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7 Attorneys for CPF VASEO ASSOCIATES, LLC

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

10 In re:	Chapter 11
11 EPICENTER PARTNERS L.L.C.	Case No. 2:16-bk-05493-MCW
12 GRAY MEYER FANNIN L.L.C.	Jointly Administered with:
13 SONORAN DESERT LAND INVESTORS LLC	Case No. 2:16-bk-05494-MCW
14 EAST OF EPICENTER LLC	Case No. 2:16-bk-07659-MCW
15 GRAY PHOENIX DESERT RIDGE II, LLC	Case No. 2:16-bk-07660-MCW
16 Debtors.	Case No. 2:16-bk-07661-MCW

17  
18 **DISCLOSURE STATEMENT IN SUPPORT OF JOINT PLAN OF**  
19 **REORGANIZATION FOR ALL DEBTORS**

20 **I.**  
**INTRODUCTION**

21 Pursuant to 11 U.S.C. § 1125, this *Disclosure Statement in Support of Joint Plan of*  
22 *Reorganization For All Debtors* (the “Disclosure Statement”) is submitted by CPF Vaseo  
23 Associates, LLC (“CPF” or “Plan Proponent”), a secured creditor and party-in-interest in  
24 the above captioned chapter 11 cases of Epicenter Partners, LLC (“EP”), Gray Meyer  
25 Fannin, LLC (“GMF”), Sonoran Desert Land Investors, LLC (“SDLI”), East of Epicenter,  
26 LLC (“EoE”) and Gray Phoenix Desert Ridge II, LLC (“GPDR II” and together with EP,

1 GMF, SDLI, and EoE, the “Debtors”). The purpose of this Disclosure Statement is to  
 2 provide adequate information to the holders of claims or interests in this matter so that  
 3 they may make an informed judgment in exercising their right to vote for acceptance or  
 4 rejection of the *Joint Plan of Reorganization For All Debtors* (as amended, the “Plan”), a  
 5 copy of which is attached as Exhibit “A”.

6 The Plan provides for the reorganization of the Debtors. The following  
 7 summarizes CPF’s secured debts against the Debtors as of February 28, 2017 and the real  
 8 estate appraisals submitted by CPF and the Debtors in the cases:

9 Debt	Balance (excluding post-petition attorneys’ fees and costs)	Per Diem Interest	Per Diem Late Fees	Collateral	Debtor	CPF Appraisals	Debtor Appraisals
13 Ganymede Note	\$71,905,210	\$74,901	-	96 Acres	EP & GMF	\$54,000,000	\$121,000,000
14 STB Note	\$3,851,953	\$688	-	96 Acres	EP & GMF	\$54,000,000	\$121,000,000
16 \$26.5 MM Note	\$35,963,082	\$13,068	\$10,000	20 Acres Blue Sky Parcel 2H	GPDR II SDLI EoE	\$13,067,950 \$22,470,000 \$4,970,000	\$27,300,000 - \$11,100,000
19 \$3.7 MM Note	\$5,113,025	\$1,825	\$1,500	Parcel 2H	EoE	\$4,970,000	\$11,100,000
20 Totals	\$116,833,270	\$90,482	\$11,500				

21 Under the Plan, the consideration and benefits provided by CPF, as the Plan  
 22 Proponent, include at least the following:

23 EP & GMF

24 CPF has agreed to accept 100% of the new Equity Security Interests in EP & GMF  
 25 in full and final satisfaction of the Ganymede Note and STB, consideration totaling in  
 26

1 excess of \$75,757,163 as of February 28, 2017. CPF has committed to fund the payment  
2 of the deferred lease payments due to ASLD on July 7, 2017 in the amount of \$4,149,394.  
3 CPF has agreed to provide funding to pay all Allowed Administrative Claims in the EP &  
4 GMF cases, net of any retainers held by Professionals. CPF has agreed to provide funding  
5 to pay the Allowed amount of Maricopa County's secured tax claim, alleged to be  
6 \$122,234.52 as of the Petition Date. And, CPF has agreed to fund the Unsecured Creditor  
7 Dividend Fund in the amount of \$500,000 to make Pro Rata distributions to holders of  
8 Allowed Non-Insider Unsecured Claims. And, CPF will fund the post-Effective Date  
9 activities of EP & GMF.

10 GPDR II & SDLI

11 CPF has agreed to accept 100% of the new Equity Security Interests in GPDR II &  
12 SDLI in full and final satisfaction of the \$26.5 MM Note, consideration totaling in excess  
13 of \$35,963,082 as of February 28, 2017. CPF has committed to fund the payment of the  
14 deferred lease payments due to ASLD on July 7, 2017 in the amount of \$691,485. CPF  
15 has agreed to provide funding to pay all Allowed Administrative Claims in the GPDR II  
16 & SDLI cases, net of any retainers held by Professionals. CPF has agreed to provide  
17 funding to pay the Allowed amount of Maricopa County's secured tax claim, alleged to be  
18 \$127,557.52 as of the Petition Date. And, the holders of Allowed Non-Insider Unsecured  
19 Claims against GPDR II and SDLI will share Pro Rata in the Unsecured Creditor  
20 Dividend Fund. And, CPF will fund the post-Effective Date activities of GPDR II &  
21 SDLI.

22 EoE

23 CPF has agreed to accept 100% of the new Equity Security Interests in EoE in full  
24 and final satisfaction of the \$3.7 MM Note, consideration totaling in excess of \$5,113,025  
25 as of February 28, 2017. CPF has agreed to provide funding to pay all Allowed  
26 Administrative Claims in the EoE case, net of any retainers held by Professionals. CPF

1 has agreed to provide funding to pay the Allowed amount of Maricopa County's secured  
2 tax claim, alleged to be \$144,312.13 as of the Petition Date. And, the holders of Allowed  
3 Non-Insider Unsecured Claims against EoE share Pro Rata in the Unsecured Creditor  
4 Dividend Fund. And, CPF will fund the post-Effective Date activities of EoE.

