) days from the date the Reorganized Debtor is deemed in default under this paragraph. In such event, the Exit Lender may continue making payments required under the Plan. In such event, the Exit Lender must provide an address to each payee for default notices and the default provisions of this Article VIII, paragraphs 1 and 2, shall apply to the Exit Lender provided notice of default is delivered to the Exit Lender at the address provided. In the event the Exit Lender fails to cure any payment default made by the Debtor or fails to cure its own default, secured creditors may enforce all of their rights (lien or otherwise) under applicable state law.

4. Plan Modification.

At any time after Confirmation of the Plan but before the completion of payments under the Plan, the Plan may be modified upon the request of the Reorganized Debtor, after notice and a hearing, to the extent allowed by Section 1127 of the Bankruptcy Code.

ARTICLE IX
PROVISION FOR ASSUMPTION OR
REJECTION OF EXECUTORY CONTRACTS

All unexpired leases and executory contracts between the Debtor and any other Person (if any) which have not prior to the Effective Date of the Plan been affirmatively assumed by the Debtor, are hereby rejected.

ARTICLE X
PROVISION AS TO DISPUTED CLAIMS

1. No Application to Class 5 and Class 6 Claims.

This Article X shall not apply to the disputed Claims asserted by RMD and United and treated under Class 5 and Class 6. The procedures described in the treatment of Class 5 and Class 6 shall apply to the disputed RMD and United Claims.

2. Objections.

The Reorganized Debtor may, at any time within sixty (60) days after the Effective Date, file an objection to any Claim which in its opinion should be objected to as improper, in whole or in part. The Reorganized Debtor shall also have sixty (60) days from the date a request for allowance and payment of Administrative Claims or Professional Fees is filed with the Bankruptcy Court to file an objection thereto. The Reorganized Debtor may further designate Claims held by creditors against whom the Reorganized Debtor believes actions may be brought under Sections 544, 547, 548 or 549

of the Bankruptcy Code as Contested Claims by sending notice in writing to the Claimant within sixty (60) days after the Effective Date.

Upon the filing of such objection or service of said written notice, such Claim shall be considered a Contested Claim, and any cash or other instruments or property otherwise distributable to such creditor under this Plan shall be held by the Reorganized Debtor in the Reserve until final disposition of the objection to the Claim either by settlement or entry of a Final Order. If the Claim is only contested in part, payment shall be made to the claimant on the uncontested portion under the provisions of Article IV and the balance shall be deposited in the Reserve and treated as a Contested Claim under the provisions of this Article X. If the objection is overruled or denied, in whole or in part, or the Claim is allowed by stipulation of the Reorganized Debtor and the claimant, such claimant shall receive the amount of cash provided in this Plan to the extent of the amount of the Claim finally allowed, including back installments.

3. Reserve.

From and after the Effective Date, the Reorganized Debtor shall reserve and hold for the benefit of each holder of a Contested Claim cash in an amount equal to the payments which would have been made to the holder of such Contested Claim if it were an Allowed Claim in an amount equal to the lesser of: (i) the amount of the Contested Claim or (ii) the amount in which the Contested Claim shall be estimated by the Bankruptcy Court pursuant to § 502 of the Bankruptcy Code for purposes of allowance, which amount shall constitute and represent the maximum amount in which such claim may ultimately become an Allowed Claim. No payments or distributions shall be made with respect to all or any portion of any Contested Claim pending the entire resolution thereof by Final Order.

ARTICLE XI
AMENDMENT OF ARTICLES OF ORGANIZATION OF DEBTOR

As may be required, the Articles of Organization and Operating Agreement of the Debtor shall be amended on or before the Effective Date to the extent necessary to effectuate the provisions of the Plan.

ARTICLE XII
CONDITIONS PRECEDENT TO EFFECTIVE DATE

1. Conditions Precedent to the Effective Date

The following shall be satisfied or waived, in each case, as conditions precedent to the Effective Date:

- (a) The Reorganized Debtor and Exit Lender shall have executed all of the Exit Loan documents.
- (b) The Exit Loan shall have become effective contemporaneously with the Effective Date.

2. Extension of Effective Date

The Debtor or the Reorganized Debtor may seek an extension of the Effective Date by filing a motion in the Bankruptcy Court on notice to creditors.

