

1 JOEL K. BELWAY [60556]
2 THE LAW OFFICE OF JOEL K. BELWAY
3 Professional Corporation
4 235 Montgomery Street, Suite 668
5 San Francisco, CA 94104
6 Telephone: (415) 788-1702
7 Facsimile: (415) 788-1517

8 Attorney for Debtor and Debtor-in-Possession

9 UNITED STATES BANKRUPTCY COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 OAKLAND DIVISION

12 In re) Case No.: 10-41903
13) (Chapter 11)
14)
15) **AMENDED COMBINED PLAN OF**
16) **REORGANIZATION AND DISCLOSURE**
17) **STATEMENT UNDER CHAPTER 11 OF**
18) **THE BANKRUPTCY CODE AS**
19) **MODIFIED, DATED JUNE 30, 2011**
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INTRODUCTION

29 This Amended Combined Plan of Reorganization and Disclosure Statement Under
30 Chapter 11 of the Bankruptcy Code as Modified, dated June 30, 2011 (the "Plan Document")
31 provides for the restructuring of the debts of ALMADEN ASSOCIATES, LLC (referred to
32 herein as "Debtor"). This Plan Document contains the Debtor's proposal with respect to payment
33 of claims against the Debtor and the Debtor's emergence from bankruptcy (as set forth in Section
34 III herein, and as may be amended from time to time, the "Plan") and has been preliminarily
35 approved by the United States Bankruptcy Court, Northern District of California ("Bankruptcy
36 Court"), as containing adequate information regarding the Plan to enable creditors to make a
37 reasonably informed decision in exercising their right to accept or reject the Plan.

38 Each recipient should carefully review and consider this Plan Document before voting the
39 ballot enclosed herewith.

1 THE INFORMATION CONTAINED IN THIS PLAN DOCUMENT HAS NOT
2 BEEN SUBJECT TO A CERTIFIED AUDIT. HOWEVER, EVERY REASONABLE
3 EFFORT HAS BEEN MADE TO PRESENT ACCURATE FIGURES AND ESTIMATES.
4 THE RECORDS KEPT BY THE DEBTOR ARE NOT WARRANTED OR
5 REPRESENTED TO BE WITHOUT ANY INACCURACY. THE DEBTOR'S COUNSEL
6 MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER IN
7 CONNECTION HEREWITH. THE BANKRUPTCY COURT'S PRELIMINARY
8 APPROVAL OF THIS PLAN DOCUMENT DOES NOT MEAN THAT THE
9 BANKRUPTCY COURT HAS CONDUCTED AN INQUIRY TO VERIFY THE
10 ACCURACY OF THE INFORMATION CONTAINED HEREIN.

11 If confirmed, the Plan will bind all creditors provided for in the Plan, whether or not they
12 file a proof of claim or accept the Plan, and whether or not their claims are allowed. All
13 creditors should refer to the Plan for information regarding the precise treatment of their claims.
14 **Your rights may be affected. You should read the Plan Document carefully and discuss it**
15 **with your attorney, if you have one.**

16 SUMMARY OF THE PLAN

17 The Plan seeks to restructure the Debtor's debts in accordance with its rights and
18 obligations under the Bankruptcy Code. As required by the Bankruptcy Code, the Plan divides
19 the Debtor's creditors into separate classes. Each Secured Creditor has its own class. There are
20 multi-creditor classes for general unsecured creditors, priority creditors, and administrative
21 convenience creditors, see Article III below.

22 The Plan provides that through the ongoing management and sale or refinancing of its
23 real property portfolio, the Debtor will pay all Allowed general unsecured creditors in full over a
24 period of two years. Unpaid Allowed priority creditors will be paid in full shortly after
25 confirmation of the Plan. Allowed administrative convenience creditors – unsecured creditors
26 owed \$1,000 or less – will also be paid a lump sum dividend for the full amount of their claims
27 shortly after confirmation.
28

1 The treatment of secured creditors varies. As to the different mortgage holders,
2 Mechanics Bank will be paid current interest until two years from the Effective Date of the Plan,
3 when it will be paid in full. The notes of other secured creditors will remain secured by the
4 existing liens, will be paid on an interest only basis and will be due in full two years from the
5 Effective Date of the Plan. Interest holders will retain their interests.

6 This is a summary only. The Plan is a complex document containing additional details
7 which should be studied in full. Additionally, the treatment summarized here applies only to
8 "Allowed Claims", defined below. The Plan reserves the Debtor's right to dispute any claim on
9 any basis and to bring affirmative litigation claims against any party.

10 **DEFINITIONS**

11 As used in the Plan and Disclosure Statement, the following terms shall have the
12 respective meanings specified below:

13 "Administrative Claim" means a Claim for any cost or expense of administration of a
14 kind specified in Section 503(b) of the Bankruptcy Code, including any actual and necessary
15 costs and expenses of preserving the Estate incurred on or after the Petition Date and through and
16 including the Confirmation Date, any cure amounts that must be paid in connection with the
17 assumption of any executory contract or unexpired lease of the Debtor under Section 365 of the
18 Bankruptcy Code, fees due to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6), and
19 compensation for legal or other services and reimbursement of expenses allowed by the
20 Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code or otherwise.

21 "Administrative Claims Bar Date" means that date which is thirty (30) days following the
22 Effective Date.

23 "Allowed" or "Allowed Amount" means the amount in which any Claim is allowed.
24 Unless otherwise expressly required by the Bankruptcy Code or the Plan, the Allowed Amount
25 of any Claim does not include interest on such Claim from or after the Petition Date.

26 "Allowed Administrative Claim" means all or any portion of an Administrative Claim
27 that has either been Allowed by a Final Order or has not been objected to within the time period
28 established by the Plan or by an order of the Bankruptcy Court.

1 "Allowed Claim", "Allowed Priority Claim", "Allowed Secured Claim", "Allowed Tax
2 Claim", or "Allowed Unsecured Claim" means a Claim of the given type (a) in respect to which a
3 proof of Claim has been filed with the Bankruptcy Court by the applicable Claims Bar Date and
4 to which no objection has been filed within the time fixed by the Plan or the Bankruptcy Court;
5 (b) as to which no proof of Claim has been filed and which has been listed on Schedule D, E or F
6 of the Debtor's Schedules and is not listed as disputed, contingent, unliquidated or unknown as to
7 amount, and to which no objection has been filed within the time fixed by the Plan or the
8 Bankruptcy Court; or (c) which is Allowed by a Final Order. No Claim shall be considered an
9 Allowed Claim if (1) an objection to the allowance thereof is interposed by a party in interest
10 within the time fixed by the Plan or the Bankruptcy Court, and such objection has not been
11 overruled by a Final Order, or (2) the Claim has already been satisfied.

12 "Available Cash" means any and all cash and cash equivalents owned or held by the
13 Reorganized Debtor or the Estate available for payment of Claims after payment of Allowed
14 Administrative Claims, Allowed Tax Claims, Allowed Priority Claims, Allowed Secured Claims,
15 and after reserving for expenses incurred and anticipated to be incurred as provided for under the
16 Plan.

17 "Bankruptcy Case" or "Case" means the bankruptcy case commenced by the Debtor
18 filing with the Bankruptcy Court of its Voluntary Petition under Chapter 11 of the Bankruptcy
19 Code, Case No. 10-41903.

20 "Bankruptcy Code" means Title 11, United States Code, § 101, et seq. as in effect and
21 applicable to the Case.

22 "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District
23 of California, Oakland Division, or such other court exercising jurisdiction over the Case.

24 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure promulgated
25 under 28 U.S.C. § 2075, as amended, as applicable to the Bankruptcy Case.

26 "Claim" means any (A) right to payment, whether or not such right is reduced to
27 judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed,
28 legal, equitable, secured, or unsecured; or (B) right to an equitable remedy for breach of

1 performance if such breach gives rise to a right to payment, whether or not such right to an
2 equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed,
3 undisputed, secured, or unsecured.

4 "Claims Bar Date" means (a) with respect to claims other than those held by
5 governmental units, June 28, 2010, (b) with respect to claims held by governmental units, 180
6 days after the Petition Date, and (c) with respect to Rejection Claims, the Rejection Claims Bar
7 Date.

8 "Claims Objection Date" means the date ninety (90) days after the Effective Date;
9 provided, however, that the Claims Objection Date may be extended by the Bankruptcy Court for
10 cause upon the *ex parte* motion of the Reorganized Debtor or the Plan Administrator.

11 "Confirmation" means the entry by the Bankruptcy Court of the Order of Confirmation.

12 "Confirmation Date" means the date on which the Bankruptcy Court enters the Order of
13 Confirmation.

14 "Confirmation Hearing" means the hearing held by the Bankruptcy Court on
15 confirmation of the Plan as required by Section 1128(a) of the Bankruptcy Code.

16 "Creditor" means any entity holding a Claim against the Debtor.

17 "Debtor" means Almaden Associates, LLC, a limited liability company.

18 "Debtor's Professionals" means The Law Office of Joel K. Belway, P.C., and/or their
19 respective successors, if any; and such other professionals whose employment by the Debtor
20 prior to Confirmation is approved by order of the Bankruptcy Court, if any; and following the
21 Effective Date, any professionals engaged by the Reorganized Debtor to represent or assist it in
22 fulfilling its duties and obligations under the Plan, including such accountant(s) as may be
23 selected to complete the Debtor's tax returns and other required filings with governmental
24 authorities having jurisdiction over the Reorganized Debtor or the Estate and such legal
25 professionals as might be appropriate to assist in administering the Plan, the Bankruptcy Case
26 and the Estate.

27 "Disputed Claim" means a Claim against the Debtor (a) as to which a proof of Claim has
28 not been filed and that has been listed in the Debtor's Schedules as disputed, contingent,

1 unliquidated, or unknown as to amount or; (b) as to which an objection or adversary proceeding
2 has not been withdrawn or disposed of by a Final Order.

3 "Distribution" means, as the context requires: (a) the cash to be provided under the Plan
4 to the holders of Allowed Claims; or (b) the payment, transfer, delivery or deposit of cash to
5 Creditors pursuant to the Plan.

6 "Distribution Date" means any date on which a Distribution is made pursuant to the Plan.

7 "Effective Date" means the fourteenth (14th) day following the date of the entry of the
8 Order of Confirmation, provided, however, if a stay of the Confirmation Order is in effect on that
9 date, the Effective Date will be the first business day after the date on which no stay of the
10 Confirmation is in effect, provided that the Confirmation Order has not been vacated.

11 "Estate" means the estate created by the commencement of the Bankruptcy Case and
12 comprised of the Property described in Section 541 of the Bankruptcy Code and all property and
13 property interests acquired or arising after the Petition Date, including without limitation the
14 proceeds of any litigation. The "Estate" as used herein shall continue to exist on and after the
15 Effective Date.