5 CPF RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN IN ORDER  
6 TO MAXIMIZE THE RECOVERY OF YOUR CLAIM.

7 Capitalized terms used in this Disclosure Statement will correspond to terms  
8 defined in the Plan and the Bankruptcy Code. Terms used in this Disclosure Statement  
9 that are also defined in the Plan are defined solely for convenience; and the Debtors do not  
10 intend to change the definitions of those terms from the Plan. If there is any inconsistency  
11 between the Plan and this Disclosure Statement, the Plan is, and will be, controlling.

12 **II.**  
13 **OVERVIEW OF CHAPTER 11**

14 **A. Information Regarding The Plan And Disclosure Statement**

15 The objective of a Chapter 11 case is the confirmation (i.e., approval by the  
16 Bankruptcy Court) of a plan of reorganization or liquidation. A Chapter 11 plan describes  
17 in detail (and in language appropriate for a legal contract) the means for satisfying the  
18 claims against and equity interests in a debtor, or in this case, the Debtors. After a plan  
19 has been filed, the holders of claims and equity interests that are impaired by the plan are  
20 permitted to vote to accept or reject the plan. Before a plan proponent can solicit  
21 acceptances of its plan, however, Section 1125 of the Bankruptcy Code requires the plan  
22 proponent to prepare a disclosure statement containing adequate information of a kind,  
23 and in sufficient detail, to enable those parties entitled to vote on the plan to make an  
24 informed judgment about the plan and about whether they should accept or reject the plan.

25 The purpose of this Disclosure Statement is to provide sufficient information about  
26 the Debtors and the Plan to enable you to make an informed decision in exercising your  
right to accept or reject the Plan. Therefore, this Disclosure Statement provides relevant

1 information about the Debtors, their property and financial condition, and the Plan.

2 This Disclosure Statement will be used to solicit acceptances of the Plan only after  
3 the Bankruptcy Court has entered an order either approving or conditionally approving  
4 this Disclosure Statement. Approval by the Bankruptcy Court of this Disclosure  
5 Statement means only that the Bankruptcy Court has found that this Disclosure Statement  
6 contains sufficient information for the Debtors to transmit the Plan and Disclosure  
7 Statement to Creditors and to solicit acceptances of the Plan. The Bankruptcy Court's  
8 approval of this Disclosure Statement does not constitute a certification by the Court that  
9 the Disclosure Statement is without inaccuracy.

10 After the Bankruptcy Court has granted approval or conditional approval of this  
11 Disclosure Statement and there has been voting on the Plan, the Bankruptcy Court will  
12 conduct a Confirmation Hearing concerning whether the Plan should be approved. At the  
13 Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the  
14 various requirements of the Bankruptcy Code. The Bankruptcy Court also will receive  
15 and consider a ballot report prepared by CPF that will present a tally of the votes  
16 accepting or rejecting the Plan cast by those entitled to vote. Accordingly, all votes are  
17 important because they can determine whether the Plan will be confirmed. Once  
18 confirmed, the Plan is essentially a new contract between the Plan Proponent, the Debtors,  
19 their Creditors, and Equity Security Interests holders and is binding on the Debtors, all  
20 Creditors, Equity Security Interests holders and other parties-in-interest in the Debtors'  
21 Bankruptcy Cases regardless of whether any particular Creditor or Equity Security  
22 Interest holder voted to accept the Plan.

23 **THIS DISCLOSURE STATEMENT IS NOT THE PLAN. FOR THE**  
24 **CONVENIENCE OF CREDITORS AND HOLDERS OF EQUITY**  
25 **SECURITY INTERESTS, THE PLAN IS SUMMARIZED IN THIS**  
26 **DISCLOSURE STATEMENT. ALL SUMMARIES OF THE PLAN**  
**ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN ITSELF.**  
**IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS**  
**DISCLOSURE STATEMENT AND THE PLAN, THE PLAN WILL**  
**CONTROL.**

1 **B. Sources of Information and Representations.**

2 This Disclosure Statement has not been subjected to a certified audit; however, it  
3 has been prepared in part from information provided by the Debtors in these cases through  
4 its filings, and by Claims and pleadings filed by other parties in interest, including, the  
5 Debtors' statements and schedules, monthly operating reports, and the *Disclosure*  
6 *Statement to Accompany First Amended Chapter 11 Plan Of Reorganization For*  
7 *Epicenter Partners LLC And Gray Meyer Fannin LLC* [Dkt. 208], attached hereto as  
8 Exhibit "B". Other information, specifically information regarding CPF's Claims against  
9 the Debtors, was taken from CPF's business records maintained in the ordinary course of  
10 business or from information received from the Debtors from third parties. Every effort  
11 has been made to be as accurate as possible in the preparation of this Disclosure  
12 Statement.

13 This is a solicitation by CPF only and is not a solicitation by the Representatives of  
14 CPF. No statement or information concerning the Debtors or their assets or securities is  
15 authorized, other than as set forth in the Disclosure Statement. STATEMENTS MADE  
16 IN THIS DISCLOSURE STATEMENT REGARDING THE FINANCIAL  
17 PERFORMANCE AND PREPETITION AND POSTPETITION EVENTS OF THE  
18 DEBTORS ARE REPRESENTATIONS OF THE DEBTORS ONLY. CPF'S  
19 REFERENCE TO OR INCLUSION OF DOCUMENTS, REPORTS, PLEADINGS,  
20 PLANS, DISCLOSURE STATEMENTS OR OTHER MATERIALS FILED IN THESE  
21 CASES BY THE DEBTORS IS NOT AND SHALL NOT BE CONSTRUED AS AN  
22 ADOPTION BY CPF OF ANY REPRESENTATIONS MADE BY OR POSITIONS  
23 TAKEN BY THE DEBTORS IN THESE CASES OR OTHERWISE OR AS ANY TYPE  
24 OF ADMISSION BY CPF. ANY SUCH MATERIALS ARE INCLUDED HEREIN  
25 SOLELY IN THE INTEREST OF FULL DISCLOSURE REGARDING THE  
26 COMPETING AND ADVERSARIAL POSITIONS ASSERTED BY VARIOUES

1 PARTIES IN THESE CASES, INCLUDING CPF AND THE DEBTORS. IN MOST  
2 CASES, CPF DISPUTES THE STATEMENTS AND POSITIONS TAKEN BY THE  
3 DEBTORS IN THESE CASES, IN PARTICULAR THE DEBTORS' ALLEGATIONS  
4 REGARDING THE VALUE OF THE DR PROPERTY.