3. Effect of Non-Occurrence of Conditions to the Effective Date

Each of the conditions to the Effective Date must be satisfied, and the Effective Date must occur within 15 days of Confirmation, or by such later date established by Final Order on motion to the Bankruptcy Court. If the Effective Date has not occurred within 15 days of Confirmation, then upon motion by a party in interest the Confirmation Order may be vacated by the Bankruptcy Court; provided that notwithstanding the filing of such motion to vacate, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy Court enters a Final Order granting

such motion to vacate the Confirmation Order. If the Confirmation Order is vacated, then except as provided in any Final Order vacating the Confirmation Order, the Plan will be null and void in all respects.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

1. Retention of Jurisdiction.

The Reorganized Debtor reserves the right to reopen the Bankruptcy Case after confirmation and dismissal for the purposes set forth in this paragraph. The Bankruptcy Court shall retain jurisdiction over the Bankruptcy Case for the following purposes:

- (a) To hear and determine any and all objections to the allowance of Claims or Interests.
- (b) To determine any and all applications for allowances of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan, to the extent such claim was incurred prior to the Effective Date.
- (c) To hear and determine any and all pending applications for the rejection or assumption, or for the assumption and assignment, as the case may be, of executory contracts or unexpired leases to which the Debtor is a party, and to hear and determine any and all Claims arising therefrom.
- (d) To hear and determine any and all applications, adversary proceedings, and contested or litigated matters relating to the Plan that may be pending on the Effective Date or instituted by the Reorganized Debtor thereafter.

- (e) To consider any modifications of the Plan, to remedy any defect or omission, or reconcile any inconsistency in the Plan or in any order of the Bankruptcy Court, including the Confirmation Order.
- (f) To hear and determine all controversies, suits, and disputes that may arise in connection with the interpretation, enforcement, or consummation of the Plan.
- (g) To consider and act on the compromise and settlement of any claim or cause of action by or against the Debtor where the original claim or cause of action is in excess of \$50,000.00.
- (h) To issue orders in aid of execution of the Plan as contemplated by Section 1142 of the Bankruptcy Code.
- (i) To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan or the Confirmation Order.

2. Vesting of Property.

The Reorganized Debtor shall be vested with ownership to all property of the estate upon the Effective Date subject to all liens securing the Class 2, Class 4, Class 5, and Class 6 Claims.

3. Prosecution of Litigation Claims After Confirmation.

In accordance with § 1123(b) of the Bankruptcy Code, the Reorganized Debtor shall become vested with and may enforce, sue on, settle or compromise (or decline to do any of the foregoing) any cause of action or litigation claim, including avoidance and recovery Actions under Chapter 5 of the Bankruptcy Code. The Reorganized Debtor shall be the owner of all such actions and claims and shall have standing and the exclusive right and authority to prosecute, defend, compromise, settle and otherwise deal with all such actions and claims, whether commenced before or after Confirmation. Settlements or compromises of any claims or causes of action asserted in the amount

of \$50,000 or more shall be subject to notice and opportunity for hearing in compliance with Fed.R.Bankr.P. 9019.

4. Satisfaction of Claims.

The payment of Allowed Claims, Allowed Administrative Claims and Allowed Secured Claims shall be in exchange for all claims against the Debtor and shall constitute full settlement, release, discharge, and satisfaction of all such claims against the Debtor. Confirmation of the Plan shall constitute a modification of any note or obligation for which specification and treatment is provided under the Plan as set forth in the Plan. Any obligation or note, previously in default, so modified, shall be cured as modified as of the Confirmation Date. This provision shall be operable regardless of whether the Plan provides for any obligation to be evidenced by a rewritten loan or security document following confirmation of the Plan.

5. Interest on Claims.

Except as otherwise provided herein or in a Final Order entered in the Bankruptcy Case, (a) no holder of any Claim shall be entitled to interest accruing on or after the Petition Date on such Claim, and (b) interest shall not accrue or be paid upon any Contested Claim with respect to the period from the Petition Date to the date a final distribution is made thereon if and after such Contested Claim, or any part thereof, becomes an Allowed Claim.