16 "Final Order" means an order entered on the docket by the Bankruptcy Court as to which
17 no timely filed notice of appeal is pending within fourteen (14) days after entry of such order; or,
18 if such appeal is pending, for which no stay pending appeal has been issued.

19 "Local Rules" means the Local Rules of the United States Bankruptcy Court for the
20 Northern District of California, as amended, as applicable to this Bankruptcy Case.

21 "Net Cash Flow" means gross rental income and expense reimbursement received from
22 tenants, less rental costs, maintenance, utilities, payroll, general and administrative expenses,
23 management fees, capital expenditures, and secured debt service payments.

24 "Order of Confirmation" or "Confirmation Order" means the order entered by the
25 Bankruptcy Court approving and confirming the Plan in accordance with the provisions of
26 Chapter 11 of the Bankruptcy Code.

27 "Person" shall have the meaning ascribed to it in the Bankruptcy Code.
28

1 "Petition Date" means February 22, 2010, the date on which the Debtor filed its
2 Voluntary Petition under Chapter 11 initiating the Bankruptcy Case and on which date relief was
3 ordered in the Bankruptcy Case.

4 "Plan" means this Amended Combined Plan of Reorganization and Disclosure Statement
5 under Chapter 11 of the Bankruptcy Code (Dated June 9, 2011), including any modification(s)
6 hereof and/or amendment(s) hereto that comply with Section 1127 of the Bankruptcy Code and
7 Bankruptcy Rule 3019.

8 "Priority Claim" means any Claim entitled to priority pursuant to Section 507(a) of the
9 Bankruptcy Code, but not including an Administrative Claim or a Tax Claim.

10 "Priority Claims Objection Date" means the date thirty (30) days after the Effective Date.

11 "Pro Rata" means, with respect to any Distributions to be made to the holder of an
12 Allowed Claim, the proportion that such Allowed Claim bears to the aggregate of all outstanding
13 Allowed Claims in the same Class.

14 "Rejection Claim" means an Unsecured Claim arising from the Debtor's rejection of an
15 unexpired lease or executory pursuant to the Plan or pursuant to an order of the Bankruptcy
16 Court.

17 "Rejection Claims Bar Date" means the earlier of (a) thirty (30) days following the date
18 of the Effective Date, or (b) thirty (3) days after the rejection date with respect to an executory
19 contract or unexpired lease rejected before the Confirmation Date pursuant to a Final Order.

20 "Reorganized Debtor" means the Debtor from and after the Effective Date up through the
21 entry of a final decree closing the Case.

22 "Schedules" means the Debtor's respective schedules of assets and liabilities consisting of
23 Schedule "A" through "H" filed with the Bankruptcy Court pursuant to Section 521(a)(1) of the
24 Bankruptcy Code and Bankruptcy Rule 1007(b), as may be amended at any time prior to
25 Distribution.

26 "Secured Claim" means a Claim secured by a lien, security interest, or other charge
27 against or interest in property in which the Debtor has an interest or that is subject to set off
28 under Section 553 of the Bankruptcy Code, to the extent of the value (as specified in the Plan, or

1 if no value is specified, as determined in accordance with Section 506(a) of the Bankruptcy
2 Code) of the interest of a holder of such Allowed Claim in the Debtor's interest in such property
3 or to the extent of the amount subject to such setoff, as the case may be.

4 "Tax Claim" means any Claim against the Debtor entitled to priority pursuant to Section
5 507(a)(8) of the Bankruptcy Code.

6 "Unsecured Claim" means a Claim which is not a Secured Claim.

7 A term used in the Plan that is not herein defined but is defined in the Bankruptcy Code
8 or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or
9 the Bankruptcy Rules.

10 **ARTICLE I**

11 **BACKGROUND OF THE DEBTOR AND FINANCIAL INFORMATION**

12 Debtor is a California limited liability company. Its principal owner (and responsible
13 individual in this Chapter 11 case) is Sidney Corrie, Jr. ("Corrie"). Its minority member is Corrie
14 Development Corporation ("CDC"), which manages the Debtor's real property portfolio. CDC is
15 wholly-owned by Corrie.

16 **Assets and Liabilities**

17 The Debtor filed "Schedules of Assets and Liabilities" and "Statement of Financial
18 Affairs" shortly after the Petition, which described its assets and liabilities. These documents are
19 available for viewing online at the Court's PACER website. See www.canb.uscourts.gov for
20 instructions on how to access these materials, or contact the Debtor's counsel to receive paper
21 copies.

22 Debtor's real property holdings, their values, the secured loans against them and the
23 approximate loan balances are as follows:

24
25 **REAL PROPERTY ASSETS &
VALUATIONS**

26 7950 Dublin Boulevard
27 Dublin, CA
28 ("Corrie Center")

LENDERS & SECURED LOANS

Mechanics Bank
Richmond, CA
Approximate secured loan balance

1	Debtor's Claimed Value: \$12,000,000	owed by Corrie: \$5,823,518
2	18120 Bollinger Canyon Road	Mechanics Bank
3	San Ramon, CA	Richmond, CA
4	("Bollinger Canyon")	Approximate secured loan balance:
5	Debtor's Claimed Value: \$3,200,000	owed by Debtor: \$950,533
6	1609 Lawrence Road	Mechanics Bank
7	Danville, CA	Richmond, CA
8	("Lawrence Road")	Cross-collateral for all Mechanics
9	Debtor's Claimed Value: \$1,147,000	Bank debt of Corrie
10	147 Acres	Mechanics Bank
11	19251 San Ramon Blvd.	Richmond, CA
12	San Ramon, CA	Approximate secured loan balance
13	("San Ramon")	owed by Corrie:\$650,000
14	Debtor's Claimed Value: \$6,250,000	
15	29+ Acres, Finley Road	Bloch Family Limited Partnership
16	Danville, CA	Danville, CA
17	("Finley Road")	Secured Loan Balance: \$350,000.00
18	Value: \$2,550,000	
19	1611 SE 8 th Street	Northern Trust Bank
20	Ft. Lauderdale, FL	Ft. Lauderdale, FL
21	("8 th Street")	Secured Loan Balance: \$519,276
22	Value: \$2,000,000	
23	1625 SE 11 th Street	1 st United Bank
24	Ft. Lauderdale, FL	Ft. Lauderdale, FL
25	("11 th Street")	Secured Loan Balance: \$1,625,000
26	Value: \$4,887,500	

ARTICLE II

EVENTS LEADING TO BANKRUPTCY AND POST-PETITION DEVELOPMENTS

The Debtor claims in 2009, as Corrie and Debtor were in the midst of negotiating with Mechanics Bank regarding a loan extension, Corrie granted Mechanics Bank additional security against property that was previously unencumbered, to induce Mechanics Bank to extend the loans. The Debtor further claims Mechanics Bank accepted the additional collateral but then did not extend the loans and recorded defaults under all four of its deeds of trust. Mechanics Bank contends that it did comply with all of the terms of a loan modification agreement executed by

1 Corrie, the Debtor and Mechanics Bank as of July 20, 2009. Corrie is the primary obligor on
2 two loans made to him by Mechanics Bank personally in the original principal amounts of
3 \$7,400,000 and \$650,000, and signed a personal guaranty for a loan in the original principal
4 amount of \$990,000 made by Mechanics Bank to the Debtor.

5 When the impasse in negotiations with Mechanics Bank could not be broken, it became
6 apparent that only a Chapter 11 bankruptcy could simultaneously (1) stop the foreclosures, and
7 (2) give Corrie and the Debtor breathing space to reorganize in order to save the alleged millions
8 of dollars of equity in the four properties upon which Mechanics Bank was foreclosing and to
9 pay off Mechanics Bank. A decision was made that Debtor would file a Chapter 11 in any event.
10 In order to preserve his financial capability and flexibility to assist in any borrowing or
11 refinancing of the properties subject to Mechanics Bank's security, which was and remains very
12 important in saving the properties, Corrie transferred to Debtor three of the properties subject to
13 Mechanics Bank's deed of trust liens shortly before the scheduled foreclosures, and Debtor then
14 filed this Chapter 11.

15 Since the Petition Date, the Debtor has continued to manage its affairs as a Chapter 11
16 "Debtor in Possession." Neither a trustee nor an official unsecured creditors committee has been
17 appointed. After the filing of the case, the Debtor obtained various administrative orders from
18 the Court, including authorization to pay all tenant security deposits as they came due in the
19 ordinary course of business, authorization to pay certain prepetition utility bills as they came due,
20 and authorization to retain various professionals. The Debtor also obtained authorization to use
21 post petition rental income, known as "cash collateral", on a Court supervised budget.
22 Confirmation of the Plan will terminate the Debtor's "cash collateral" restrictions.

23 In addition, Debtor entered into a stipulated order on a motion for relief from the
24 automatic stay filed by Mechanics Bank.

25 **ARTICLE III**

26 **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

27 The Allowed Claims against and Interests in the Debtor are designated and classified
28 below for purposes of the Plan. Except to the extent that the Plan provides otherwise, a Claim or

1 Interest that is properly includable in more than one class is classified in a particular class only to
2 the extent that it qualifies within the description of that class, and is placed in a different class to
3 the extent it qualifies within the description of such different class.

4 **3.1 Class 1 (Secured Claim of the County of Contra Costa, CA: Bollinger Canyon).**

5 Class 1 consists of the Allowed Claim of the County of Contra Costa, or its assignee, for unpaid
6 real property taxes together with any applicable statutory interest and penalties, to the extent that
7 such Claim constitutes an Allowed Secured Claim on the Bollinger Canyon real property owned
8 by the Debtor.

9 **3.2 Class 2 (Secured Claim of the County of Contra Costa, CA: San Ramon).** Class

10 2 consists of the Allowed Claim of the County of Contra Costa, or its assignee, for unpaid real
11 property taxes together with any applicable statutory interest and penalties, to the extent that
12 such Claim constitutes an Allowed Secured Claim on the San Ramon real property owned by the
13 Debtor.

14 **3.3 Class 3 (Secured Claim of the County of Contra Costa, CA: Lawrence Road).**

15 Class 3 consists of the Allowed Claim of the County of Contra Costa, or its assignee, for unpaid
16 real property taxes together with any applicable statutory interest and penalties, to the extent that
17 such Claim constitutes an Allowed Secured Claim on the Lawrence Road real property owned by
18 the Debtor.

19 **3.4 Class 4 (Secured Claim of the County of Contra Costa, CA: Finley Road).** Class

20 4 consists of the Allowed Claim of the County of Contra Costa, or its assignee, for unpaid real
21 property taxes together with any applicable statutory interest and penalties, to the extent that
22 such Claim constitutes an Allowed Secured Claim on the Finley Road real property owned by
23 the Debtor.

