

**UNITED STATE BANKRUPTCY COURT
DISTRICT OF ARIZONA**

In re:

Chapter 11 Proceedings

WVSV HOLDINGS, LLC,

Case No. 2:12-bk-10598-RTB

Debtor.

**DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

WVSV HOLDINGS, LLC, (the "Debtor") hereby proposes the following Amended Plan of Reorganization ("Plan") under section 1121(a) of title 11 of the United States Code:

ARTICLE I.

DEFINITIONS AND CONSTRUCTION OF TERMS

Definitions. As used herein, the following terms have the respective meanings specified below, unless the context otherwise requires:

1.1 **10K Claim** means the unsecured claim, as amended, filed by 10K, LLC on or about July 11, 2012 in the amount of \$417,757,825.11.

1.2 **10K Judgment** means the Judgment in favor of 10K for attorneys' fees. 10K asserts the Judgment amount as of July, 2012 is \$284,179.37.

1.3 **Administrative Expense or Administrative Expense Claim** means any right to payment constituting a cost or expense of administration of the Chapter 11 Case under sections 503(b) and 507(a)(1) of the Bankruptcy Code, other than any actual and necessary costs and expenses of preserving the Estate of the Debtor, any actual and necessary costs and expenses of operating the business of the Debtor in Possession, any indebtedness or obligations incurred or assumed by the Debtor in Possession in connection with the conduct of their business, including, without limitation, for the acquisition or lease of property or an interest in property or the rendition of services, all compensation and reimbursement of expenses to the extent Allowed by the Bankruptcy Court under section 330, 331 or 503 of the Bankruptcy Code, and any fees or charges assessed against the Estate of the Debtor under section 1930 of title 28 of the United States Code.

1.4 **Allowed** means, with reference to any Claim, (a) any Claim against the Debtor which has been listed by the Debtor in its Schedules, as such Schedules may be amended by the Debtor from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and

not disputed or contingent and for which no contrary proof of claim or interest has been filed, (b) any Claim allowed hereunder, (c) any Claim which is not Disputed, or (d) any Disputed Claim (i) as to which, pursuant to the Plan or a Final Order of the Bankruptcy Court, the liability of the Debtor and the amount thereof are to be and have been determined by a final order of a court of competent jurisdiction other than the Bankruptcy Court, or (ii) that has been Allowed by a Final Order; *provided, however*, that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, “Allowed Claim” shall not, for purposes of computation of distributions under the Plan, include interest on such Claim from and after the Petition Date.

1.5 Arizona Litigation shall mean the matter currently pending on appeal between 10K, LLC the Debtor, and other parties. The Arizona Litigation is on appeal to the Supreme Court of Arizona.

1.6 Ballot means the form distributed with the Disclosure Statement to each holder of an impaired Claim entitled to vote to accept or reject the Plan, on which acceptance or rejection of the Plan and such other elections as may be made thereon are to be indicated.

1.7 Balloting Agent means the entity (which may be the Debtor) retained by the Debtor to tabulate the votes to accept or reject the Plan.

1.8 Balloting Deadline means the date and time, as set by an order of the Bankruptcy Court and described in the Disclosure Statement, by which all Ballots must be received by the Balloting Agent at the address set forth on the applicable Ballot, as such date may be extended by an order of the Bankruptcy Court.

1.9 Bankruptcy Code means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

1.10 Bankruptcy Court means the United States Bankruptcy Court for the District of Arizona having jurisdiction over the Chapter 11 Case, or if such court ceases to exercise jurisdiction over the Chapter 11 Case, such other court that exercises jurisdiction over the Chapter 11 Case.

1.11 Bankruptcy Rules means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, and as applicable to the Chapter 11 Cases.

1.12 Business Day means any day other than a Saturday, Sunday or any other day on which commercial banks in Phoenix, Arizona are required or authorized by law or executive order to close.

1.13 Cash means legal tender of the United States of America.

1.14 Cause of Action means, without limitation, any action, cause of action, liability, obligation, right, suit, debt, sum of money, damage, judgment, claim and demand whatsoever, whether known or unknown, in law, equity or otherwise.

1.15 **Chapter 11 Case** means the cases under Chapter 11 of the Bankruptcy Code commenced by the Debtor, styled In re WVSF Holdings, LLC, Chapter 11 Case No. 2:12-bk-10598-RTB, currently pending in the Bankruptcy Court.

1.16 **Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.

1.17 **Class** means a category of holders of Claims or Equity Interests as set forth in Article III of the Plan.

1.18 **Clerk** means the Clerk of the Bankruptcy Court.

1.19 **Collateral** means any property or interest in property of the Estate of the Debtor subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise is invalid under the Bankruptcy Code or applicable state law.

1.20 **Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Docket.

1.21 **Confirmation Hearing** means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.22 **Confirmation Order** means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.23 **Debtor** means WVSF Holdings, LLC, an Arizona limited liability company.

1.24 **Debtor in Possession** means the Debtor in its capacity as debtor in possession in the Chapter 11 Cases pursuant to sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

1.25 **Disbursing Agent** means the Reorganized Debtor or Persons identified in the Plan to serve as a disbursing agent under the Plan, as defined in Section 5.5 of the Plan.

1.26 **Disclosure Statement** means the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.27 **Disputed** means, with reference to any Claim or Equity Interest, any Claim or Equity Interest proof of which was timely and properly filed and which has been or hereafter is listed on the Schedules as unliquidated, disputed or contingent, and in either case or in the case of an Administrative Expense Claim, any Administrative Expense Claim, Claim or Equity Interest which is disputed under the Plan or as to which the Debtor or, if not prohibited by the Plan, any other party in interest has interposed a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, and any Claim or Equity Interest proof of which was required to be filed by order of the Bankruptcy Court but as to which a proof of claim or interest was not timely or properly filed.