5 **III.**  
6 **BACKGROUND & EVENTS LEADING TO FILING**

7 **A. The Debtors**

8 *See Disclosure Statement to Accompany First Amended Chapter 11 Plan Of*  
9 *Reorganization For Epicenter Partners LLC And Gray Meyer Fannin LLC [Dkt. 208] for*  
10 *the Debtors' description of their background and events the Debtors claim led to the*  
11 *Chapter 11 filings.*

12 **B. The May Debtors.**

13 EP and GMF are the lessees under the Arizona State Land Department Commercial  
14 Lease No. 003-052415-99, as amended (the "Core Lease") for the 96.5 Acre Parcels.  
15 Pursuant to the Settlement Agreement, dated May 30, 2014 executed by and between  
16 ASLD and the Debtors, and the May 30, 2014 letter from ASLD to EP and GMF, ASLD  
17 granted EP and GMF an extension of time through July 7, 2017 at 4:30 p.m. to pay all  
18 rent, interest, and penalties due under the Core Lease for the period of time beginning July  
19 7, 2012 and ending July 6, 2017 in the total amount of \$4,149,393.78. If the deferred  
20 lease payments are not timely paid, the 96.5 Acre Lease will terminate.

21 The Debtors' rights under the Core Lease are subject to all recorded documents  
22 affecting the 96.5 Acre Parcels, including, but not limited to: Declaration of Covenants,  
23 Conditions, Restrictions and Easements for Desert Ridge, recorded as Instrument No. 94-  
24 0106341, as amended; Declaration of Covenants, Conditions, Restrictions and Easements  
25 for Desert Ridge Commercial Core, recorded as Instrument No. 2000-0555236, as  
26 amended; Tract Declaration for Desert Ridge Commercial Core, recorded as Instrument  
No. 2000-0555237, as amended; Map of Dedication for City North, recorded as

1 Instrument No. 2007-1180844; Mutual Easement Agreement, recorded as Instrument No.  
2 2012-584410; Access and Utility Easement Agreement, recorded as Instrument No. 2013-  
3 347897; various Assignment Leases affecting property within the Desert Ridge  
4 Commercial Core; and Other recorded documents affecting property with the Desert  
5 Ridge Master Planned Community and the Desert Ridge Commercial Core.

6 CPF holds first and prior, valid and perfected liens and security interests in the 96.5  
7 Acre Parcels (and all rights of EP and GMF under the Core Lease), and all Declarant and  
8 Master Developer Rights held by EP and GMF as security for debts totaling \$71,701,083,  
9 as of December 31, 2016, plus accrued and accruing interest, attorneys' fees, and  
10 collection costs recoverable by CPF under the terms of its loan documents. *See* Claim 10-  
11 1 filed by CPF against EP in Case 2:16-bk-05493-MCW; Claim 1-1 filed by CPF against  
12 GMF, Case 2:16-bk-05494-MCW.

13 The Debtors claim that the 96.5 Acre Parcels are worth \$121,100,000 based on a  
14 series of appraisals authored by Thomas Raynak of CBRE. Martori & Company, retained  
15 by CPF to appraise the 96.5 Acre Parcels, concluded an "as is" value of \$54,000,000.

16 **C. The July Debtors.**

17 GPDR II is the lessee under the Arizona State Land Department Commercial Lease  
18 No. 003-116780-99, as amended (the "20 Acre Lease") for the 20 Acre Parcel. Pursuant  
19 to the Settlement Agreement, dated May 30, 2014 executed by and between ASLD and  
20 the Debtors, and the May 29, 2014 letter from ASLD to GPDR II, ASLD granted GPDR  
21 II an extension of time through July 7, 2017 at 4:30 p.m. to pay all rent, interest, and  
22 penalties due under the 20 Acre Lease for the period of time beginning July 7, 2013 and  
23 ending July 6, 2017 in the total amount of \$691,589.85. If the deferred lease payments are  
24 not timely paid, the 20 Acre Lease will terminate.

25 GPDR II's rights under the 20 Acre Lease are subject to all recorded documents  
26 affecting the 20 Acre Parcel, including, but not limited to: Declaration of Covenants,



1 Conditions, Restrictions and Easements for Desert Ridge, recorded as Instrument No. 94-  
2 0106341, as amended; Declaration of Covenants, Conditions, Restrictions and Easements  
3 for Desert Ridge Commercial Core, recorded as Instrument No. 2000-0555236, as  
4 amended; Tract Declaration for Desert Ridge Commercial Core, recorded as Instrument  
5 No. 2000-0555237, as amended; Map of Dedication for City North, recorded as  
6 Instrument No. 2007-1180844; Mutual Easement Agreement, recorded as Instrument No.  
7 2012-584410; Access and Utility Easement Agreement, recorded as Instrument No. 2013-  
8 347897; various Assignment Leases affecting property within the Desert Ridge  
9 Commercial Core; and Other recorded documents affecting property with the Desert  
10 Ridge Master Planned Community and the Desert Ridge Commercial Core.

11 On June 3, 2016, CPF acquired a loan in the original principal amount of \$3.7  
12 million made by Pacific Coach, Inc. to EoE (the “\$3.7 MM Loan”). The \$3.7 MM Loan  
13 is secured by approximately 5.92 acres of fee simple land owned by EoE known as Parcel  
14 2H, located near the northeast corner of Highway 101 and 56<sup>th</sup> Street in Maricopa County,  
15 AZ (“Parcel 2H”) and any related leases and plans. CPF filed Claim No. 5-1 filed in the  
16 EOE case, 2:16-bk-07660, on October 20, 2016, which reflects that, as of the petition date  
17 of the EOE case, CPF was owed \$4,364,146.17 plus accrued and accruing interest, late  
18 fees, attorneys’ fees and costs. As of October 31, 2016, the debt owed by EoE totaled  
19 \$4,714,065.75 plus accrued and accruing interest, late fees, attorneys’ fees and costs. The  
20 interest per diem is \$1,824.66, and the late fee per diem is \$1,500.