24 **3.5 Class 5 (Secured Claim of the County of Alameda, CA).** Class 5 consists of the

25 Allowed Claim of the County of Alameda, CA or its assignee, for unpaid real property taxes to
26 the extent that such Claim constitutes an Allowed Secured Claim on the real property owned by
27 the Debtor. The Class 5 Claim consists of the Class 5 Creditor's Claims on Corrie Center.

1 3.6 **Class 6 (Secured Claim of the County of Broward, FL: 8th Street).** Class 6
2 consists of the Allowed Claim of the County of Broward, FL or its assignee, for unpaid real
3 property taxes to the extent that such Claim constitutes an Allowed Secured Claim on the 8th
4 Street real property owned by the Debtor.

5 3.7 **Class 7 (Secured Claim of the County of Broward, FL: 11th Street).** Class 7
6 consists of the Allowed Claim of the County of Broward, FL or its assignee, for unpaid real
7 property taxes to the extent that such Claim constitutes an Allowed Secured Claim on the 11th
8 Street real property owned by the Debtor.

9 3.8 **Class 8 (Secured Claim of Mechanics Bank).** Class 8 consists of the Allowed
10 Claim of Mechanics Bank, or its assignee, to the extent that such Claim constitutes an Allowed
11 Secured Claim on certain real property owned by the Debtor.

12 3.9 **Class 9 (Secured Claim of 1st United Bank).** Class 9 consists of the Allowed
13 Claim of 1st United Bank, or its assignee, to the extent that such Claim constitutes an Allowed
14 Secured Claim on the 11th Street property in Fort Lauderdale, Florida.

15 3.10 **Class 10 (Secured Claim of Northern Trust Bank).** Class 10 consists of the
16 Allowed Claim of Northern Trust Bank, or its assignee, to the extent that such Claim constitutes
17 an Allowed Secured Claim on the 8th Street in Fort Lauderdale, Florida.

18 3.11 **Class 11 (Secured Claim of the Bloch Family Limited Partnership).** Class 11
19 consists of the Allowed Claim of the Bloch Family Limited Partnership, or its assignee, to the
20 extent that such Claim constitutes an Allowed Secured Claim on the Finley Road real property in
21 Danville, California.

22 3.12 **Class 12 (Administrative Convenience Claims).** Class 12 consists of Allowed
23 Non-Priority Unsecured Claims in the amount of \$1,000 or less. Holders of Allowed Non-
24 Priority Unsecured Claims greater than \$1,000 may elect to reduce their claims to \$1,000 and be
25 treated as a Class 12 Creditor.

26 3.13 **Class 13 (General Unsecured Claims).** Class 13 consists of all Allowed
27 Unsecured Claims against the Debtor, including without limitation all Rejection Claims, all
28

1 unsecured Claims of vendors and trade creditors for goods delivered or services provided to the
2 Debtor prior to the Petition Date.

3 3.14 **Class 14 (Almaden Associates Interests).** Class 14 consists of the membership
4 interests of Sidney Corrie, Jr. and CDC in the Debtor.

5 **ARTICLE IV**

6 **CLASSES OF CLAIMS NOT IMPAIRED UNDER THE PLAN**

7 The following classes of Claims are not impaired under the Plan and shall receive the
8 following treatment: Class 12, the holders of which shall be paid a lump sum dividend equal to
9 the amount of its Allowed Claim within Sixty (60) days after the Effective Date.

10 **ARTICLE V**

11 **TREATMENT OF UNCLASSIFIED CLAIMS**

12 Unclassified Claims shall be treated as follows:

13 5.1 **Allowed Administrative Claims.** Except to the extent that the holder of a particular
14 Administrative Claim has agreed to a different treatment of such Claim, each holder of an
15 Allowed Administrative Claim shall be paid in cash, in full upon the later of (a) the Effective
16 Date, (b) if such Claim is initially a Disputed Claim, when it becomes an Allowed
17 Administrative Claim, and (c) if such Claim is incurred after the Petition Date in the ordinary
18 course of the Debtor's business by a person other than an insider, within such time as payment is
19 due pursuant to the terms giving rise to such Claim. Any request for allowance of an
20 Administrative Claim pursuant to Section 503(a) of the Bankruptcy Code (including an
21 estimation of expenses to be incurred after the Effective Date), other than by the Debtor's
22 Professionals, must be filed on or before the Administrative Claims Bar Date or the holder of
23 such Claim shall be forever barred from asserting such Claim or receiving any payment on
24 account of such Claim.

25 5.2 **Tax Claims.** The holders of Allowed Claims entitled to priority under 11 U.S.C.
26 § 507(a)(8) ("Allowed Tax Claims") will receive deferred cash payments, payable quarterly,
27 commencing with an initial payment six months from the Effective Date, over a period not
28 exceeding five (5) years after the Petition Date, the unpaid portion of any such claim to bear

1 interest at the statutory rate; provided however, that Allowed Tax Claims shall be paid in a
2 manner not less favorable than the most favored nonpriority unsecured claim provided for by the
3 Plan. The Reorganized Debtor reserves the right to pay Allowed Tax Claim(s) in full at any time
4 after the Effective Date, provided that all claims entitled to higher priority pursuant to
5 Bankruptcy Code Section 507(a) are first paid in full.

6 **ARTICLE VI**

7 **TREATMENT OF CLASSES OF CLAIMS AND INTERESTS THAT ARE IMPAIRED**

8 **UNDER THE PLAN**

9 The following classes of Claims and Interests are impaired under the Plan and shall
10 receive the following treatment:

11 **6.1 Class 1 (Secured Claims of The County of Contra Costa: Bollinger Canyon.)**

12 The holder of the Allowed Class 1 Secured Claims shall retain its liens under non-bankruptcy
13 law until all taxes, and any applicable statutory interest and penalties have been paid in full and
14 the Claims shall be fully matured, due, and payable two years from the Effective Date.

15 **6.2 Class 2 (Secured Claims of The County of Contra Costa: San Ramon.)** The

16 holder of the Allowed Class 2 Secured Claims shall retain its liens under non-bankruptcy law
17 until all taxes, and any applicable statutory interest and penalties have been paid in full and the
18 Claims shall be fully matured, due, and payable two years from the Effective Date.

19 **6.3 Class 3 (Secured Claims of The County of Contra Costa: Lawrence Road.)** The

20 holder of the Allowed Class 3 Secured Claims shall retain its liens under non-bankruptcy law
21 until all taxes, and any applicable statutory interest and penalties have been paid in full and the
22 Claims shall be fully matured, due, and payable two years from the Effective Date.

23 **6.4 Class 4 (Secured Claims of The County of Contra Costa: Finley Road.)** The

24 holder of the Allowed Class 4 Secured Claims shall retain its liens under non-bankruptcy law
25 until all taxes, and any applicable statutory interest and penalties have been paid in full and the
26 Claims shall be fully matured, due, and payable two years from the Effective Date.

27 **6.5 Class 5 (Secured Claim of The County of Alameda.)** Except as provided by the

28 MB Stay Relief Order, the holder of the Allowed Class 5 Secured Claim shall retain all of its lien

1 rights under non-bankruptcy law until all taxes have been paid in full and the Claim shall be fully
2 matured, due, and payable two years from the Effective Date.

3 **6.6 Class 6 (Secured Claims of The County of Broward: 8th Street.)** The holder of
4 the Allowed Class 6 Secured Claims shall retain all of its lien rights under non-bankruptcy law
5 until all taxes and any applicable statutory interest and penalties have been paid in full and the
6 Claims shall be fully matured, due, and payable two years from the Effective Date.

7 **6.7 Class 7 (Secured Claims of The County of Broward 11th Street.)** The holder of
8 the Allowed Class 7 Secured Claims shall retain all of its lien rights under non-bankruptcy law
9 until all taxes and any applicable statutory interest and penalties have been paid in full and the
10 Claims shall be fully matured, due, and payable two years from the Effective Date.

11 **6.8 Class 8 (Secured Claim of Mechanics Bank).**

12 The Class 8 Secured Claim of Mechanics Bank, which is fully secured, shall receive the
13 treatment set forth in Exhibit 1 and incorporated herein by this reference as though set forth in
14 full. The Class 8 Secured Claim of Mechanics Bank is impaired.

15 **6.9 Class 9 (Secured Claim of 1st United Bank).** The holder of the Allowed Class 9
16 Secured Claim shall retain its lien under non-bankruptcy law. As of the Effective Date, the Note
17 representing the Class 9 Secured Claim shall be deemed modified to (1) require monthly loan
18 payments of interest only, at the adjustable non-default interest rate and terms of adjustment as
19 set forth in the existing obligations, and (2) provide that it shall be fully matured, due, and
20 payable two years from the Effective Date. In the event that there is a default in payment of the
21 Note representing the Class 9 Secured Claim, which default is not cured within ten (10) days
22 written notice to the Reorganized Debtor, the Class 9 Claimant shall be permitted to exercise all
23 of its State law enforcement rights with respect to its collateral. Except as provided in this Plan,
24 all terms and condition of the Loan Documents (as the term is defined therein) for each loan held
25 by the Class 9 Claimant will remain unchanged and will be paid by the Debtor as required by the
26 terms of said documents, and shall be enforceable by the Class 9 Claimant in accordance with
27 their terms.

1 6.10 **Class 10 (Secured Claim of Northern Trust Bank)**. As of the Effective Date, the
2 Note representing the Class 10 Secured Claim shall be deemed modified to (1) require monthly
3 loan payments of interest only, at the adjustable non-default interest rate and terms of adjustment
4 as set forth in the existing obligations, and (2) provide that it shall be fully matured, due, and
5 payable two years from the Effective Date. In the event that there is a default in payment of the
6 Note representing the Class 10 Secured Claim, which default is not cured within ten (10) days
7 written notice to the Reorganized Debtor, the Class 10 Claimant shall be permitted to exercise all
8 of its State law enforcement rights with respect to its collateral. Except as provided in this Plan,
9 all terms and condition of the Loan Documents (as the term is defined therein) for each loan held
10 by the Class 10 Claimant will remain unchanged and will be paid by the Debtor as required by
11 the terms of said documents, and shall be enforceable by the Class 10 Claimant in accordance
12 with their terms.

13 6.11 **Class 11 (Secured Claim of the Bloch Family Limited Partnership)**. As of the
14 Effective Date, the Note representing the Class 11 Secured Claim shall be deemed modified to
15 (1) require monthly loan payments of interest only, at the adjustable non-default interest rate and
16 terms of adjustment as set forth in the existing obligations, and (2) provide that it shall be fully
17 matured, due, and payable two years from the Effective Date. In the event that there is a default
18 in payment of the Note representing the Class 11 Secured Claim, which default is not cured
19 within ten (10) days written notice to the Reorganized Debtor, the Class 11 Claimant shall be
20 permitted to exercise all of its State law enforcement rights with respect to its collateral. Except
21 as provided in this Plan, all terms and condition of the Loan Documents (as the term is defined
22 therein) for each loan held by the Class 11 Claimant will remain unchanged and will be paid by
23 the Debtor as required by the terms of said documents, and shall be enforceable by the Class 11
24 Claimant in accordance with their terms.