1.28 Disputed Claim Amount means the amount set forth in the proof of claim relating to a Disputed Claim or, if an amount is estimated in respect of a Disputed Claim in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018 or other applicable law for purposes of, among other things, Section 5.4 of the Plan, the amount so estimated pursuant to an order of the Bankruptcy Court.

1.29 Distribution Record Date means the first Business Day after five (5) days after the Confirmation Date.

1.30 Docket means the docket in the Chapter 11 Case maintained by the Clerk.

1.31 Effective Date means the later of (1) fifteen (15) days after the entry of a Final Order confirming the Plan, or (2) the first Business Day on which the conditions specified in Section 9.2 of the Plan have been satisfied or waived pursuant to Section 9.4 of the Plan.

1.32 Equity Interest means any share of preferred stock, common stock or other instrument evidencing an ownership interest in the Debtor, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest.

1.33 Estate means the estate created upon the commencement of the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

1.34 Exchange Act means the Securities Exchange Act of 1934, as amended.

1.35 Exculpated Parties has the meaning set forth in Section 11.4 of the Plan.

1.36 Final Order means an order or judgment of the Bankruptcy Court as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have expired or been waived in writing in form and substance satisfactory to the Debtor or the Reorganized Debtor or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court shall have expired or been determined by the highest court to which such order was appealed, or certiorari, reargument or rehearing shall have been denied and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order not to be a Final Order.

1.37 General Unsecured Claim means any Claim that is not a Secured Claim, Administrative Expense Claim, Priority Tax Claim, Other Priority Claim, the Unsecured Claim of 10K, LLC, or DIP Lender Claim.

1.38 Lien has the meaning set forth in section 101(37) of the Bankruptcy Code.

1.39 [Intentionally Left Blank]

1.40 **Other Priority Claim** means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

1.41 **Pacific Coach Claim** shall mean an undivided 62.861% interest of the interest as First Beneficiary in Trust #8435, in the approximate amount of \$7,482,685.14.

1.42 **Person** means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated association or organization, governmental agency or political subdivision thereof.

1.43 **Petition Date** means May 14, 2012, the date on which the filed its Chapter 11 Petition.

1.44 **KPHV Claim** means the Judgment originally in favor of Perkins Coie. This Judgment, and the claim on file related to the Judgment, is now held by KPHV, LLC. The amount owing is estimated to be \$313,368.60 plus accruing interest.

1.45 **Plan** means this Chapter 11 plan of reorganization, including, without limitation, the Plan Supplement and all exhibits, supplements, appendices and schedules hereto, either in its present form or as the same may be altered, amended or modified from time to time in accordance with the terms hereof or approved by the Bankruptcy Court.

1.46 **Plan Payments** shall mean the payments to be made pursuant to the Plan.

1.47 *[Intentionally left blank.]*

1.48 *[Intentionally left blank.]*

1.49 **Priority Tax Claim** means any Claim of a governmental unit of the kind specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.50 **Pro Rata Share** means a proportionate share, such that the ratio of the consideration distributed on account of an Allowed Claim or Allowed Equity Interest in a Class to the amount of the consideration distributed on account of all Allowed Claims or Allowed Equity Interests in such Class is the same as the ratio of the amount of such Allowed Claim or Allowed Equity Interest to the amount of all Allowed Claims or Allowed Equity Interests in that Class.

1.51 **Professional** means (a) any professional employed in the Chapter 11 Case pursuant to section 327 or 1103 of the Bankruptcy Code or otherwise pursuant to an order of the Bankruptcy Court and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(3) or (4) of the Bankruptcy Code.

1.52 **Reorganized Debtor** means the Debtor on or after the Effective Date.

1.53 **Real Property** means collectively Tract A, Tract B and Tract C.

1.54 **Schedules** means the schedules of assets and liabilities, the list of holders of Equity Interests and the statements of financial affairs filed by the Debtor under section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments and modifications thereto through the Confirmation Date.

1.55 **Secured Claim** means any Claim, to the extent reflected in the Schedules or a proof of claim as a Secured Claim, payment or performance of which is secured by a Lien on Collateral to the extent of the value of such Collateral, as determined in accordance with section 506(a) of the Bankruptcy Code, including, in the event that such Claim is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the amount of such setoff.

1.56 **Securities Act** means the Federal Securities Act of 1933, as amended.

1.57 **Spurlock Members' Claim** shall mean an undivided 37.139% interest of the interest as First Beneficiary in Trust # 8435, in the approximate amount of \$4,289,225.50. This claim is now held by an assignee of Spurlock.

1.58 **Tax Code** means the Internal Revenue Code of 1986, as amended.

1.59 **"Tract A"** means the real estate consisting of approximately 1,556.5 acres. The encumbrances of record against Tract A consist of (1) the Perkins Coie judgment lien in the approximate amount of \$313,368.60; (2) the 10K judgment lien in the approximate amount of \$284,179.37; and (3) the tax claims of Maricopa County, Arizona in the approximate amount of \$21,163.26.

1.60 **"Tract B"** means the real estate consisting of approximately 1,446.5 acres. It is subject to the Equitable Title to Land Held in First American Title Trust #8435.

1.61 **"Tract C"** means the real estate consisting of approximately 9,957 acres. It is subject to the Equitable Title to Land Held in First American Title Trust #8436.

ARTICLE II.

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS

2.1 **Administrative Expense Claims.** Except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a different treatment, each holder of an Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Administrative Expense Claim on the later of the Effective Date and the date such

Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtor in Possession or other obligations incurred by the Debtor in Possession, to the extent authorized and approved by the Bankruptcy Court if such authorization and approval was required under the Bankruptcy Code, shall be paid in full and performed by the Reorganized Debtor in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.