21 On June 3, 2016, CPF acquired a loan in the original principal amount of \$26.5  
22 million made by Pacific Coach, Inc. to GPDR II and SDLI (the “\$26.5 MM Loan”). The  
23 \$26.5 MM Loan is secured by senior liens on (a) a 20 acre portion of Desert Ridge Parcel  
24 H-2, Superblock 5.A, leased by GPDR II (the “20 Acre Parcel”), and (ii) approximately  
25 3.74 acres of fee simple property, owned by SDLI, located northeast of the intersection of  
26 Camelback Road and Scottsdale Road in Maricopa County, AZ (the “Blue Sky Property”)

1 and any related leases and plans. The \$26.5 MM Loan also is secured by a *Second Deed*  
2 *of Trust, Assignment of Rents, and Security Agreement*, dated December 10, 2014, and  
3 recorded in the Official Records of Maricopa County Recorder as Instrument No.  
4 20140812399, encumbering Parcel 2H.

5 CPF filed Claim 5-1 in the SDLI case, No. 2:16-bk-07659, and Claim 2-1 in the  
6 GPRD II case, No. 2:16-bk-07661, which reflect that as of the petition date of the SDLI  
7 and GPDR II cases, CPF was owed \$30,518,917.81 plus accrued and accruing interest,  
8 late fees, attorneys' fees and costs. As of December 31, 2016, CPF is owed \$34,648,178,  
9 plus accrued and accruing interest, attorneys' fees, and collection costs recoverable by  
10 CPF under the terms of its loan documents.

11 The Debtors claim that the 20 Acre Parcel is worth \$27,300,000 based on a series  
12 of appraisals authored by Thomas Raynak of CBRE (valuing the 20 Acre Parcel at a range  
13 of \$18,100,000 - \$27,300,000, as of August 8, 2016). Martori & Company, retained by  
14 CPF to appraise the 20 Acre Parcel, concluded an "as is" value of \$13,067,950.

15 **IV.**  
16 **POSTPETITION PROCEEDINGS AND EVENTS**

17 **A. Summary Of Key Events Related To The Bankruptcy Cases.**

18 1. Ganymede Adversary (2:16-ap-00334-MCW).

19 On July 19, 2017, EP and GMF (the "May Debtors") filed a Complaint against  
20 CPF initiating the Ganymede Adversary, which represents the May Debtors' attempt to  
21 unwind litigation finance transactions entered into by well represented, sophisticated  
22 financial parties over a course of four (4) years beginning in December 2009. In 2009,  
23 desiring funding to continue his high-stakes litigation over the Desert Ridge property, that  
24 is the subject of these Cases and the adversary proceeding, Bruce Gray negotiated with  
25 Ganymede to provide immediate funding of \$6 million that was secured by a lien on the  
26 Litigation Claim, proceeds of the Litigation Claim, and related assets pursuant to the  
"Security Agreement and Collateral Assignment" dated as of 12/22/09. In exchange, the

1 May Debtors promised to reimburse the \$6 million advance and pay Ganymede up to 40%  
2 of the recovery in the event Gray and the May Debtors were successful in their litigation.<sup>1</sup>  
3 That litigation, funded by Ganymede, resulted in the May Debtors obtaining a \$6 million  
4 settlement in May, 2010, from one defendant, and a \$110,658,800 judgment in October  
5 2010 against the remaining defendants.

6 Two and a half years after the judgment was entered, and more than 13 months  
7 after Gray and the May Debtors settled the judgment in exchange for assignments of the  
8 lease rights to the Secured Land and the Master Developer and Declarant Rights for  
9 Desert Ridge, valued by the May Debtors at \$140 – 170 million, Ganymede remained  
10 unpaid. Finally, in April 2013, Gray and the May Debtors agreed to settle the amounts  
11 owed to Ganymede under the Forward Purchase Agreement. The parties agreed that the  
12 total amount owing from the May Debtors to Ganymede was \$50,713,000 (inclusive of all  
13 interest, fees, costs, and 40% of the litigation recovery); the May Debtors executed a  
14 promissory note payable to Ganymede in that amount; and the May Debtors granted  
15 Ganymede a lien in the Secured Land and Master Developer and Declarant Rights to  
16 secure the payment of the Liquidated Sum.<sup>2</sup> The May Debtors confirmed that they had no  
17 “existing claims, defenses, personal or otherwise, or rights of setoff whatsoever” with  
18 respect to the Forward Purchase Agreement and the Transaction Documents. And, the  
19 May Debtors expressly waived, released and absolutely and forever discharged Ganymede  
20 from and any all claims as of the date of the settlement.<sup>3</sup>

21 Ganymede agreed that the May Debtors would have until December 31, 2015 to

22 \_\_\_\_\_  
23 <sup>1</sup> Over time the original \$6.0 million advance was increased to \$6.775 million.

24 <sup>2</sup> The Forward Purchase Agreement contemplated repayment of Ganymede out of the proceeds of  
25 the judgment obtained by the May Debtors against NPP. Because the judgment was resolved by a transfer  
26 of NPP’s rights in the Secured Land and the Master Developer and Declarant Rights, the obligation of the  
May Debtors under the Forward Purchase Agreement was resolved through the promissory note and lien  
granted to Ganymede on the Secured Land and the Master Developer and Declarant Rights.

<sup>3</sup> See Complaint, Exhibit 19.