25 6.13 **Class 13 (General Unsecured Claims)**. Once Unclassified Claims and Allowed
26 Class 12 claims have been paid their dividends, each Class 13 Allowed Claim shall be paid on a
27 Pro Rata Basis, with interest at the rate of six percent (6%) per annum, from Available Cash, to
28 the extent that the funds are available. Payments shall be made quarterly on the last day of each

1 calendar quarter, commencing with the last day of the calendar quarter in which the Effective
2 Date falls, and continuing until the Class 13 Allowed Claims are paid in full. If an Event of
3 Default occurs under the Mechanics Bank Core Restructured Loan Documents, then unsecured
4 creditors holding Class 13 Claims shall not receive the payments provided for in this Plan, until
5 such time as any such Event of Default is cured, to the extent that a cure, if any, is permitted
6 under the Mechanics Bank Restructure Loan Documents, or pursuant to applicable law. Failure
7 to pay all Class 13 Allowed Claims in full within two years of the Effective Date shall constitute
8 a material default of the Plan.

9 There were \$1,421,337.40 of Class 13 Claims as of the Petition Date, of which
10 \$1,322,869 represent advances to Debtor by insiders, to wit: \$141,500 by River Island Farms and
11 \$1,181,369 by CDC (collectively, the “Class 13 Insider Claims”). Those two entities are
12 controlled by Corrie, and will defer repayment on account of their claims until all other Class 13
13 Claims have been paid. There were \$98,468.40 of other Class 13 Claims, representing primarily
14 rent security deposits. Deposits have been and will continue to be refunded to departing tenants
15 during the pendency of the Case and after the Effective Date in the ordinary course of business;
16 Debtor estimates that on the Effective Date there will be \$16,143 of Class 13 Claims other than
17 rent security deposits and the Class 13 Insider Claims; Debtor believes those claims will be fully
18 paid by December 31, 2011. Holders of Allowed Class 13 Claims will be fully paid, including
19 six percent (6%) interest under the Plan.

20 **6.14 Class 14 (Almaden Associates Interests).** The holders of Class 14 interests, which
21 are the membership interests in the Debtor, shall retain their interests.

22 **6.15 Provisions Common to Classes 1 through 7 and 9 through 11.** There may be a
23 dispute as to the loan balances in favor of the Debtor's Secured Creditors in classes 1 through 7
24 and 9 through 11. The Bankruptcy Court will retain jurisdiction to resolve these disputes.

25 **ARTICLE VII**

26 **MEANS FOR IMPLEMENTATION OF THE PLAN**

27 **7.1 Post Confirmation Operation and Management of Reorganized Debtor.** On and
28 after the Effective Date, the Reorganized Debtor shall be free to operate its business without

1 further supervision or control by the Bankruptcy Court and free of any restrictions imposed by
2 the Bankruptcy Code except as provided in the Plan or by an order of the Bankruptcy Court.
3 Specifically and without limitation, the Reorganized Debtor may sell, lease, or refinance its
4 properties without further Order of Court.

5 7.2 **Retained Power to Sell Free and Clear of Liens.** The Reorganized Debtor reserves
6 all of its pre-confirmation rights and powers to sell its property free and clear of liens and
7 interests by noticed motion pursuant to Bankruptcy Code § 363(f), as to any lien or interest
8 whether scheduled or unscheduled, and whether perfected or unperfected, except with respect to
9 the property which secures the Class 4 Allowed Secured Claim of Mechanics Bank. The Court
10 expressly reserves jurisdiction over those matters.

11 7.3 **Distributions.**

12 **7.3.1 In General.** The Reorganized Debtor shall make Distributions to holders
13 of Allowed Claims as soon as practicable after the Effective Date. Distributions may be made
14 without further Order of Court.

15 **7.3.2 Distribution Addresses.** Unless the Creditor has provided the Reorganized
16 Debtor with written notice of a different address, Distributions will be sent to Creditors at the
17 address set forth in the proofs of claim filed with the Bankruptcy Court. If no proof of Claim is
18 filed with respect to a particular Claim, the Distribution will be mailed to the address set forth in
19 the Schedules.

20 **7.3.3 Withholding Taxes.** Pursuant to Section 346(h) of the Bankruptcy Code,
21 the Reorganized Debtor shall be entitled to deduct any federal, state or local withholding taxes
22 from any cash payments made with respect to Allowed Claims, as appropriate. The Reorganized
23 Debtor shall be permitted to withhold a Distribution to any Creditor that has not provided
24 information requested by the Reorganized Debtor for the purpose of fulfilling its obligations
25 hereunder, except with respect to the Class 4 Allowed Secured Claim of Mechanics Bank. The
26 Reorganized Debtor shall comply with all reporting obligations imposed on it by any
27 governmental unit with respect to withholding and related taxes.

1 7.4 **De Minimis Distributions.** Notwithstanding any other provision of the Plan,
2 Distributions of less than \$10.00 need not be made on account of any Allowed Claim or Allowed
3 Interest; provided that Distributions that would otherwise be made but for this provision shall
4 carry over until the next Distribution Date until the cumulative amount to which any holder of an
5 Allowed Claim or Allowed Interest is entitled to more than \$10.00, at which time the cumulative
6 amount of such Distributions will be paid to such holder.

7 7.5 **Unclaimed Distributions.** Any cash Distributions that remain unclaimed or
8 unnegotiated for ninety (90) days following Distribution or are returned for reasons other than
9 the absence of a current or correct address (unless a current or correct address cannot be
10 determined after reasonable inquiry) shall become the property of the Reorganized Debtor and be
11 considered Available Cash.

12 7.6 **Waiver and Reservation of Avoidance Actions and Other Litigation.**
13 Reorganized Debtor reserves all litigation claims of any kind, including without limitation
14 including any claims arising out of Bankruptcy Code Sections 502, 510, 541, 542, 543, 544, 545,
15 546, 547, 548, 549, 550, 551 and 552, any claims or setoff rights for usury, and any claims or set
16 offs arising out of any non-bankruptcy right under contract, tort, or statute in law or equity ("the
17 Debtor's Reserved Litigation"), except as to the Class 4 Secured Claim of Mechanics Bank. **Any**
18 **Creditor holding a filed or scheduled Claim and any and all third parties are subject to**
19 **potential litigation claims brought by the Reorganized Debtor, except as to the Class 4**
20 **Allowed Secured Claim of Mechanics Bank, unless those claims are specifically released by**
21 **the Plan.** The Debtor and the Reorganized Debtor reserve the right to object to any and all
22 Claims.

23 7.7 **Tax Returns and Payments.** The Reorganized Debtor shall file or cause to be filed
24 any and all delinquent and final tax returns and pay any and all taxes owed by the Debtor and the
25 Reorganized Debtor on a timely basis (other than Tax Claims provided for under the Plan).

26 7.8 **Further Orders.** Upon motion by the Debtor or the Reorganized Debtor, on not less
27 than ten (10) days notice to registered ECF participants entitled to notice in this Case, the
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1 Bankruptcy Court may enter such other and further orders as may be necessary or appropriate to
2 facilitate consummation of the Plan.

3 7.9 **Insurance Policies.** To the extent any insurance policies exist in which either the
4 Debtor and/or its personnel have an insurable or other interest in or right to make a claim, such
5 policies shall remain available, before and after the Effective Date, to satisfy any and all Claims
6 held by, or asserted against, the Debtor or other personnel that may be covered by such policies.

7 7.10 **Post-Confirmation Operating Expenses.** From and on the Effective Date, the
8 Reorganized Debtor and Plan Administrator may incur and pay operating expenses, including
9 professional fees for post petition services, in the ordinary course of business.

10 7.11 **Post-Confirmation Reports, Fees and Final Decree.**

11 7.11.1 **U.S. Trustee Fees.** Not later than thirty (30) days after the end of each
12 calendar quarter that ends after the Effective Date (including any fraction thereof), the
13 Reorganized Debtor shall pay to the United States Trustee the quarterly fee for such quarter until
14 this case is converted, dismissed, or closed pursuant to a Final Decree, as required by 28 U.S.C.
15 § 1930(a)(6).

16 7.11.2 **Post-Confirmation Reports.** Not later than thirty (30) days after the end
17 of the calendar quarter which ends after the Effective Date, the Reorganized Debtor shall file and
18 serve upon the United States Trustee separate quarterly post-Confirmation status reports in
19 substantially the form provided by the United States Trustee. Further reports shall be filed thirty
20 (30) days after the end of every calendar quarter thereafter until entry of a Final Decree, unless
21 otherwise ordered by the Bankruptcy Court.

22 7.11.3 **Final Decree.** Once the Plan is substantially consummated the
23 Reorganized Debtor shall file an application for a Final Decree as provided in the Local Rules.
24 If the Final Decree is entered before the Reorganized Debtor is granted a discharge, the
25 Reorganized Debtor may reopen the case to seek and obtain a general discharge from the Court
26 as is more fully set forth below.

27 **ARTICLE VIII**

28 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

1 8.1 **Assumption and Assignment of Executory Contracts and Unexpired Leases.** All
2 unexpired leases in which the Debtor is the lessor shall be assumed as of the Effective Date.
3 Any other executory contracts and unexpired leases shall be deemed rejected.

4 8.2 **Effect of Assumption of Executory Contracts and Unexpired Leases.** All
5 executory contracts assumed prior to Confirmation of pursuant to the Plan and not otherwise
6 rejected pursuant to the Plan shall remain in full force and effect, be unimpaired by the Plan
7 except as specifically modified by the Plan and the Order of Confirmation, and be binding on the
8 parties thereto.

9 8.3 **Adding and Removing Executory Contracts and Unexpired Leases.** The
10 provisions of this Article VIII may be amended, with appropriate notice to those parties in
11 interest directly affected, at any time prior to the conclusion of the hearing on Confirmation of
12 the Plan, to add or remove executory contracts and unexpired leases to be assumed, assumed and
13 assigned, or rejected pursuant to the Plan.

14 8.4 **Rejection Claims.** Rejection Claims shall be classified as Class 9 Claims. The
15 holder of a Rejection Claim shall file with the Bankruptcy Court, and serve on counsel for the
16 Reorganized Debtor, a proof of Claim relative to such Rejection Claim on or before the
17 Rejection Claims Bar Date or be forever barred from asserting any such Claim or receiving any
18 payment or other Distribution on account of such Claim.