2.2 Professional Compensation and Reimbursement Claims. All entities seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code (a) shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Effective Date by the date that is sixty (60) days after the Effective Date or such other date as may be fixed by the Bankruptcy Court and, (b) if granted such an award by the Bankruptcy Court, shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (i) on the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable or (ii) upon such other terms as may be mutually agreed upon between such holder of an Administrative Expense Claim and the Debtor in Possession or, on and after the Effective Date, the Reorganized Debtor.

2.3 Priority Tax and Other Priority Claims. Except to the extent that a holder of an Allowed Priority Tax Claim and an Allowed Priority Wage Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim and an Allowed Priority Wage Claim shall receive Cash in an amount equal to such Allowed Priority Tax Claim or Allowed Priority Wage Claim on the later of the Effective Date and the date such Priority Tax Claim or Priority Wage Claim becomes an Allowed Priority Tax Claim or Allowed Priority Wage Claim, or as soon thereafter as is practicable. The Debtor is unaware of any unpaid Priority Tax or Priority Wage Claims.

ARTICLE III.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

Claims, other than Administrative Expense Claims, Priority Wage Claims and Priority Tax Claims, and Equity Interests are classified for all purposes, including voting, confirmation and distribution pursuant to the Plan, as follows:

<u>Class</u>	<u>Status</u>
Class 1 – KPHV Claim	Impaired
Class 2 – 10K, LLC Judgment.....	Unimpaired
Class 3– General Unsecured Claims.....	Impaired
Class 4 – 10K Secured Claim	Unimpaired

Class 5 – Pacific Coach/Spurlock Members’ Claim	Impaired
Class 6 –10K Claim	Impaired
Class 7 – Administrative Claims.....	Unimpaired
Class 8 – Interests of Members.....	Impaired
Class 9 – Maricopa County Secured Tax Claim.....	Unimpaired

ARTICLE IV.

TREATMENT OF CLAIMS AND EQUITY INTERESTS

The Classes of Claims against and Equity Interests in the Debtor shall be treated under the Plan as follows:

CLASS 1 –KPHV CLAIM.

- (a) Impairment and Voting. Class 1 is impaired by the Plan. The holder of the Class 1 Claim is therefore entitled to vote to accept or reject the Plan.
- (b) Nature of Interest. The holder of the Class 1 Claim has a judgment lien which encumbers Tract A. The amount owed is estimated to be \$313,368.60, plus accrued interest
- (c) Treatment. The As property is sold, KPHV, LLC will release its lien for payment at the rate of \$200.00 per acre sold. All unpaid principal and interest at the rate of twelve percent (12%) *per annum* will be due and payable on or before March 20, 2014.

CLASS 2 – 10K, LLC JUDGMENT CLAIM.

- (a) Impairment and Voting. Class 2 is unimpaired by the Plan. The holder of the Class 2 Claim is therefore not entitled to vote to accept or reject the Plan.
- (b) Nature of Interest. The holder of the Class 2 Claim holds a judgment lien which encumbers Tract A. 10K, LLC asserts it is owed \$284,179.37 for this Judgment. The Debtor disputes this amount, and has filed an objection which will ultimately be determinative of the amount owed the Class 2 Claim.
- (c) Treatment. The Debtor will either (1) obtain adequate financing or (2) sell a portion of Tract A. From the proceeds of either the sale or financing, the Debtor will escrow sufficient monies that would otherwise satisfy the Judgment claim. The monies will be set aside in either (1) an interest-bearing account held by an institution agreed by 10K, LLC and the Debtor, or (2) with the Clerk of the U.S.

Bankruptcy Court. The monies will be held for the benefit of 10K, LLC, and continue to be held in escrow pending a full resolution of (1) the proper amount claimed to be owed, and (2) full resolution of the pending Arizona Litigation.

CLASS 3 – GENERAL UNSECURED CLAIMS.

- (a) Impairment and Voting. Class 3 is impaired by the Plan. Each holder of a Class 3 Claim is entitled to vote to accept or reject the Plan.
- (b) Distributions. Each holder of a Class 3 Claim shall receive 100% of its allowed general unsecured claim. Payment will be made in four (4) equal semi-annual payments, the first of which will commence sixty (60) days after the Effective Date. Interest will accrue on these claims at the federal judgment interest rate.

CLASS 4 – 10K, LLC SECURED CLAIM

- (a) Impairment and Voting. Class 4 is unimpaired by the Plan. The holder of the Class 4 Claim is therefore not entitled to vote to accept or reject the Plan.
- (b) Nature of Interest. The holder of the Class 4 Claim holds a first beneficial interest in First American Title Trust 8436 in the amount of \$45,414,460.06. It will retain its lien on Tract C until the lien amount(s) is paid in full.
- (c) Treatment. The holder of the allowed Class 4 Claim shall continue to receive payment(s) in accordance with the current loan documents, which provide for (1) no interest accrual; (2) principal pay-down(s) at the rate of \$5,000 per acre; and (3) a 20% “profit participation” as that term is defined in the 10K, LLC loan documents. A copy of those documents are collectively attached hereto and incorporated herein by this reference as **Exhibit 1**.

CLASS 5 – PACIFIC COACH/SPURLOCK MEMBERS’ CLAIM

- (a) Impairment and Voting. Class 5 is impaired by the Plan. The holder of the Class 5 Claim is therefore entitled to vote to accept or reject the Plan.
- (b) Nature of Interest. The holder of the Class 5 Claim holds a first beneficial interest in First American Title Trust 8435. Based on Proofs of Claim filed in this Court, the Debtor believes the amount of this interest is approximately \$11,771,910.64. The holder of the Class 5 Claim will retain all of its lien rights in Tract B.
- (c) Treatment. The holder of the allowed Class 5 Claim shall receive monthly interest on a semi-annual basis. Interest will accrue at the rate of 7.5% per annum through July 15, 2015. Interest shall thereafter increase to 8.75% per annum. Semi-annual payments will commence on January 15, 2013. All sums shall be due and payable to the holder of the Class 5 Claim on or before July 15, 2018. The First Beneficial Interest lien will be released only in accordance with the terms of First American Title Trust 8435.