1 pay off the debt, with the ability to extend the maturity date by an additional year  
2 provided that certain conditions were met related to progress in the development of the  
3 Secured Land or pay down of the debt, and evidence that the value of the remaining  
4 Secured Land was sufficient to provide an equity cushion equal to the remaining amounts  
5 owed to Ganymede as of the beginning of the extension period. Notably, Ganymede also  
6 heavily incentivized Gray and the May Debtors to repay the debt sooner rather than later  
7 by offering steep discounts in exchange for early payment. For example, the May Debtors  
8 could have paid off the entire Ganymede debt on June 30, 2013 for \$18,439,000,  
9 approximately 36.4% of the principal amount of the note.<sup>4</sup>

10 By December 31, 2015, six years after the initial Ganymede advance, and eighteen  
11 months after the parties had settled the amounts owed to Ganymede under the Forward  
12 Purchase Agreement, the May Debtors had made little to no progress in either developing  
13 the Secured Land or paying down the debt. Instead, in the months leading up to the  
14 December 31, 2015 maturity date, Gray did what he has done in virtually every  
15 commercial transaction he has ever been involved with; he began threatening litigation in  
16 an attempt to bully Ganymede into further concessions. Rather than submit to Gray's  
17 bullying tactics, after the May Debtors defaulted on December 31, 2015, Ganymede  
18 initiated foreclosure proceedings and eventually sold its note and deed of trust to CPF,  
19 along with the STB Note and STB DOT representing an additional \$2,956,703.66 of  
20 unpaid attorneys' fees and costs the May Debtors still owed from the litigation settled in  
21 May 2012.

22 The May Debtors now claim in the Ganymede Adversary (without specificity) that  
23 Ganymede somehow coerced Gray into accepting its money, that each of the 15 plus  
24 transaction documents executed by Gray and the May Debtors over the course of 4 years

25 \_\_\_\_\_  
26 <sup>4</sup> *Id.* Exhibit A to the 4/22/2013 Agreement reflects the agreed upon quarterly Discounted Payment  
Amounts, ranging from \$15,500,000 on September 30, 2012 to \$37,612,000 on December 31, 2015. *See*  
Complaint, Exhibit 19, at page 13.

1 were contracts of adhesion, and that when the May Debtors settled the amounts owed to  
2 Ganymede and granted Ganymede security interests in the Secured Land and Master  
3 Developer and Declarant Rights, the Debtors intended to hinder, delay, or defraud their  
4 other creditors. Even more egregious, the May Debtors claim, is that Ganymede  
5 eventually sold its note and deed of trust to CPF. Based on this “egregious” conduct by  
6 Ganymede, the May Debtors ask the Court to avoid the liens securing CPF’s claims,  
7 equitably subordinate CPF’s claims and transfer its liens to the bankruptcy estates, and  
8 recharacterize CPF’s claims as equity.

9 Following oral argument on October 5, 2016, the Court granted CPF’s motion to  
10 dismiss the complaint for failure to state a claim upon which relief may be granted, but  
11 authorized the May Debtors to file an amended complaint. [Adv. Dkt. 51]. The May  
12 Debtors’ filed an amended complaint on November 28, 2016. [Adv. Dkt. 60]. The  
13 amended complaint suffers from all of the same deficiencies as the original complaint, and  
14 fails to state a claim upon which relief may be granted. A hearing on CPF’s motion to  
15 dismiss the amended complaint is scheduled for February 2, 2017. Additional information  
16 regarding the Ganymede Adversary can be found on Pacer:

17 [https://ecf.azb.uscourts.gov/cgi-bin/DktRpt.pl?368948727314145-L\\_1\\_0-1](https://ecf.azb.uscourts.gov/cgi-bin/DktRpt.pl?368948727314145-L_1_0-1)

18 2. Injunction Adversary (2:16-ap-00343-MCW).

19 On June 14, 2016, CPF initiated *CPF Vaseo Associates, LLC v. Bruce W. Gray and*  
20 *Barbara Gray*, Case No. CV2016-008390 (the “Guarantor Action”) currently pending in  
21 the Maricopa County Superior Court (the “State Court”) by filing a Verified Complaint  
22 against Bruce Gray and Barbara Gray. The Verified Complaint includes two claims for  
23 relief. The first claim for relief, against Gray only, is for breach of a Continuing Guaranty  
24 executed by Gray on September 16, 2014 to induce Pacific Coach, Inc. to make a  
25 \$3,700,000 loan to EOE. The loan originally was set to mature on March 16, 2015, but  
26 was extended to March 16, 2016. EOE failed to repay the loan at maturity, and despite

1 demand, Gray refused to honor the Continuing Guaranty. CPF purchased the loan from  
2 Pacific Coach, Inc. on June 3, 2016. The second claim for relief is against Bruce and  
3 Barbara Gray for breach of a Continuing Guaranty executed by the Grays on December 9,  
4 2014 to induce Pacific Coach, Inc. to make a \$26,500,000 loan to SDLI and GPDR II.  
5 The loan matured on June 9, 2016, but SDLI and GPDR II failed to repay the loan at  
6 maturity and despite demand, the Grays have refused to honor the Continuing Guaranty.  
7 CPF purchased the loan from Pacific Coach, Inc. on June 3, 2016.

8 On July 13, 2016, CPF filed an *Application for Order Authorizing Provisional*  
9 *Remedies With Notice* (the “Provisional Remedy Application”) in the Guarantor Action  
10 asking the State Court to allow CPF to pursue pre-judgment collection activity against the  
11 Grays, including non-earnings garnishments, applications for charging orders, and  
12 attachments. CPF also seeks the ability to pursue pre-judgment discovery regarding the  
13 Gray’s non-exempt assets in an effort to locate assets that may be available to satisfy  
14 CPF’s claims and future judgment against the Grays on their personal guaranties.

15 The July Debtors’ cases were filed on July 6, 2016 (the “Petition Date”). On July  
16 21, 2016, the Debtors, East of Epicenter, LLC and Sonoran Desert Land Investors, LLC  
17 filed a Complaint against CPF initiating the Injunction Adversary and asking the Court to  
18 enter a stay or injunction to prevent CPF from pursuing the Guarantor Action against the  
19 Grays. [Adv. Dkt. 1]. On July 28, 2016, over CPF’s objection, the Court entered a  
20 temporary stay prohibiting CPF from pursuing any action against the Grays on the  
21 personal guaranties. [Adv. Dkt. 24]. The Court’s order also prohibited the Grays from  
22 transferring or encumbering any of their assets outside of the ordinary course of business.  
23 The Grays, through their counsel, stipulated and agreed that: “they shall not transfer or  
24 encumber any property without further court order.”