19 **ARTICLE IX**

20 **FEASABILITY OF THE PLAN**

21 The feasibility of the Plan is premised upon certain assumptions. The first of these is that
22 the commercial real estate and credit markets will stabilize, so that the Debtor will be able to sell
23 or refinance the properties in its portfolio. The second assumption is that the rental market does
24 not significantly deteriorate. Based on the substantial experience of Mr. Corrie in real estate, the
25 Debtor believes that the assumptions are reasonably warranted.

26 If these assumptions are correct, the Debtor believes that it has sufficient equity in its real
27 properties to pay all secured general and unsecured creditors in full. Even in a "worst case"
28 scenario, the Debtor believes that it will return a 100% dividend to secured general and

1 unsecured creditors. Pending refinancing or liquidation of sufficient assets to satisfy creditor
2 claims, the Debtor believes that its portfolio will provide sufficient cash flow to pay all post
3 petition obligations.

4 Aside from financial matters, the Debtor believes that it can comply with all technical
5 requirements of the Bankruptcy Code necessary to confirm and substantially consummate the
6 Plan.

7 **ARTICLE X**

8 **ALTERNATIVES TO THE PLAN**

9 **10.1 Chapter 7 Liquidation**

10 In a Chapter 7 liquidation proceeding, the Debtor's interest in any assets of the Estate
11 would vest in a Chapter 7 trustee, who would either release them to the respective secured
12 creditors or attempt to sell those assets to third parties and distribute any proceeds Pro Rata to all
13 creditors of the estate under the priorities established by Bankruptcy Code Section 507.

14 The Debtor believes that the Plan is more beneficial to creditors and interest holders than
15 Chapter 7. The Debtor believes that in a Chapter 7 there is a probability that most of its assets
16 would be lost in foreclosure to the senior secured creditors, and the equity would be unavailable
17 for the benefit of unsecured creditors and interest holders.

18 Section 1123 of the Bankruptcy Code gives the Debtor a number of powers to modify
19 and restructure its secured debt, which are not available to a Chapter 7 Trustee. For example, if
20 certain conditions are met, a Chapter 11 Debtor may reduce interest rates and modify fully
21 amortized mortgages into "interest only" obligations, see *In re Orosio* 77BR 246 (Bankr. N.D.
22 Cal. 1987). This, in turn, enables the Debtor to avoid loss of real property assets in foreclosure
23 while properties are sold, and to generate cash flow to pay dividends to unsecured creditors. A
24 Chapter 7 trustee lacks these powers.

25 **10.2 No Other Plans**

26 The Bankruptcy Code permits a party in interest other than the Debtor to propose a plan
27 of reorganization under certain circumstances. The Plan submitted by the Debtor is the only plan
28 of reorganization that has been proposed at this time.

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ARTICLE XI

PROOFS OF CLAIM; OBJECTIONS

11.1 **Time for Filing Proofs of Claim.** Proofs of Claim, when required, shall be filed with the Bankruptcy Court no later than the applicable Claims Bar Date, or such Claims shall be conclusively deemed barred and disallowed.

11.2 **Evidence of Claim.** For purposes of any Distribution under the Plan, the Debtor shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the first Distribution Date. The Reorganized Debtor and its professionals shall be entitled to recognize and deal for all purposes with only those Creditors of record with the Bankruptcy Court as of the first Distribution Date.

11.3 **Amendments to Claims.** Except as provided by the Plan or as otherwise permitted by the Bankruptcy Court, the Bankruptcy Rules or applicable law, upon expiration of the applicable bar date, proofs of Claim and proofs of interest may not be filed or amended except for amendments to proofs of Claim to decrease the amount of priority thereof.

11.4 **Claim Objections.** An objection to a Priority Claim shall be filed no later than the Priority Claims Objection Date. An objection to any other Claim shall be filed no later than the Claims Objection Date, except as to the Mechanics Bank Class 4 Allowed Secured Claim to which no Objection may be filed by the Reorganized Debtor or any other party in interest in the Case. The Reorganized Debtor shall have the sole responsibility to review Claims filed against the Debtor, to file objections as appropriate, and to resolve Disputed Claims.

11.5 **Distributions.** Notwithstanding any provision of the Plan specifying a date or time for payments or Distributions of consideration hereunder, payments and Distributions in respect of any Claim that at such date or time is disputed, unliquidated or contingent, shall not be made until a Final Order with respect to an objection, estimation or valuation of such Claim is entered by the Bankruptcy Court, whereupon appropriate Distributions shall be made promptly.

ARTICLE XII

DEFAULT

1 If the Reorganized Debtor shall default in the performance of any of its obligations under
2 the Plan, and shall not have cured such default within a period of thirty (30) days after receipt of
3 written notice of default from any party in interest affected by the alleged default, then such
4 party in interest may file a motion with the Bankruptcy Court seeking an order directing the
5 Reorganized Debtor to perform such obligations, or such other relief as may be appropriate
6 under the circumstances; provided, however, that this Article XII of the Plan shall not in any way
7 apply to the Mechanics Bank Class 4 Allowed Secured Claim. Any party in interest, including
8 the Reorganized Debtor may oppose any such motion.

9 **ARTICLE XIII**

10 **CERTAIN INCOME TAX CONSEQUENCES OF DEBTOR'S PLAN**

11 **13.1 In general**

12 The following is a summary of certain United States federal income tax consequences of
13 Debtor's Plan that may be material to Creditors. This discussion is included for general
14 information purposes only and is not intended to be, and is not, legal or tax advice to any
15 particular Creditor. This summary is based on the current provisions of the Internal Revenue
16 Code of 1986, as amended (the "Code"), in Income Tax Regulations (the "Regulations") and
17 other legal authorities, all of which are subject to change, possibly with retroactive effect. No
18 rulings from the Internal Revenue Service (the "IRS") or opinions of counsel have been or will
19 be requested concerning the matters discussed below. The tax consequences set forth in the
20 following discussion are not binding on the IRS or the courts and no assurance can be given that
21 contrary provisions will not be successfully asserted. This summary does not address the
22 taxation of the Debtor or the Creditors under state law.

23 TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR
24 230, CREDITORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF
25 FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED
26 OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY
27 CREDITORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE
28 IMPOSED ON CREDITORS UNDER THE CODE; (B) SUCH DISCUSSION IS

1 INCLUDED HEREIN BY DEBTOR IN CONNECTION WITH THE PROMOTION OR
2 MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY DEBTOR OF THE
3 TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) CREDITORS
4 SHOULD SEEK ADVICE BASED UPON THEIR PARTICULAR CIRCUMSTANCES
5 FROM AN INDEPENDENT TAX ADVISOR.

6 EACH CREDITOR SHOULD CONSULT THE CREDITOR'S OWN TAX
7 ADVISOR TO DETERMINE THE CREDITOR'S PARTICULAR U.S. FEDERAL
8 INCOME TAX CONSEQUENCES AND OTHER TAX CONSEQUENCES TO THE
9 CREDITOR OF DEBTOR'S PLAN, INCLUDING ANY STATE, LOCAL AND
10 FOREIGN TAX LAWS AND THE EFFECT OF ANY CHANGES IN SUCH LAWS.

11 **13.2 Consequences to Creditors**

12 Any amount realized by a Creditor in satisfaction of an Allowed Claim, to the extent such
13 amount constitutes "gross income" within the meaning of Section 61 of the Code, will be taxable
14 to the Creditor in accordance with the Creditor's method of accounting, if not previously
15 included in the Creditor's gross income. This would include, for example, payments for goods
16 and services. If a Creditor previously reported as taxable income their respective Allowed Claim
17 then the unpaid portion of the previously reported taxable income would be deductible as a bad
18 business debt. Similarly, if a Creditor has previously deducted some or all of its Allowed Claim
19 against either Debtor as a bad business debt, amounts received under the Plan may be reportable
20 as ordinary income. A Creditor may be subject to regular income tax withholding or backup
21 withholding as well.

22 **ARTICLE XIV**

23 **PLAN CONFIRMATION PROCESS**

24 **14.1 Voting**

25 Under the Bankruptcy Code, only classes of Claims that are "impaired" (as that term is
26 defined in Section 1124 of the Bankruptcy Code) under Debtor's Plan and which will receive or
27 retain property under the Plan are entitled to vote to accept or reject the Plan. Within each Class,
28 only the holders of Allowed Claims may vote. In order to confirm Debtor's Plan, with regard to

1 each impaired class of creditors, two thirds in monetary amount and a majority of the number of
2 Allowed Claims of creditors who vote on the Plan must vote to accept the Plan. The holders of
3 Allowed Claims in Classes 1-7 and 9 are impaired. These are the only creditors who are entitled
4 to vote on the Plan. Pursuant to Bankruptcy Code Section 1126(f), the classes of Claims that are
5 not impaired – Class 8 – are conclusively presumed to have accepted the Plan and are not
6 entitled to vote.

7 An acceptance or rejection of Debtor's Plan may be voted by completing and signing the
8 Ballot that accompanies Debtor's Plan and mailing, faxing, emailing or delivering it to The Law
9 Office of Joel K. Belway, P.C., 235 Montgomery Street, Suite 668, San Francisco, California
10 94104, (415) 788-1702, belwaypc@pacbell.net. Only the Ballot should be transmitted and all
11 Ballots must be received by the deadline set forth on the ballot.

12 **UNSIGNED BALLOTS, LATE BALLOTS, AND BALLOTS RECEIVED THAT**
13 **ARE SIGNED BUT DO NOT DESIGNATE ACCEPTANCE OR REJECTION OF THE**
14 **PLAN WILL NOT BE COUNTED.**

15 14.2 **Confirmation Standards**

16 For a Plan to be confirmed and to be binding on all Creditors, the Bankruptcy Court must
17 determine that the requirements of Section 1129(a) of the Bankruptcy Code have been satisfied,
18 including that at least one class of Claims that is impaired under Debtor's Plan has accepted the
19 Plan.

20 14.3 **Classification of Claims**

21 The Bankruptcy Code requires that a plan of reorganization place each claim and interest
22 in a class with other claims or interests that are "substantially similar." The dollar amount of a
23 claim is usually not a basis upon which to distinguish it from other claims. Debtor believes that
24 the classification system set forth in Debtor's Plan meets the Bankruptcy Code standard.

25 14.4 **Confirmation Without Acceptance by All Impaired Classes**

26 Section 1159(b) of the Bankruptcy Code enables the Debtor to confirm Debtor's Plan
27 without acceptance of one or more classes of Claims. If necessary, the Debtor will seek
28 Confirmation under Section 1129(b). In order to be confirmed over the rejection of a class of

1 Allowed Claims, the Bankruptcy Court must find that Debtor's Plan does not unfairly
2 discriminate and that it is fair and equitable as to each rejecting, impaired Class. Section
3 129(b)(2)(A), (B) and (C) contain detailed provisions as to the meaning of "fair and equitable" as
4 to dissenting secured creditors, unsecured creditors and interest holders. If necessary, the Debtor
5 believes that it can comply with all of the requirements of Section 1129(b).