CLASS 6 – 10K, LLC Claim

(a) Impairment and Voting. Class 6 is impaired by the Plan. The holder of the Class 6 Claim is therefore entitled to vote to accept or reject the Plan.

(b) Nature of Interest. The holder of the Class 6 Claim asserts an unsecured claim in the approximate amount of \$417,000,000. The debtor denies any liability on this claim, and has filed an objection which will ultimately be determinative of the amount, if any, owed the Class 6 Claimant.

(c) Treatment. The holder of the allowed Class 6 Claim shall receive payment, if any, only after the conclusion of either (1) the Arizona Litigation, or (2) the resolution of the claim as filed in the Bankruptcy Court. The debtor estimates this claim to be -0-. However, in the event of any adverse judgment, payments will commence thirty (30) days after the date which the judgment will become final and all appeals have been exhausted. Payments will accrue interest at the federal judgment rate. Semi-annual payments in the amount of \$340,000 will be made until the earlier of (1) payment of the claim in full, or (2) fifteen (15) years after the date of the first payment, at which time all remaining amounts will be due and payable

CLASS 7 – ADMINISTRATIVE CLAIMS

Claims for Professional Fees. Each Person seeking an award by the Bankruptcy Court of Professional Fees: (a) must file its final application for allowance of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date within thirty days after the Confirmation Date; and (b) if the Bankruptcy Court grants such an award, each such Person must be paid in full in Cash in such amounts as are allowed by the Bankruptcy Court as soon thereafter as practicable.

Post-Confirmation Professional Fees. All Professional Fees for services rendered in connection with the Chapter 11 Case and the Plan after the Confirmation Date, including those relating to the prosecution of Litigation Claims preserved under the Plan and the resolution of Disputed Claims, are to be paid by the Debtor upon receipt of an invoice for such services, or on such other terms to which Debtor may agree, without the need for further Bankruptcy Court authorization or entry of a Final Order. The Debtor shall have ten days after the receipt of any such invoice to object to any item contained in such invoice. If the Debtor and any Professional cannot agree on the amount of post-Confirmation Date fees and expenses to be paid to such Professional, such amount is to be determined by the Bankruptcy Court.

CLASS 8 – INTERESTS OF MEMBERS

(a) Impairment and Voting. Class 8 is impaired by the Plan. Each holder of a Membership Interest is conclusively presumed to have accepted the Plan.

(b) Nature of Interest and Distributions. The holders of Membership Interests shall retain their interests in the debtor, provided all payments under the Plan are made. The members shall receive their return of capital and pro-rata distribution of any monies available for distribution, in accordance with the operating agreement of the debtor, provided the Debtor is current on all payments required under the Plan.

CLASS 9 – MARICOPA COUNTY SECURED TAX CLAIM

(a) Impairment and Voting. Class 9 is unimpaired by the Plan. The holder of the Class 9 Claim is therefore not entitled to vote to accept or reject the Plan.

(b) Nature of Interest. The holder of the Class 9 Claim has a lien on Tracts A, B and C in the amount of \$21,163.26 for unpaid real estate taxes for the years 2008, 2009, 2010 and 2011.

(c) Treatment. The holder of the allowed Class 9 Claim shall receive payment in full on the Effective Date.

ARTICLE V.

PROVISIONS REGARDING VOTING AND DISTRIBUTIONS UNDER THE PLAN, ALLOWANCE OF CERTAIN CLAIMS, AND TREATMENT OF DISPUTED, CONTINGENT AND UNLIQUIDATED ADMINISTRATIVE EXPENSE CLAIMS, CLAIMS AND EQUITY INTERESTS

5.1 *Voting of Claims.* Each holder of an Allowed Claim in the impaired Class of Claims in Classes 1, 3, 5, 6, and 8 shall be entitled to vote separately to accept or reject the Plan as provided in such order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Bankruptcy Court.

5.2 *Nonconsensual Confirmation.* Notwithstanding that any impaired Class of Claims entitled to vote does not accept the Plan by the statutory majorities required by section 1126(c) of the Bankruptcy Code or the deemed rejection of the Plan by one or more Classes of Claims or Equity Interests, the Debtor intends to request confirmation of the Plan under section 1129(b) of the Bankruptcy Code.

5.3 Method of Distributions Under the Plan.

(a) In General. Subject to Bankruptcy Rule 9010, and except as otherwise provided in this Section 5.3 and Section 5.4, all distributions under the Plan shall be

made by the Reorganized Debtor to the holder of each **Allowed Claim** at the address of such holder as listed on the Schedules as of the Distribution Record Date unless the Debtor or Reorganized Debtor has been notified in writing of a change of address, including by the filing of a proof of Claim by such holder that provides an address different from the address reflected on the Schedules.

(b) Distributions of Cash. Any payment of Cash made by the Reorganized Debtor pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer

(c) Timing of Distributions. Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(d) Distributions to Holders as of the Distribution Record Date. As at the close of business on the Distribution Record Date, the claims register shall be closed, and there shall be no further changes in the record holders of any Claims. The Debtor and the Reorganized Debtor shall have no obligation to recognize any transfer of any Claims occurring after the Distribution Record Date. The Debtor and the Reorganized Debtor shall instead be entitled to recognize and deal for all purposes under the Plan (except as to voting to accept or reject the Plan) with only those record holders of Claims as of the close of business on the Distribution Record Date.