25 The Court’s 7/28/2016 ME Order was reduced to a formal order on August 15,  
26 2016, the form of which was approved in advance by Grays’ personal counsel. *See Adv.*

1 Dkt. 35. Paragraph 4 of the Injunction Order expressly states that: “The Grays shall not  
2 transfer, encumber, or otherwise dispose of any personal assets outside of the ordinary  
3 course absent further order of the Court.” And, ¶ 5 of the Injunction Order required the  
4 Grays to: “...provide the Unsecured Creditors’ Committee with a current financial  
5 statement showing all assets and liabilities of the Grays.” The purpose of the requirement  
6 was to provide a means for determining the Grays’ compliance with the Injunction Order.

7 Following an October 31, 2016 trial in the Injunction Adversary, the Grays violated  
8 the Court’s Injunction Order by selling Gray’s property located at 5315 E. Solano Dr.,  
9 Paradise Valley, AZ 85253 for \$3,200,000. Barbara Gray was the listing agent for the  
10 sale and aided and abetted Gray in violating the Injunction Order. Following a hearing on  
11 January 20, 2017, the Court held Bruce and Barbara Gray in contempt for violating the  
12 Injunction Order, immediately terminated the injunction, and sanctioned the Grays.  
13 Additional information regarding the Injunction Adversary can be found on Pacer:

14 [https://ecf.azb.uscourts.gov/cgi-bin/DktRpt.pl?104017810832107-L\\_1\\_0-1](https://ecf.azb.uscourts.gov/cgi-bin/DktRpt.pl?104017810832107-L_1_0-1)

15 3. Lien Avoidance Adversary (2:16-ap-00395-MCW).

16 On August 16, 2016, the May Debtors filed a complaint against CPF initiating the  
17 Lien Avoidance Adversary, and asking the Court to avoid a duly executed and recorded  
18 *Assignment of Rights as Master Developer and Declarant* (the “Collateral Assignment”)  
19 executed and delivered by the May Debtors to Ganymede, as additional security for the  
20 Ganymede debt. The May Debtors allege that the Court should avoid the security interest  
21 they granted to Ganymede and Simpson Thatcher & Bartlett LLP (“STB”), later assigned  
22 by Ganymede to CPF, in all of the May Debtors’ rights as “Master Developer” and  
23 “Declarant” under the Master CC&Rs for Desert Ridge Master Planned Community,  
24 because the Arizona State Land Department (“ASLD”) allegedly did not pre-approve CPF  
25 as Master Declarant in the event that CPF foreclosed its Deed of Trust and the Collateral  
26 Assignment. CPF contends that the Collateral Assignments are properly perfected and

1 unavoidable, and that ASLD approval of CPF as Master Developer is not necessary or  
2 appropriate unless and until CPF becomes the lessee under the Desert Ridge Commercial  
3 Core lease.

4 CPF filed a motion to dismiss the Lien Avoidance Adversary with prejudice. The  
5 Court heard oral argument on November 9, 2016, and then took the matter under  
6 advisement. Additional information on the Lien Avoidance Adversary is available on  
7 Pacer: [https://ecf.azb.uscourts.gov/cgi-bin/DktRpt.pl?105460982025549-L\\_1\\_0-1](https://ecf.azb.uscourts.gov/cgi-bin/DktRpt.pl?105460982025549-L_1_0-1)

8 4. The May Debtors' Plan.

9 The May Debtors' cases were filed on May 16, 2016. On August 12, 2016, the  
10 May Debtors filed their original joint plan of reorganization. [Dkt. 87]. The May  
11 Debtors' partial dirt for debt plan proposed to satisfy CPF's secured claims based on a  
12 judicial determination of the value of CPF's collateral, as of the effective date of the Plan,  
13 and a transfer of a portion of that collateral to CPF at some unknown date in the future  
14 (estimated by the May Debtors to be 2 – 3 years post-confirmation). No disclosure  
15 statement was filed by the May Debtors at the time that they filed their original plan.

16 On August 29, 2016, CPF filed its *Motion for Relief from the Automatic Stay with*  
17 *Respect to All Collateral Securing CPF's Secured Claims* [Dkt. 113]. CPF asked the  
18 Court to grant CPF relief from all applicable stays and injunctions, including the  
19 automatic stay of 11 U.S.C. § 362(a), pursuant to 11 U.S.C. § 362(d)(3), based on the fact  
20 that the May Debtors failed to either file a plan that had a reasonable likelihood of being  
21 confirmed within a reasonable time or begin making interest payments to CPF within 90  
22 days of the petition date. Among other things, CPF argued that, based on *In re Arnold &*  
23 *Baker Farms*, 85 F.3d 1415 (9th Cir. 1996) and related cases, the Court's judicial  
24 valuation of the May Debtors' property based on disputed and widely varying appraisal  
25 evidence, cannot provide the absolute certainty required to establish indubitable  
26 equivalence, and therefore, the May Debtors' Plan was unconfirmable on its face. *See*



1 Dkt. 170, pp. 5-9.

2 Two days after the CPF stay relief motion was filed, on August 31, 2016, the May  
3 Debtors filed a disclosure statement, but didn't bother to obtain a hearing date. [Dkt.  
4 128]. On September 9, 2016, the May Debtors noticed a disclosure statement hearing for  
5 October 18, 2016. [Dkt. 137]. On October 17, 2016, the day before the hearing on the  
6 CPF stay relief motion and the May Debtors' disclosure statement, the May Debtors filed  
7 a statement of position effectively withdrawing the existing plan and stating that an  
8 amended plan and disclosure statement would be filed based on negotiations with the  
9 Committee. [Dkt. 190].

10 On October 18, 2016, the Court set October 28, 2016 as the deadline for the May  
11 Debtors to file an amended plan and disclosure statement, and took the CPF stay relief  
12 motion under advisement. On October 28, 2016, the May Debtors filed an amended plan  
13 and disclosure statement. [Dkt. 206 – 209]. Like the original plan, the amended plan  
14 proposes to satisfy CPF's secured claims through a judicial valuation of CPF's collateral  
15 and a surrender of a portion of CPF's collateral to it at some unknown future date. *See*  
16 Dkt. 206, pp. 14-17, §§ 4.2 and 4.3. And, the amended plan suffers from many of the  
17 same other defects of the original plan, including improper classification of claims,  
18 improper substantive consolidation of the May Debtors, and other defects discussed in the  
19 CPF stay relief motion.