6. Means of Payment.

All payments made pursuant to this Plan shall be in cash and by any means reasonable selected by the Reorganized Debtor, including check or wire transfer.

7. Prepayment.

Unless the Plan or Confirmation Order otherwise provides, the Reorganized Debtor shall have the authority to prepay, without penalty, all or any portion of an Allowed Claim at any time;

provided, however, that any such prepayment shall not be violative of, or otherwise prejudice, the relative priorities and parities among the Classes of Claims.

8. Pre-Existing Causes of Action.

Nothing herein contained shall prevent the Reorganized Debtor from taking any action as may be necessary to the enforcement of any cause of action which may exist on behalf of the Reorganized Debtor and which may not have been enforced or prosecuted by the Debtor prior to the Effective Date.

9. Reservation of Rights.

The Reorganized Debtor reserves the right to modify the Plan prior to the Confirmation, and thereafter to modify the Plan in accordance with Section 1127(b) of the Bankruptcy Code and Article VIII herein.

10. Notices.

All notices, request, demands, or other communications required or permitted in this Plan must be given in writing to the party(ies) to be notified. All communications will be deemed delivered when received at the following addresses:

(a) To Debtor:

River Canyon Real Estate Investments, LLC
11118 Caretaker Road
Littleton, CO 80125

With a copy to:

Harvey Sender
David V. Wadsworth
Sender Wasserman Wadsworth, P.C.
1660 Lincoln Street, Suite 2200
Denver, CO 80264

(b) To an allowed claimant, at the addresses set forth in the allowed proof of claim, if filed, or, if no proof of claim is filed, at the address set forth for the claimant in the Debtor's schedules filed with the Bankruptcy Court.

11. Governing Law.

Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and the Bankruptcy Rules, the laws of the State of Colorado shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan.

12. Successors and Assigns.

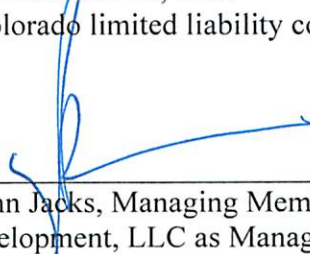
The Plan will be binding upon the Reorganized Debtor, any creditor affected by the Plan and their heirs, successors, assigns and legal representatives.

13. Unclaimed Payments.

If a Person entitled to receive a payment or distribution pursuant to this Plan fails to negotiate a check, accept a distribution, or provide a forwarding address in the event notice cannot be provided as set forth in paragraph 9(b) of this Article XIII, within one (1) year of the Effective Date, the person or entity is deemed to have released and abandoned any right to payment or distribution under the Plan.

DATED the 10th day of April, 2013.

RIVER CANYON REAL ESTATE
INVESTMENTS, LLC
a Colorado limited liability corporation

By: 
Glenn Jacks, Managing Member of MLC
Development, LLC as Managing Member

SENDER WASSERMAN WADSWORTH, P.C.

/s/ David V. Wadsworth

Harvey Sender, #7546
David V. Wadsworth, #32066
1660 Lincoln Street, Suite 2200
Denver, Colorado 80264
(303) 296-1999; (303) 296-7600 (fax)
hsender@sww-legal.com
dwadsworth@sww-legal.com
Attorneys for the Debtor in Possession

CERTIFICATE OF SERVICE

I do hereby certify that on this 10th day of April, 2013, a true and correct copy of the above and foregoing **FOURTH AMENDED PLAN OF REORGANIZATION PROPOSED BY RIVER CANYON REAL ESTATE INVESTMENTS, LLC** was served via email to the following:

William G. Horlbeck
wghorlbeckpc@msn.com

Elizabeth K. Flaagan
Elizabeth.Flaagan@faegrebd.com

Kevin S. Neiman
Kneiman@hblegal.net

Harold G. Morris, Jr.
hmorris@lindquist.com

Robert D. Clark
rclark@douglas.co.us

John C. Smiley
jsmiley@lindquist.com

Colin E. Moriarty
filings@underhillaw.com

US Trustee
USTPRegion19.DV.ECF@usdoj.gov

William Ewan
lindaewan@hotmail.com

Daniel J. Morse
daniel.j.morse@usdoj.gov

/s/ Rhonda A. Hanshe

For Sender Wasserman Wadsworth, P.C.