5.4 Distributions Withheld for Disputed General Unsecured Claims.

(a) Holdback for Disputed Claims. On the Distribution Date, Reorganized Debtor shall withhold from the distributions to be made on such dates to the holders of Disputed Claims, distributions to which holders of Disputed General Unsecured Claims would be entitled under the Plan as of such dates if such Disputed General Unsecured Claims were Allowed Claims in their Disputed Claim Amounts (the "Holdback Amount"). Holders of General Unsecured Claims shall not be entitled to any interest or other accretions in respect of the Holdback Amount. It is anticipated that at a minimum the Holder of the Class 2 Claim will be subject to this Section 5.4 (a).

(b) Distributions Upon Allowance of Disputed Claims. The holder of a Disputed Claim that becomes an Allowed Claim subsequent to the Distribution Date shall receive distributions from the Reorganized Debtor within twenty (20) days of the date on which such Disputed General Unsecured Claim becomes an Allowed Claim pursuant to a Final Order. Such distributions shall be made in accordance with the Plan based upon the distributions that would have been made to such holder under the Plan if the Disputed General Unsecured Claim had been an Allowed Claim on or prior to the Effective Date without any interest accrued or paid thereon.

5.5 Disbursing Agent. The Reorganized Debtor, or such Person(s) as the Reorganized Debtor may designate, will act as Disbursing Agent under the Plan with respect to all distributions to holders of Claims and will make all distributions required to be distributed under the applicable provisions of the Plan. The initial Disbursing Agent will be Lee Allen Johnson. Any Disbursing Agent may employ or contract with other entities to assist in or make the distributions required by the Plan. Each Disbursing Agent will serve without bond, and each Disbursing Agent, other than the Reorganized Debtor, will receive, without further Bankruptcy Court approval, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services from the Reorganized Debtor on terms acceptable to the Reorganized Debtor.

5.6 Setoffs and Recoupment. The Debtor may, but shall not be required to, set off against or recoup from any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any Claims of any nature whatsoever that the Debtor may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtor of any setoff or recoupment right it may have against the holder of such Claim.

5.7 Objections to and Resolution of Administrative Expense Claims, Claims and Equity Interests. Except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code, the Debtor, the Creditors' Committee or the Reorganized Debtor shall have the exclusive right to make and file objections to Administrative Expense Claims, Claims and Equity Interests subsequent to the Effective Date. All objections shall be litigated to Final Order; *provided, however*, that following the Effective Date, the Reorganized Debtor shall have the authority to compromise, settle, otherwise resolve or withdraw any of their objections without approval of the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court, the Debtor, or the Reorganized Debtor shall file all objections to Administrative Expense Claims that are the subject of proofs of claim or requests for payment filed with the Bankruptcy Court (other than applications for allowances of compensation and reimbursement of expenses), Claims and Equity Interests and serve such objections upon the holder of the Administrative Expense Claim, Claim or Equity Interest as to which the objection is made as soon as is practicable, but in no event later than sixty (60) days after the Effective Date or such later date as may be approved by the Bankruptcy Court.

5.8 Special Procedures for Lost, Stolen, Mutilated or Destroyed Instruments. In addition to any requirements under the Debtor's certificate of incorporation or bylaws, any holder of a Claim evidenced by an instrument that has been lost, stolen, mutilated or destroyed will, in lieu of surrendering such instrument, deliver to the Disbursing Agent: (a) evidence satisfactory to the Disbursing Agent and the Reorganized Debtor of the loss, theft, mutilation or destruction; and such security or indemnity as may be required by the Disbursing Agent to hold the Disbursing Agent and the Reorganized Debtor harmless from any damages, liabilities or costs incurred in treating such individual as a holder of an instrument. Upon compliance with this Section 5.8, the holder of a Claim evidenced by any such lost, stolen, mutilated or destroyed instrument will, for all purposes under the Plan, be deemed to have surrendered such instrument.

5.9 Allocation of Plan Distributions Between Principal and Interest. To the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and

accrued but unpaid interest thereon, such distribution shall be allocated to the principal amount (as determined for federal income tax purposes) of the Claim first, and then to accrued but unpaid interest.

ARTICLE VI.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 *Assumption or Rejection of Executory Contracts and Unexpired Leases*

(a) Executory Contracts and Unexpired Leases. Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases between the Debtor and any Person shall be deemed rejected by the Reorganized Debtor as of the Effective Date, except for any executory contract or unexpired lease (i) which previously has been assumed pursuant to an order of the Bankruptcy Court entered prior to the Effective Date, (ii) as to which a motion for approval of the rejection of such executory contract or unexpired lease has been filed and served prior to the Effective Date or (iii) which is listed in Exhibit 2; *provided, however*, that the Debtor or Reorganized Debtor, with the consent of the Creditors' Committee, shall have the right, on or prior to the Confirmation Date, to amend Exhibit 2 to delete any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed, respectively, assumed or rejected. The Debtor or Reorganized Debtor shall provide notice of any amendments to Exhibit 2 to the non-debtor parties to the executory contracts and unexpired leases affected thereby. The listing of a document on Exhibit 2 shall not constitute an admission by the Debtor or Reorganized Debtor that such document is an executory contract or an unexpired lease or that the Debtor or Reorganized Debtor have any liability thereunder.

(b) Schedules of Rejected Executory Contracts and Unexpired Leases; Inclusiveness. Each executory contract and unexpired lease listed or to be listed on Exhibit 2 that relates to the use or occupancy of real property shall be deemed to include (i) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease, without regard to whether such agreement, instrument or other document is listed on Exhibit 2 and (ii) all executory contracts or unexpired leases appurtenant to the premises listed on Exhibit 2, including, without limitation, all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, usufructs, reciprocal easement agreements, franchises, and any other interests in real estate or rights in rem relating to such premises, unless any of the foregoing agreements previously have been assumed.