20 At the request of the Debtors, the Court scheduled an evidentiary hearing for  
21 February 8 – 10, 2017 to (a) determine the value of the 96.5 Acre Parcels and the 20 Acre  
22 Parcel, and (b) determine if the May Debtors' plan provides CPF with the indubitable  
23 equivalent of its secured claims. The Court is holding its ruling on CPF's stay relief  
24 motion in abeyance pending the outcome of the valuation/indubitable equivalence  
25 hearing.

26 5. The July Debtors' Plan.

1 The July Debtors' cases were filed on July 6, 2016. On October 4, 2016, the July  
2 Debtors filed a joint plan of reorganization. [Dkt. 169]. Much like the plan proposed by  
3 the May Debtors, the July Debtors' plan is a partial dirt for debt plan, and is  
4 unconfirmable on its face. The July Debtors propose a judicial valuation of CPF's  
5 collateral and then satisfaction of CPF's secured claims through a combination of either  
6 (i) a sale of the Blue Sky Property plus a surrender of a portion of Parcel 2H to CPF, or  
7 (ii) if the Blue Sky sale fails to close, a surrender of some combination of portions of the  
8 Blue Sky Property, Parcel 2H, and/or Parcel 5A to CPF. See Dkt. 169, pp. 11 – 12, §§ 4.2  
9 and 4.3. The July Debtors' plan materially increases CPF's risk and is unconfirmable on its face.  
10 The July Debtors have not yet filed a disclosure statement. Bruce Gray, the sole owner  
11 and principal of the July Debtors, testified on October 31, 2016 in Adv. No. 16-ap-00343,  
12 that the July Debtors' decision not to file a disclosure statement with the plan was based  
13 on the advice of counsel.

14 On November 23, 2016, CPF filed a stay relief motion with respect to the July  
15 Debtors. [Dkt. 237]. CPF contends that it is entitled to immediate stay relief under each  
16 independent basis for relief provided under Bankruptcy Code §§ 362(d)(1), (2), and (3). The  
17 Court is holding its ruling on CPF's stay relief motion in abeyance pending the outcome of  
18 the valuation/indubitable equivalence hearing.

19 6. The Debtors' Operating Results.

20 None of the Debtors generate any revenue and are unable to pay their normal  
21 operating expenses, interest payments to CPF, lease payments to ASLD or any other  
22 reorganization expenses. More information regarding the Debtors' operations can be  
23 obtained by viewing the Debtors' monthly operating reports on Pacer.

24 7. Claims Against The Debtors.

25 a. ASLD Deferred Lease Payments. The May Debtors owe ASLD  
26 deferred lease payments totaling \$4,149,393.78 for the period of time beginning

1 July 7, 2012 and ending July 6, 2017. If the deferred lease payments are not timely  
2 paid by July 7, 2017 at 4:30 p.m., the 96.5 Acre Lease will terminate. GPDR II  
3 owes ASLD deferred lease payments totaling \$691,589.85 for the period of time  
4 beginning July 7, 2013 and ending July 6, 2017. If the deferred lease payments are  
5 not timely paid by July 7, 2017 at 4:30 p.m., the 20 Acre Lease will terminate.

6 b. CPF Secured Claims. As of December 31, 2016, the May Debtors  
7 owed CPF at least \$71,701,083, plus accrued and accruing interest, attorneys' fees  
8 and collection costs. Interest continues to accrue and compound monthly. As of  
9 December 31, 2016, GPDR II and SDLI owed CPF at least \$34,648,178, plus  
10 accrued and accruing interest, late fees, attorneys' fees, and collection costs. As of  
11 December 31, 2016, EoE owed CPF \$4,959,260 plus accrued and accruing interest,  
12 late fees, attorneys' fees, and collection costs.

13 c. Other Claims. Copies of the current Claims Registers for EP, GMF,  
14 SDLI, EoE, and GPDR II are attached hereto as Exhibits C - G.

15 MORE DETAILED AND UPDATED INFORMATION REGARDING POST-  
16 PETITION EVENTS IN THE BANKRUPTCY CASE, AND CLAIMS ASSERTED  
17 AGAINST THE DEBTORS CAN BE OBTAINED BY ACCESSING THE DOCKET IN  
18 THE BANKRUPTCY CASE ON PACER.

19 **V.**  
20 **SUMMARY OF THE PLAN**

21 The following provides a summary of the overall structure and classification of  
22 claims against or interests in the Debtors and is qualified in its entirety by reference to the  
23 Plan, which is attached as Exhibit "A". The statements in this Disclosure Statement  
24 include summaries of the provisions contained in the Plan. This summary does not  
25 purport to be a complete statement of all terms in the Plan, and reference is made to the  
26 Plan for the full and complete statement of such terms. The Plan controls the treatment of  
Claims against and Equity Security Interests in the Debtors. Where Claims are divided

1 into subclasses in the Plan, each subclass will be considered to be a separate class for all  
2 confirmation purposes, including treatment and voting on the Plan.

3 **A. Classification Of Claims And Equity Security Interests**

4 The Plan classifies Claims and Equity Security Interests in various Classes  
5 according to their right to priority of payments as provided in the Bankruptcy Code. The  
6 Plan states whether each Class of Claims or Equity Security Interests are impaired or  
7 unimpaired. The Plan provides the treatment each Class will receive under the Plan. In  
8 accordance with the requirements of the Bankruptcy Code, Allowed Administrative  
9 Expense Claims and Priority Tax Claims are not set forth in Classes and are not entitled to  
10 vote on the Plan. The Allowed Claims against the Debtors' Estates are divided into the  
11 following classes:

12 1. Class 1 (Secured Tax Claims). Class 1 consists of any Secured Tax Claims  
13 filed by the Maricopa County Treasurer against the Debtors.