6 **ARTICLE XV**

7 **RETENTION OF JURISDICTION**

8 The Bankruptcy Code shall retain exclusive jurisdiction of the Bankruptcy Code (a) to
9 enforce the provisions, purposes and intent of the Plan; (b) to hear and determine any adversary
10 proceedings or contested matters filed in or related to the Case; (c) to hear and determine the
11 allowance or disallowance of Claims; (d) to fix and approve allowance of compensation and
12 other Administrative Claims, including, if appropriate, payments to be made in connection with
13 the Plan; (e) to adjudicate controversies arising from the terms of the Plan; (f) to hear and
14 determine any proposed modifications of or amendments to the Plan to the extent permitted by
15 Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019; (g) to enforce or interpret the
16 provisions of the Plan, the Order of Confirmation or any order entered by the Bankruptcy Court
17 in the Bankruptcy Case; (h) to facilitate the consummation of the Plan; (i) to consider such other
18 matters as may be set forth in the Plan or the Order of Confirmation; (j) to hear and determine
19 any Claim of any Persons of any nature whatsoever against the Debtor's Professionals arising in
20 or related to the Case; and (k) to enter a Final Decree closing the Bankruptcy Case. If closed, the
21 Bankruptcy Case may be reopened at any time to facilitate the provisions of the Plan, including
22 the granting of a discharge to the Debtor. Notwithstanding the foregoing, the Bankruptcy Court
23 shall have no jurisdiction to hear and determine disputes arising in connection with the
24 interpretation, implementation or enforcement of the Plan as they relate to the Mechanics Bank
25 Class 4 Secured Claim, as to which the Courts of the State of California or the United States of
26 America (other than the bankruptcy courts) shall have jurisdiction as provided for by applicable
27 non-bankruptcy law.

28 **ARTICLE XVI**

1 **EFFECT OF ORDER OF CONFIRMATION**

2 As of the Effective Date, the effect of the Order of Confirmation shall be as follows:

3 16.1 **Binding Effect of Plan.** The provisions of the confirmed Plan shall bind the
4 Debtor, the Reorganized Debtor, any entity acquiring property under or otherwise accepting the
5 benefits of the Plan, and every Creditor, whether or not such entity has filed a proof of Claim or
6 Interest in the Bankruptcy Case, whether or not the Claim or Interest of such entity is impaired
7 under the Plan, and whether or not such Creditor or entity has accepted or rejected the Plan.

8 16.2 **Full Satisfaction of Claims.** Except as otherwise provided in the Plan and the
9 Order of Confirmation, the rights afforded in the Plan shall constitute full and complete
10 satisfaction and release of all Claims, including any interest accrued thereon from and after the
11 Petition Date, against the Debtor, the Reorganized Debtor, the Estate, or any assets or property of
12 the Debtor, the Reorganized Debtor and the Estate. Except with respect to Administrative
13 Claims, Rejection Claims, and Claims described in Bankruptcy Rule 3002(c)(3), the
14 Confirmation Order shall be deemed to be a Final Order disallowing any claim not filed as of the
15 Effective Date.

16 16.3 **Injunction.** From and after the Effective Date, except as otherwise provided for
17 herein or in the Order of Confirmation, all Persons who have held, currently hold or may hold a
18 debt, Claim or interest against the Estate, the Debtor, the Reorganized Debtor, their trustees,
19 agents, employees or Professionals, or their respective property, including the property
20 transferred pursuant to this Plan are permanently enjoined from taking any of the following
21 actions on account of any such debt or Claim: (a) commencing or continuing in any manner any
22 action or other proceeding against the Estate, the Debtor, the Reorganized Debtor, their agents,
23 employees or Professionals, or their respective property; (b) enforcing, attaching, collecting or
24 recovering in any manner any judgment, award, decree or order against the Estate, the Debtor,
25 the Reorganized Debtor, their agents, employees or Professionals; (c) creating, perfecting or
26 enforcing any lien or encumbrance against the Estate, the Debtor, the Reorganized Debtor, their
27 agents, employees or Professionals, or their respective property transferred pursuant to this Plan;
28 (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation

1 due to the Estate, the Debtor or the Reorganized Debtor; and (e) commencing or continuing any
2 action, in any manner, in any place that does not comply with or is inconsistent with the
3 provisions of the Plan or the Order of Confirmation.

4 16.4 **Limitation of Liability.** On and after the Effective Date, neither the Debtor, the
5 Reorganized Debtor, nor any of their respective agents, employees or Professionals, shall have or
6 incur any liability to any Person for any authorized act taken or authorized omission made in
7 good faith in connection with or related to the Bankruptcy Case or the Estate, including
8 objections to or estimations of Claims, disposition of assets, or formulating, determining not to
9 solicit acceptances or rejections to, or confirming the Plan, or any contract, instrument, release or
10 other agreement or document created in connection with the Plan. Nothing herein shall be
11 deemed to release any party from any claims for willful misconduct or gross negligence.

12 **ARTICLE XVII**

13 **MISCELLANEOUS**

14 17.1 **Plan Interpretation.** The headings contained in the Plan are for convenience of
15 reference only and shall not limit or otherwise affect in any way the meaning or interpretation of
16 the Plan. All references in the plan to the singular shall be construed to include references to the
17 plural and vice versa. All references in the Plan to any one of the masculine, feminine or neuter
18 genders shall be deemed to include references to both other such genders. All exhibits attached
19 to the plan are, by this reference, hereby incorporated into the Plan. All references in the Plan to
20 a Section or an Article shall mean the appropriately numbered Section or Article of the Plan.
21 Whenever the Plan uses the term "including," such reference shall be deemed to mean
22 "including, but not limited to."

23 17.2 **Modification.** The Debtor may propose amendments to or modifications of the
24 Plan under Section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior
25 to the conclusion of the hearing on Confirmation of the Plan, except with respect to the treatment
26 of the Class 4 Allowed Secured Claim of Mechanics Bank which may only be amended or
27 modified with and the written consent of Mechanics Bank in its sole discretion. After the
28 Confirmation Date, the Reorganized Debtor may modify the Plan in accordance with Section

1 1127(b) of the Bankruptcy Code and Bankruptcy Rule 3019, except as to the Class 4 Allowed
2 Secured Claim of Mechanics Bank which may be modified or amended only with the written
3 consent of Mechanics Bank in its sole discretion. This Section 17.2 shall not apply to the
4 manner in which the Plan treats the Class 4 Allowed Secured Claim of Mechanics Bank.

5 17.3 **Waiver.** After the Confirmation Date, except as otherwise specifically set forth in
6 the Plan, any term of the Plan may be waived only by the parties entitled to the benefit of the
7 term to be waived.

8 17.4 **Reservation of Rights.** Neither the filing of the Plan nor any statement or
9 provision contained in the Plan or in the Disclosure Statement, nor the taking by any party in
10 interest of any action with respect to the Plan, shall (a) be or be deemed to be an admission
11 against interest, and (b) until the Effective Date, be or be deemed to be a waiver of any rights any
12 party in interest may have (i) against any other party in interest, or (ii) in any of the assets of any
13 other party in interest, and, until the Effective Date, all such rights are specifically reserved. In
14 the event that the Plan is not confirmed or fails to become effective, neither the Plan nor the
15 disclosure Statement nor any statement contained in the Plan or in the Disclosure Statement may
16 be used or relied upon in any manner in any suit, action, proceeding or controversy within or
17 without this Bankruptcy Case involving the Debtor, except with respect to Confirmation of the
18 Plan.

19 17.5 **Revesting of Property.** As of the Effective Date, pursuant to the provisions of
20 Section 1123(b) of the Bankruptcy Code and otherwise, all title, ownership, possession and
21 interest of the Debtor's estate and any assets shall be deemed preserved and fully revested and
22 full owned and possessed by the Reorganized Debtor free and clear of any and all claims,
23 interest, liens, security interest and obligations other than those that are expressly related or
24 preserved by the provisions of this Plan or the Confirmation Order.

25
26 Dated: June 30, 2011

ALMADEN ASSOCIATES, LLC

27 By: /s/ Sidney Corrie, Jr.

SIDNEY CORRIE, JR.

28 Its: Managing Member

and Responsible Individual

Dated: June 30, 2011

THE LAW OFFICE OF JOEL K. BELWAY
Professional Corporation

/s/ Joel K. Belway

JOEL K. BELWAY

Attorney for Debtor

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EXHIBIT 1

(TREATMENT OF CLASS 4 CLAIM OF MECHANICS BANK)

The treatment of the Mechanics Bank Class 4 Allowed Secured Claim is as follows:

1. The loan documents previously executed by the Debtor in favor of Mechanics Bank are as follows:
 - a. That certain Promissory Note dated April 4, 2000 ("First Corrie Note") executed by Sidney Corrie ("Corrie") in the original principal amount of \$7,400,000.00, having a final payment maturity date of April 1, 2010.
 - b. That certain Deed of Trust dated April 4, 2000 ("Dublin Deed of Trust"), executed by Corrie, as trustor, in favor of Macdonald Auxiliary Corporation, as trustee, for the benefit of Mechanics Bank, as beneficiary, with respect to the Property (as that term is defined therein) which includes the real property commonly known as 7950 Dublin Blvd., Dublin, California ("Dublin Property") which was recorded in the Official Records of the Alameda County Recorder's Office on April 7, 2009.
 - c. That certain Modification of Deed of Trust made and entered into effective July 20, 2009 ("Dublin Deed of Trust Modification") executed by Corrie and Mechanics Bank which was recorded on July 31, 2009 in the Official Records of the Alameda County Recorder's Office.
 - d. That certain Promissory Note dated February 23, 2007 ("Second Corrie Note") executed by Corrie in the original principal amount of \$650,000.00, having a final payment maturity date of March 7, 2007.
 - e. That certain Business Loan Agreement dated February 23, 2007 ("Corrie BLA"), executed by Corrie and Mechanics Bank.
 - f. That certain Deed of Trust dated August 19, 1998 ("San Ramon Deed of Trust"), executed by Corrie, as trustor, in favor of Macdonald Auxiliary Corporation, as trustee, for the benefit of Mechanics Bank, as beneficiary, with respect to the Property (as that term is defined therein) which includes the real property commonly known as 19251 San Ramon Valley Blvd., San Ramon, California. The San Ramon Deed of Trust was recorded in the Official Records of the Contra Costa County Recorder's Office on August 21, 1998.
 - g. That certain Modification of Deed of Trust made and entered into effective July 20, 2009 ("San Ramon Deed of Trust Modification") executed by Corrie and Mechanics Bank which was recorded on July 31, 2009 in the Official Records of the Contra Costa County Recorder's Office.
 - h. That certain Promissory Note dated September 5, 2006 ("Debtor Note"), executed by the Debtor in the original principal amount of \$990,600.18 having a final payment maturity date of September 10, 2009.