(c) Insurance Policies. Each of the Debtor's insurance policies and any agreements, documents or instruments relating thereto, including, without limitation, any retrospective premium rating plans relating to such policies, shall be treated as executory contracts under the Plan. Nothing contained in this Section 6.1 (c) shall

constitute or be deemed a waiver or release of any Cause of Action that the Debtor may hold against any entity, including, without limitation, the insurer under any of the Debtor's policies of insurance.

(d) Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases. Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases assumed pursuant to Section 6.1(a) hereof, (ii) the extension of time, pursuant to section 365(d)(4) of the Bankruptcy Code, within which the Debtor may assume or reject the unexpired leases specified in Section 6.1(a) hereof through the date of entry of an order approving the assumption or rejection of such unexpired leases and (iii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to Section 6.1(a) hereof.

(e) Cure of Defaults. Except as may otherwise be agreed to by the parties, within sixty (60) days after the Effective Date, the Reorganized Debtor shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code. All disputed defaults that are required to be cured shall be cured either within thirty (30) days of the entry of a Final Order determining the amount, if any, of the Debtor's or Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties.

(f) Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan. Claims arising out of the rejection of an executory contract or unexpired lease pursuant to Section 6.1(a) of the Plan must be filed with the Bankruptcy Court and/or served upon the Debtor or Reorganized Debtor or as otherwise may be provided in the Confirmation Order, by no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order and (iii) notice of an amendment to Schedule 6.1(a). Any Claim not filed within such time will be forever barred from assertion against the Debtor, its Estate, the Reorganized Debtor and its property. Unless otherwise ordered by the Bankruptcy Court, all Claims arising from the rejection of executory contracts and unexpired leases shall be treated as General Unsecured Claims under the Plan.

6.2 Indemnification Obligations. For purposes of the Plan, the obligations of the Debtor to defend, indemnify, reimburse, or limit the liability against any claims or obligations of their present and former directors, officers or employees who served as directors, officers and employees, respectively, on or after the Petition Date, pursuant to the Debtor's certificate of incorporation or bylaws, applicable state law or specific agreement, or any combination of the foregoing, shall survive confirmation of the Plan, remain unaffected thereby, and not be discharged, irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Petition Date.

ARTICLE VII.

PROVISIONS REGARDING CORPORATE GOVERNANCE AND MANAGEMENT OF THE REORGANIZED DEBTOR

7.1 General. On the Effective Date, the management, control and operation of the Reorganized Debtor shall become the general responsibility of the Managing Member of the Reorganized Debtor, Mr. Lee Allen Johnson, who shall, thereafter, have the responsibility for the management, control and operation of the Reorganized Debtor.

ARTICLE VIII.

IMPLEMENTATION AND EFFECT OF CONFIRMATION OF PLAN

8.1 Means for Implementation of the Plan. In addition to the provisions set forth elsewhere in the Plan, the following shall constitute the means for implementation of the Plan. (1) The initial amount of the Plan Payments will be paid by the cash on hand of the Debtor; (2) proceeds from the sale of any portion(s) of Tract A; (3) proceeds of any subsequent sale(s) of the Real Property, (4) the court-approved DIP Loan; and (5) infusion(s) of equity, to the extent necessary.

8.2 Effectiveness of Securities, Instruments and Agreements. On the Effective Date, all documents described in the Plan Supplement and all other agreements entered into or documents issued pursuant to the Plan shall become effective and binding upon the parties thereto in accordance with their respective terms and conditions and shall be deemed to become effective simultaneously.

8.3 Corporate Action. On the Effective Date, all matters provided for under the Plan that would otherwise require approval of the members of the Debtor or Reorganized Debtor or their successors in interest under the Plan, including, without limitation, the Reorganized Debtor Operating Agreement, and the election or appointment, as the case may be, shall be deemed to have occurred and shall be in full force and effect from and after the Effective Date, without any requirement of further action by the Members of the Debtor or Reorganized Debtor.

8.4 Approval of Agreements. The solicitation of votes on the Plan shall be deemed a solicitation for the approval of the Plan Documents and all transactions contemplated by the Plan. Entry of the Confirmation Order shall constitute approval of the Plan Documents and all such transactions, subject to the occurrence of the Effective Date.

8.5 Operation of the Debtor in Possession Between the Confirmation Date and the Effective Date. The Debtor shall continue to operate as debtor in possession, subject to the supervision of the Bankruptcy Court and pursuant to the Bankruptcy Code and the Bankruptcy Rules during the period from the Confirmation Date through and until the Effective Date, and any obligation incurred by the Debtor in Possession during that period shall constitute an Administrative Expense Claim.

8.6 Administration After the Effective Date. After the Effective Date, the Reorganized Debtor may operate its business, and may use, acquire, and dispose of its property, free of any restrictions of the Bankruptcy Code and Bankruptcy Rules.

8.7 Term of Bankruptcy Injunction or Stays. All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

8.8 Revesting of Assets.

(a) The property of the Estate of the Debtor shall revest in the Reorganized Debtor on the Effective Date.

(b) As of the Effective Date, all property of the Debtor and Reorganized Debtor shall be free and clear of all Liens, Claims and interests of holders of Claims and Equity Interests, except as otherwise provided in the Plan or the Confirmation Order.

8.9 Causes of Action. As of the Effective Date, pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, any and all Causes of Action accruing to the Debtor and Debtor in Possession, including, without limitation, actions under sections 510, 542, 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code, shall become assets of the Reorganized Debtor, and the Reorganized Debtor shall have the authority to commence and prosecute such Causes of Action for the benefit of the Estate of the Debtor. After the Effective Date, the Reorganized Debtor shall have the authority to compromise and settle, otherwise resolve, discontinue, abandon or dismiss all such Causes of Action without approval of the Bankruptcy Court. The debtor specifically preserves any and all claims against Robert Burns, Phoenix Holdings II, LLC, Brent Hickey, and/or Breycliffe, LLC for the matters previously asserted in the cross-claims filed in the state court litigation. The debtor also preserves any and all claims available to it against 10K, LLC and its members, including but not limited to recovery of the amounts due the debtor if 10K, LLC is successful on its claims for rescission.

8.10 Discharge of Debtor. The rights afforded herein and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge and release of Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtor and the Debtor in Possession or any of its assets or properties under the Plan. Except as otherwise provided herein, on the Effective Date, (a) all such Claims against and Equity Interests in the Debtor shall be satisfied, discharged and released in full, and (b) all Persons shall be precluded from asserting against the Reorganized Debtor, its successors, or its assets or properties any other or further Claims or

Equity Interests based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date.

8.11 Injunction Related to Discharge. Except as otherwise expressly provided in the Plan, the Confirmation Order or a separate order of the Bankruptcy Court, all Persons who have held, hold or may hold Claims against or Equity Interests in any or all of the Debtor, are permanently enjoined, on and after the Effective Date, from (c) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Interest, (d) the enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order against the Debtor on account of any such Claim or Equity Interest, (e) creating, perfecting or enforcing any Lien or asserting control of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim or Equity Interest, (f) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or against the property or interests in property of the Debtor on account of any such Claim or Equity Interest. Such injunctions shall extend to successors of the Debtor (including, without limitation, the Reorganized Debtor) and its respective properties and interests in property.

ARTICLE IX.

CONFIRMATION AND EFFECTIVENESS OF THE PLAN

9.1 Conditions Precedent to Confirmation. The Plan shall not be confirmed by the Bankruptcy Court unless and until the following conditions shall have been satisfied or waived pursuant to Section 9.4 of the Plan:

(a) The proposed Confirmation Order shall be in form and substance reasonably acceptable to the Debtor; and

(b) All exhibits to the Plan, including those to be contained in the Plan Supplement, shall be in form and substance reasonably acceptable to the Debtor.

9.2 Conditions Precedent to Effectiveness. The Plan shall not become effective unless and until the following conditions have been satisfied or waived pursuant to Section 9.4 of the Plan:

(a) The Confirmation Order shall have been entered and there shall be no stay or injunction that would prevent the occurrence of the Effective Date;

(b) The Confirmation Order shall authorize the Debtor and the Reorganized Debtor to take all actions necessary or appropriate to consummate the Plan and to enter into, implement and effectuate the contracts, instruments, releases and other agreements or documents created in connection with the Plan;

(c) The statutory fees owing to the United States Trustee shall have been paid in full;

(d) All Plan Documents and exhibits to the Plan, including those to be contained in the Plan Supplement, shall be in a form satisfactory to the Debtor;

(e) All other actions, authorizations, consents and regulatory approvals required (if any) and all Plan Documents necessary to implement the provisions of the Plan shall have been obtained, effected or executed in a manner acceptable to the Debtor or, if waivable, waived by the Person or Persons entitled to the benefit thereof;

9.3 Effect of Failure of Conditions. If each condition to the Effective Date specified in Section 9.2 of the Plan has not been satisfied or duly waived within ninety (90) days after the Confirmation Date, then (unless the period for waiver or satisfaction of such conditions has been extended with the consent of the Debtor) the Confirmation Order will be vacated by the Bankruptcy Court. If the Confirmation Order is vacated pursuant to this Section 9.3, the Plan shall be deemed null and void in all respects, including without limitation the discharge of Claims pursuant to section 1141 of the Bankruptcy Code and the assumptions or rejections of executory contracts and unexpired leases as provided by the Plan, and nothing contained herein shall (1) constitute a waiver or release of any Causes of Action by, or Claims against, the Debtor or (2) prejudice in any manner the rights of the Debtor.

9.4 Waiver of Conditions. The Debtor may waive, by a writing signed by an authorized representative of the Debtor and subsequently filed with the Bankruptcy Court, the condition precedents to confirmation and effectiveness of the Plan specified in the Plan.

ARTICLE X.

RETENTION OF JURISDICTION

The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Chapter 11 Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of Claims resulting therefrom;

(b) To determine any and all adversary proceedings, applications and contested matters;

(c) To hear and determine any objections to or requests to estimate any and all Administrative Expense Claims, Claims or Equity Interests;

(d) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(e) To issue such orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(f) To consider any amendments to or modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in the Plan, the Plan Documents, or any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of Professionals under the Bankruptcy Code;

(h) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan (other than disputes relating to any post-Effective Date issue of corporate governance);

(i) To recover all assets of the Debtor and property of the Debtor's Estate, wherever located;

(j) To determine any Claim of or any liability to a governmental unit that may be asserted as a result of the transactions contemplated herein;

(k) To enforce this Plan, the Confirmation Order and any other order, judgment, injunction or ruling entered or made in the Chapter 11 Cases, including, without limitation, the injunction, exculpation and releases provided for in this Plan;

(l) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including, but not limited to, in connection with an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtor for all taxable periods through the Effective Date);

(m) To hear any other matter not inconsistent with the Bankruptcy Code;

(n) To pursue avoidance actions pursuant to Chapter 5 of the Bankruptcy Code;

and

(o) To enter a final decree closing the Chapter 11 Case.

ARTICLE XI.

MISCELLANEOUS PROVISIONS

11.1 Effectuating Documents and Further Transactions. Each of the Debtor or Reorganized Debtor, as the case may be, is authorized to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to implement, effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan.