- 1 i. That certain Business Loan Agreement dated September 5, 2006 ("Debtor BLA"),
executed by the Debtor and Mechanics Bank.
- 2
3 j. That certain Deed of Trust dated August 22, 2003 ("Bollinger Deed of Trust"),
4 executed by the Debtor, as trustor, in favor of Macdonald Auxiliary Corporation,
5 as trustee, for the benefit of Mechanics Bank, as beneficiary with respect to the
6 Property (as that term is defined therein) which includes the real property
commonly known as 18120 Bollinger Canyon Road, San Ramon, California
("Bollinger Property") which was recorded on September 25, 2003 in the Official
Records of the Contra Costa County Recorder's Office.
- 7
8 k. That certain Environmental Indemnity dated August 25, 2003 ("Environmental
Indemnity") executed by the Debtor in favor of Mechanics Bank.
- 9
10 l. That certain Assignment of Rents dated August 22, 2003 ("Bollinger Assignment
11 of Rents") executed by the Debtor in favor of Mechanics Bank which was
recorded on September 25, 2003 in the Official Records of the Contra Costa
County Recorder's Office.
- 12
13 m. That certain Modification of Deed of Trust made and entered into effective
14 July 20, 2009 ("Bollinger Deed of Trust Modification") executed by the Debtor
and Mechanics Bank, which was recorded on July 31, 2009 in the Official
Records of the Contra Costa County Recorder's Office.
- 15
16 n. That certain Commercial Guaranty dated September 5, 2006 ("Guaranty"),
executed by Corrie in favor of Mechanics Bank.
- 17
18 o. That certain Loan Modification Agreement entered into as of July 20, 2009
("Debtor Loan Modification Agreement") executed by Debtor, Corrie and
Mechanics Bank.
- 19
20 p. That certain Loan Modification Agreement entered into as of July 20, 2009
("Corrie First Note Modification Agreement"), executed by Corrie and Mechanics
Bank.
- 21
22 q. That certain Loan Modification Agreement entered into as of July 20, 2009
("Corrie Second Note Modification Agreement"), executed by Corrie and
23 Mechanics Bank.
- 24
25 r. That certain Deed of Trust, Security Agreement, Assignment of Leases and Rents
26 and Fixture Filing dated July 20, 2008 ("Lawrence Deed of Trust") executed by
Corrie, as trustor, in favor of Macdonald Auxiliary Corporation, as trustee, for the
27 benefit of Mechanics Bank, as beneficiary, with respect to the Property (as that
term is defined therein) which includes the real property commonly known as
1609 Lawrence Road, Danville, California ("Lawrence Real Property") which was
28 recorded on July 31, 2009 in the Official Records of the Contra Costa County
Recorder's Office.

1 s. The First Corrie Note, the Dublin Deed of Trust, the Dublin Deed of Trust
2 Modification, the Second Corrie Note, the Corrie BLA, the San Ramon Deed of
3 Trust, the San Ramon Deed of Trust Modification, the Debtor Note, the Debtor
4 BLA, the Environmental Indemnity, the Bollinger Deed of Trust, the Bollinger
5 Deed of Trust Modification, the Bollinger Assignment of Rents, the Debtor Loan
6 Modification Agreement, the Corrie First Note Modification Agreement, the
7 Corrie Second Note Modification Agreement, the Lawrence Deed of Trust and all
8 documents and instruments executed in connection therewith (excluding the
9 Guaranty) are hereinafter collectively referred to as the "Secured Loan
10 Documents".

11 **The First New Debtor Note**

12 2. The First Corrie Note shall be amended and restated effective as of the Effective Date as
13 a promissory note, which shall be executed by the Debtor, and which shall hereinafter be
14 referred to as the "First New Debtor Note". The First New Debtor Note shall have an
15 initial principal balance on the Effective Date equal to (i) the unpaid principal balance
16 due on the First Corrie Note, (ii) plus interest accruing at the default rate set forth in the
17 First Corrie Note from August 1, 2011 through and including the Effective Date, and (iii)
18 (A) all actual attorneys' fees, costs, out of pocket costs, escrow fees, appraisal fees,
19 environmental inspection fees, title fees, and escrow costs incurred by Mechanics Bank in
20 connection with the negotiation, preparation, implementation and modification of the
21 Secured Loan Documents pursuant to the Plan and the estimated amount of attorneys'
22 fees and costs to be incurred by Mechanics Bank in connection with the closing of the
23 transactions evidenced by Mechanics Bank's Core Restructured Loan Documents (as
24 hereinafter defined), and (B) all actual attorneys' fees, costs, out of pocket costs and
25 expenses incurred by Mechanics Bank in connection with the enforcement of the Secured
26 Loan Documents and the Guaranty in the Enforcement Litigation (as hereinafter defined),
27 and the negotiation, preparation, implementation and modification of the Secured Loan
28 Documents prior to the Effective Date (collectively, the "Mechanics Bank Fees") which
shall be allocated to the First New Debtor Note on a pro-rata basis based upon a fraction
the numerator of which is equal to the unpaid principal balance due and owing on the
First Corrie Note as of the Effective Date and the denominator of which is the total
unpaid principal balance due and owing to Mechanics Bank as of the Effective Date on

1 the First Corrie Note, the Second Corrie Note, and the Debtor Note. All outstanding
2 obligations due and owing by the Debtor to Mechanics Bank pursuant to the First New
3 Debtor Note shall be fully due and payable 24 calendar months from the Effective Date.

4 3. Effective as of the Effective Date, interest shall accrue on all outstanding obligations due
5 and owing by the Debtor to Mechanics Bank pursuant to the First New Debtor Note at a
6 floating rate equal to Mechanics Bank's Reference Rate plus 2.50%, subject to a floor
7 interest rate of 6.00%.

8 4. Commencing on the 10th day of the first full calendar month following the Effective Date
9 and continuing on the 10th day of each and every month thereafter through and including
10 the 10th day of the month on which the First New Debtor Note matures, the Debtor shall
11 pay Mechanics Bank an amount equal to the sum of the accrued and unpaid interest due
12 and owing by the Debtor to Mechanics Bank pursuant to the First New Debtor Note for
13 the preceding month.

14 **The Second New Debtor Note**

15 5. The Second Corrie Note shall be amended and restated effective as of the Effective Date
16 as a promissory note, which shall be executed by Debtor, and which shall hereinafter be
17 referred to as the "Second New Debtor Note". The Second New Debtor Note shall have
18 an unpaid initial principal balance on the Effective Date equal to (i) the unpaid principal
19 balance due on the Second Corrie Note as of the Effective Date, (ii) plus accrued and
20 unpaid interest of \$70,092.00 plus interest accruing at the default rate set forth in the
21 Second Corrie Note from August 1, 2011 through and including the Effective Date, and
22 (iii) the Mechanics Bank Fees which shall be allocated to the Second New Debtor Note
23 on a pro-rata basis based upon a fraction, the numerator of which is the unpaid principal
24 balance due and owing to Mechanics Bank as of the Effective Date on the Second Corrie
25 Note and the denominator of which is the total unpaid principal balance due and owing to
26 Mechanics Bank as of the Effective Date on the First Corrie Note, the Second Corrie
27 Note, and the Debtor Note. All outstanding obligations due and owing by the Debtor to
28

1 Mechanics Bank pursuant to the Second New Debtor Note shall be fully due and payable
2 24 calendar months from the Effective Date.

3 6. Effective as of the Effective Date, interest shall accrue on all outstanding obligations due
4 and owing by the Debtor to Mechanics Bank pursuant to the Second New Debtor Note at
5 a floating rate equal to Mechanics Bank Reference Rate plus 2.0% subject to a floor
6 interest rate of 6.00%.

7 7. Commencing on the 10th day of the first full calendar month following the Effective Date
8 and continuing on the 10th day of each and every month thereafter, through and including
9 the 10th day of the month on which the Second New Debtor Note matures, the Debtor
10 shall pay Mechanics Bank an amount equal to the sum of the accrued and unpaid interest
11 due and owing by the Debtor to Mechanics Bank pursuant to the Second New Debtor
12 Note for the preceding month.

13 **The Restated Debtor Note**

14 8. The Debtor Note shall be amended and restated effective as of the Effective Date as a
15 new promissory note which shall be executed by the Debtor and which shall hereinafter
16 be referred to as the "Restated Debtor Note". The Restated Debtor Note shall have an
17 initial principal balance on the Effective Date equal to (i) the unpaid principal balance
18 due on the Debtor Note as of the Effective Date, (ii) plus interest accruing at the default
19 rate set forth in the Debtor Note from August 1, 2011 through and including the Effective
20 Date, and (iii) the Mechanics Bank Fees which shall be allocated to the Restated Debtor
21 Note on a pro-rata basis based upon a fraction, the numerator of which is the unpaid
22 principal balance due and owing to Mechanics Bank as of the Effective Date on the
23 Debtor Note and the denominator which is the total unpaid principal balance due and
24 owing to Mechanics Bank as of the Effective Date on the First Corrie Note, the Second
25 Corrie Note and the Debtor Note. All outstanding obligations due and owing by the
26 Debtor to Mechanics Bank pursuant to the Restated Debtor Note shall be fully due and
27 payable 24 months from the Effective Date.

1 9. Effective as of the Effective Date, interest shall accrue on all outstanding obligations due
2 and owing by the Debtor to Mechanics Bank pursuant to the Restated Debtor Note at a
3 fixed rate of interest equal to 6.80% per annum.

4 10. Commencing on the tenth day of the first full calendar month following the Effective
5 Date and continuing on the tenth day of each and every month thereafter, for a period of
6 23 months, Debtor shall pay Mechanics Bank monthly principal and interest payments of
7 \$6,941.23, with all outstanding principal and interest due and owing on the Restated
8 Debtor Note to be payable at maturity.

9 **General Terms**

10 11. **A condition precedent** for confirmation of the Plan shall be Mechanics Bank's
11 determination, in its sole discretion, that the fair market value of the New San Ramon
12 Property (as that term is defined below) is an amount acceptable to the Bank.

13 12. Upon the Effective Date, the Debtor shall pay to Mechanics Bank (i) a modification fee in
14 the amount of \$25,000.00, in consideration for the modification of the Secured Loan
15 Documents which are the subject of the Plan, which shall be fully earned upon payment,
16 and (ii) all accrued and unpaid interest due and owing to the Bank from April 1, 2011 to
17 and including June 30, 2011 pursuant to the First Corrie Note, the Second Corrie Note,
18 and the Debtor Note at the contract rate of interest.