11.2 Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of equity securities under the Plan, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any instrument of transfer under, in furtherance of, or in connection with the Plan) shall not be subject to, or give rise to, any stamp, transfer, mortgage recording, or other similar tax.

11.3 Authorization to Request Prompt Tax Determinations. Reorganized Debtor is authorized, to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtor, for all taxable periods through the Effective Date.

11.4 Exculpation. Neither the Debtor nor the Reorganized Debtor or any of their respective members, officers, directors, agents, financial advisors, attorneys, employees, equity holders, partners, affiliates and representatives (the “Exculpated Parties”) shall have or incur any liability to any holder of a Claim or Equity Interest for any act or omission in connection with, related to, or arising out of, the Chapter 11 Cases and the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for (i) any express contractual obligation owing by any such Person or (ii) willful misconduct or gross negligence, and, in all respects, the Exculpated Parties, directors, employees, advisors, and agents shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided that nothing in the Plan shall, or shall be deemed to, release the Exculpated Parties, or exculpate the Exculpated Parties with respect to, their respective obligations or covenants arising pursuant to this Plan.

11.5 Injunction Relating to Exculpation and Release. The Confirmation Order will contain an injunction permanently enjoining the commencement or prosecution by the Debtor, the Reorganized Debtor and any other Person, whether derivatively or otherwise, of any Cause of Action exculpated, released or discharged pursuant to this Plan against the released and Exculpated Parties.

11.6 Post-Effective Date Fees and Expenses. From and after the Effective Date, the Reorganized Debtor shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of Professionals thereafter incurred by the Reorganized Debtor, including, without limitation, those fees and expenses incurred in connection with the implementation and consummation of the Plan.

11.7 Payment of Statutory Fees. All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid in Cash as soon as practicable following the Effective Date.

11.8 Amendment or Modification of the Plan. Alterations, amendments or modifications of the Plan may be proposed in writing by the Debtor at any time prior to the Confirmation Date in conformity with section 1127(a) of the Bankruptcy Code, provided that the Plan, as altered, amended or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with section 1125 of the Bankruptcy Code. The Plan may be altered, amended or modified by the Debtor at any time after the Confirmation Date in conformity with section 1127(b) of the Bankruptcy Code, provided that the Plan, as altered, amended or modified, satisfies the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under section 1129 of the Bankruptcy Code and the circumstances warrant such alterations, amendments or modifications. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder.

11.9 Severability. In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision in the Plan is invalid, void or unenforceable, the Plan will not be confirmed unless such provision is altered, amended or modified in accordance with Section 11.9 of the Plan and the Bankruptcy Court confirms the Plan as so altered, amended or modified.

11.10 Revocation or Withdrawal of the Plan. The Debtor reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtor or any other Person, an admission against interests of the Debtor, nor shall it prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

11.11 Binding Effect. The Plan shall be binding upon and inure to the benefit of the Debtor, the holders of Claims and Equity Interests, and their respective successors and assigns, including, without limitation, the Reorganized Debtor.

11.12 Notices. All notices, requests and demands to or upon the Debtor or the Reorganized Debtor to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

WVSV, LLC
ATTN: Mr. Lee Allen Johnson
1121 West Warner Road, #109
Tempe, Arizona 85284
Email: laj@wholdings.com

with copies to:

Michael W. Carmel, LTD
80 E. Columbus Avenue
Phoenix, Arizona 85004
ATTN: Michael W. Carmel, Esq.
Telephone: (602) 264-4965
Facsimile: (602) 277-0144
Email: Michael@mcarmellaw.com

11.13 Governing Law. Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent the Plan or any agreement entered into pursuant to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Arizona, without giving effect to the principles of conflicts of law of such jurisdiction.

11.14 Withholding and Reporting Requirements. In connection with the consummation of the Plan, the Debtor or the Reorganized Debtor, as the case may be, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

11.15 Plan Supplement. Forms of the Amended Reorganized Debtor Certificate of Incorporation, the Amended Reorganized Debtor Bylaws, Exhibit 2 referred to in Section 6.1 of the Plan and filed with the Clerk of the Bankruptcy Court and served upon the Office of the United States Trustee and , the Creditors' Committee at least ten (10) days prior to the Balloting Deadline. Upon filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims or Equity Interests may obtain a copy of the Plan Supplement by written request to the Debtor, given as provided this Section 12.13.

11.16 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose and shall not limit or otherwise affect the provisions of the Plan.

11.17 Exhibits/Schedules. All exhibits and Schedules to the Plan, including the Plan Supplement, are incorporated into and are a part of the Plan as if set forth in full herein.

11.18 Section 1125(e) of the Bankruptcy Code. As of the Confirmation Date, the Debtor and the Creditors' Committee shall be deemed to have solicited acceptances hereof in good faith and in compliance with the applicable provisions of the Bankruptcy Code. As of the Confirmation Date, the Debtor and the Creditors' Committee and each of their respective members, officers, directors, agents, financial advisors, attorneys, employees, equity holders, partners, affiliates and representatives shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of the new securities hereunder, and therefore are not, and on account of such offer, issuance and solicitation shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections hereof or other offer and issuance of new securities hereunder.

11.19 Filing of Additional Documents. On or before substantial consummation of the Plan, the Debtor shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

11.20 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed as an admission by any Person with respect to any matter set forth herein.

11.21 Inconsistency. In the event of any inconsistency between the Plan and the Disclosure Statement, any exhibit to the Plan or the Disclosure Statement or any other instrument or document created or executed pursuant to the Plan, the Plan shall govern.

Dated: Phoenix, Arizona
January 24, 2013

WVSV HOLDINGS, LLC

/s/ Lee Allen Johnson

Managing Member