19 13. Upon the Effective Date, the Debtor shall provide written evidence satisfactory to
20 Mechanics Bank in sole discretion that all real property taxes and assessments due and
21 owing on the Bollinger Property have been paid current.

22 14. The Dublin Deed of Trust, the Lawrence Deed of Trust, and the Bollinger Deed of Trust
23 shall be amended and restated effective as of the Effective Date pursuant to which the
24 Debtor will reaffirm and assume all obligations of Corrie thereunder (the "Amended and
25 Restated Debtor Deed of Trust"). In addition, the Amended and Restated Debtor Deed of
26 Trust shall also include additional real property owned by the Debtor as of the Effective
27 Date, which consists of approximately 20.7 acres of land on which are located two
28 residences, located in San Ramon, California ("New San Ramon Property"). On the

1 Effective Date, the San Ramon Deed of Trust and the San Ramon Deed of Trust
2 Modification shall be released and reconveyed by Mechanics Bank. The Amended and
3 Restated Debtor Deed of Trust shall be in form and substance satisfactory to Mechanics
4 Bank in its sole discretion.

5 15. The payment of the First New Debtor Note, the Second New Debtor Note and the
6 Restated Debtor Note shall be secured by the Amended and Restated Debtor Deed of
7 Trust, which shall constitute a first priority lien on the Dublin Property, the Bollinger
8 Property, the Lawrence Property and the New San Ramon Property.

9 16. Release Price Provisions.

10 (a) The Dublin Property, which is part of the Amended and Restated Debtor Deed of
11 Trust, shall be released and reconveyed upon payment in full to Mechanics Bank of all
12 outstanding obligations due and owing to Mechanics Bank pursuant to the First New
13 Debtor Note;

14 (b) The New San Ramon Property, which is part of the Amended and Restated Debtor
15 Deed of Trust, shall be released and reconveyed upon repayment of all outstanding
16 obligations due and owing by the Debtor to Mechanics Bank pursuant to the Second New
17 Debtor Note and upon payment to Mechanics Bank of no less than the sum of \$475,000
18 in immediately available funds, which shall be applied to the outstanding principal
19 obligations then due and owing by the Debtor to Mechanics Bank pursuant to the First
20 New Debtor Note (to the extent that the First New Debtor Note remains unpaid at the
21 time of said release and reconveyance);

22 (c) The Bollinger Property, which is part of the Amended and Restated Debtor Deed of
23 Trust, shall be released and reconveyed upon payment by the Debtor to Mechanics Bank
24 of all outstanding obligations due and owing by the Debtor to Mechanics Bank pursuant
25 to the Restated Debtor Note and upon payment to Mechanics Bank of the sum of not less
26 than \$415,000 in immediately available funds, which shall be applied to the outstanding
27 principal obligations due and owing by the Debtor to Mechanics Bank pursuant to the
28 First New Debtor Note (to the extent that the First New Debtor Note remains unpaid at

1 the time of said release and reconveyance);

2 (d) The Lawrence Property, which is part of the Amended and Restated Debtor Deed of
3 Trust, shall be released and reconveyed upon payment by the Debtor to Mechanics Bank
4 in immediately available funds, of the greater of (i) the Net Proceeds of any sale or
5 refinancing of the Lawrence Road Property which shall mean its gross sales price, less
6 only reasonable and customary real estate commissions and closing costs, all as approved
7 by Mechanics Bank in its sole discretion; and (ii) the sum of \$680,000, which shall be
8 applied to the outstanding obligations due and owing by the Debtor to Mechanics Bank
9 pursuant to the First New Debtor Note, the Second New Debtor Note or the Restated
10 Debtor Note in such order and priority as the Mechanics Bank may determine in its sole
11 discretion.

12 17. The First New Debtor Note, the Second New Debtor Note and the Restated Debtor Note
13 shall all be cross-defaulted, such that the occurrence of an Event of Default of any one of
14 said notes shall cause the occurrence of an Event of Default under all of the remaining
15 notes.

16 18. Upon the Effective Date, Corrie shall execute a Commercial Guaranty in favor of
17 Mechanics Bank, effective as of the Effective Date (the "New Corrie Guaranty"),
18 pursuant to which Corrie shall guarantee all outstanding obligations due and owing by the
19 Debtor to Mechanics Bank pursuant to the First New Debtor Note, the Second New
20 Debtor Note and the Restated Debtor Note and all amounts due and owing to Mechanics
21 Bank pursuant to the Amended and Restated Debtor Deed of Trust in form and substance
22 satisfactory to Mechanics Bank in its sole discretion.

23 19. Upon the Effective Date, Corrie shall execute an Environmental Indemnity Agreement in
24 favor of Mechanics Bank effective as of the Effective Date ("Environmental Indemnity")
25 with respect to the Dublin Property, the Bollinger Property, the New San Ramon Property
26 and the Lawrence Property in form and substance satisfactory to Mechanics Bank in its
27 sole discretion.

- 1 20. The First New Debtor Note, the Second New Debtor Note and the Restated Debtor Note
2 may be prepaid by the Debtor, at any time, without penalty.
- 3 21. The Debtor shall be prohibited from transferring, encumbering, or otherwise disposing of
4 the Dublin Property, the Bollinger Property, the Lawrence Property and the New San
5 Ramon Property.
- 6 22. Upon the Effective Date, the Debtor shall deliver to Mechanics Bank a Certificate of
7 Insurance evidencing the Debtor maintains property, hazard and liability insurance in the
8 amounts and with the coverages required by the Mechanics Bank Core Restructured Loan
9 Documents which states that Mechanics Bank is a loss payee and additional insured of all
10 such insurance policies.
- 11 23. The Debtor shall deliver to Mechanics Bank a certification of payment of all real property
12 taxes due with respect to the Dublin Property, the New San Ramon Property, the
13 Bollinger Property and the Lawrence Property (collectively the "Subject Properties"), no
14 later than fifteen calendar days after the date by which the Debtor was required to make
15 timely payment of the real estate property taxes required to be paid for the Subject
16 Properties.
- 17 24. Management fees payable by the Debtor with respect to the Subject Properties shall not
18 exceed 4% of the Effective Gross Monthly Income (as hereinafter defined) of each of the
19 Subject Properties. "Effective Gross Monthly Income" shall be defined as the gross
20 monthly revenues of all the Subject Properties, less actual vacancy and collection losses.
- 21 25. Reporting: The Debtor shall deliver to Mechanics Bank on or before 15 calendar days
22 from the end of each month following the Effective Date, monthly cash flow statements
23 for the Dublin Property, the Bollinger Property, the Lawrence Property, and the New San
24 Ramon Property, in form and substance satisfactory to Mechanics Bank in its sole
25 discretion, which shall include reporting and certification of actual management fees paid
26 by the Debtor for the Subject Properties.
- 27 26. The Secured Loan Documents shall remain in effect, but shall be modified as of the
28 Effective Date by a loan modification agreement ("Loan Modification Agreement")

1 reflecting all of the foregoing terms in form and substances satisfactory to Mechanics
2 Bank in its sole discretion. The restructured loan documents will consist of the Secured
3 Loan Documents, the First New Debtor Note, the Second New Debtor Note, the Restated
4 Debtor Note, the Amended and Restated Debtor Deed of Trust, the New Corrie Guaranty,
5 and the Environmental Indemnity (the foregoing, the "Mechanics Bank Core Restructured
6 Loan Documents"), together with those ancillary agreements, environmental inspections,
7 certificates, title policies, title endorsements, instructions, and authorizations reasonably
8 requested by Mechanics Bank. All exceptions set forth in any title policies and/or title
9 endorsements obtained by Mechanics Bank in connection with the Mechanics Bank Core
10 Restructured Loan Documents shall be acceptable to Mechanics Bank in its sole
11 discretion. The Mechanics Bank Core Restructured Loan Documents have not yet been
12 drafted or agreed upon by Debtor or Mechanics Bank, and agreement on the form and
13 substance of such documents is **a condition precedent** for confirmation of the Plan.
14 Mechanics Bank shall file the forms of the Mechanics Bank Core Restructured Loan
15 Documents in the above-entitled case not later than two court days prior to the hearing on
16 confirmation of this Plan.

17 27. The liens and security interests securing the outstanding obligations owed by the Debtor
18 to Mechanics Bank pursuant to the First New Debtor Note, the Second New Debtor Note,
19 the Restated Debtor Note, and the Amended and Restated Debtor Deed of Trust will be
20 deemed perfected as of the Effective Date without further act or filing by Mechanics
21 Bank, but Mechanics Bank will be authorized to file or take other appropriate action to
22 perfect or evidence the perfection of any such liens or security interests as it may desire,
23 and Debtor shall cooperate therewith.

24 28. In connection with the execution of the Loan Modification Agreement, the Debtor shall
25 execute a stipulation for the ex parte appointment of a receiver, to which shall be attached
26 an order appointing a receiver over the Debtor the Subject Properties ("Receiver
27 Stipulation"). The Loan Modification Agreement shall further provide that, upon the
28 occurrence of an event of default under the Loan Modification Agreement, Mechanics

1 Bank shall have the right to file an action against the Debtor in a court of competent
2 jurisdiction and to present the Receiver Stipulation to said court, requesting that a
3 receiver shall be appointed over the Debtor. The Loan Modification Agreement shall
4 further provide that, in the event a bankruptcy case is filed by or against the Debtor, that
5 sufficient cause exists for the bankruptcy court having jurisdiction over such bankruptcy
6 case to grant Mechanics Bank relief from the automatic stay to enable Mechanics Bank to
7 enforce its rights against the Subject Properties and any personal property associated
8 therewith, that the Debtor irrevocably consents and waives any rights to object to, and
9 Mechanics Bank shall be entitled to, an order granting relief from any and all such stays,
10 including the automatic stay imposed by 11 U.S.C. § 362 and/or equitable relief under 11
11 U.S.C. § 105, or other applicable law, and shall further provide that any future
12 bankruptcy case filed by the Debtor shall be deemed to have been filed in bad faith.

13 29. The Guaranty shall be deemed canceled as of the Effective Date of the Plan.

14 30. On or before five business days have elapsed from the Effective Date, Mechanics Bank
15 shall dismiss without prejudice the action entitled Mechanics Bank, etc. v. Almaden
16 Associates, LLC, etc., et al., Contra Costa County Superior Court, Case No. C-10-00242
17 and the action entitled Mechanics Bank, etc. v. Sidney Corrie, Jr., etc., et al., Contra
18 Costa County Superior Court, Case No. C-10-00872, (collectively the "Enforcement
19 Litigation").

20 31. The Debtor and Corrie will release Mechanics Bank from all claims arising or accruing
21 prior to the Effective Date.
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