14 a. Class 1.1 (Secured Tax Claims Against EP). Class 1.1 consists of  
15 any Secured Tax Claims filed against EP.

16 b. Class 1.2 (Secured Tax Claims Against SDLI). Class 1.2 consists of  
17 any Secured Tax Claims filed against SDLI.

18 c. Class 1.3 (Secured Tax Claims Against EoE). Class 1.3 consists of  
19 any Secured Tax Claims filed against EoE.

20 2. Class 2 (CPF Secured Claims). Class 2 consists of CPF's Secured Claims  
21 against the Debtors.

22 a. Class 2.1 (CPF Secured Claims against EP and GMF). Class 2.1  
23 consists of CPF's Secured Claims against EP and GMF.

24 b. Class 2.2 (CPF Secured Claim against GPDR II and SDLI). Class  
25 2.2 consists of CPF's Secured Claims against GPDR II and SDLI.

26 c. Class 2.3 (CPF Secured Claim against EoE). Class 2.3 consists of

1 CPF's Secured Claim against EoE.

2 3. Class 3 (Non-Insider Unsecured Claims). Class 3 consists of any Non-  
3 Insider Unsecured Claims against the Debtors existing as of the Confirmation Date.

4 a. Class 3.1 (EP Non-Insider Unsecured Claims). Class 3.1 consists of  
5 all Non-Insider Unsecured Claims against EP.

6 b. Class 3.2 (GMF Non-Insider Unsecured Claims). Class 3.2 consists  
7 of all Non-Insider Unsecured Claims against GMF.

8 c. Class 3.3 (SDLI Non-Insider Unsecured Claims). Class 3.3 consists  
9 of all Non-Insider Unsecured Claims against SDLI.

10 d. Class 3.4 (EoE Non-Insider Unsecured Claims). Class 3.4 consists of  
11 all Non-Insider Unsecured Claims against EoE.

12 4. Class 4 (Insider Unsecured Claims). Class 4 consists of any Insider  
13 Unsecured Claims against the Debtors existing as of the Confirmation Date.

14 a. Class 4.1 (EP Insider Unsecured Claims). Class 4.1 consists of all  
15 Insider Unsecured Claims against EP.

16 b. Class 4.2 (GMF Insider Unsecured Claims). Class 4.2 consists of all  
17 Insider Unsecured Claims against GMF.

18 c. Class 4.3 (SDLI Insider Unsecured Claims). Class 4.3 consists of all  
19 Insider Unsecured Claims against SDLI.

20 d. Class 4.4 (EoE Insider Unsecured Claims). Class 4.4 consists of all  
21 Insider Unsecured Claims against EoE.

22 e. Class 4.5 (GPDR II Insider Unsecured Claims). Class 4.5 consists of  
23 all Insider Unsecured Claims against GPDR II.

24 5. Class 5 (Equity Security Interests). Class 5 consists of the Equity Security  
25 Interests in each of the Debtors.

26 a. Class 5.1 (EP Equity Security Interests). Class 5.1 consists of all

1 Equity Security Interests in EP.

2 b. Class 5.2 (GMF Equity Security Interests). Class 5.2 consists of all  
3 Equity Security Interests in GMF.

4 c. Class 5.3 (SDLI Equity Security Interests). Class 5.3 consists of all  
5 Equity Security Interests in SDLI.

6 d. Class 5.4 (EoE Equity Security Interests). Class 5.4 consists of all  
7 Equity Security Interests in EoE.

8 e. Class 5.5 (GPDR II Equity Security Interests). Class 5.5 consists of  
9 all Equity Security Interests in GPDR II.

10 **B. Summary of Treatment Of Claims Not Impaired Under The Plan.**

11 1. Every Creditor holding an Allowed Administrative Claim against the  
12 Debtors will be paid, in full satisfaction of their Allowed Claim: (a) fully and in Cash on  
13 or before ten (10) Business Days after the Effective Date if the Claim is then an Allowed  
14 Claim; (b) fully and in Cash within ten (10) Business Days after the entry of a Final Order  
15 allowing the Claim, if the Claim is not an Allowed Claim as of the Effective Date; (c) as  
16 otherwise agreed in writing by the Creditor holding the Allowed Administrative Claim  
17 and the Reorganized Debtors; or (d) as otherwise ordered by the Bankruptcy Court.  
18 Requests for allowance and payment of Administrative Expenses must be filed and served  
19 no later than thirty (30) days after the Effective Date. Administrative Claims are  
20 unimpaired pursuant to the Plan and votes to accept or reject the Plan will not be solicited  
21 from Creditors holding Administrative Claims.

22 2. Objections. Notwithstanding any other provision of the Plan to the contrary,  
23 any objections to motions or applications seeking the allowance and payment of  
24 Administrative Expense Claims, including Professional Fee Claims, must be filed and  
25 served within the normal time limits established by the Federal Rules of Bankruptcy  
26 Procedure and the Local Rules of Bankruptcy Procedure for the District of Arizona, or as

1 otherwise ordered by the Bankruptcy Court. CPF shall be entitled to object to any  
2 Administrative Claims, including Professional Fee Claims.

3 3. U.S. Trustee Fees. All fees payable pursuant to section 1930 of Title 28 of  
4 the United States Code, as determined by the Bankruptcy Court at the Confirmation  
5 Hearing, shall be paid on the Effective Date, or as due in the normal course of billing and  
6 payment. The Reorganized Debtors shall be responsible for timely payment of fees  
7 incurred pursuant to 28 U.S.C. § 1930(a)(6). The Reorganized Debtors shall file with the  
8 Bankruptcy Court, and serve on the United States Trustee, a quarterly financial report for  
9 each quarter (or portion thereof) that the cases remain open in a format prescribed by the  
10 United States Trustee and provided to the Reorganized Debtors by the United States  
11 Trustee, and shall pay such quarterly fees as become due for each quarter post-  
12 confirmation that the cases remain open. No motion or application is required to fix fees  
13 payable to the Clerks' Office or the Office of the United States Trustee, as those fees are  
14 determined by statute.

15 4. Priority Tax Claims. Priority Tax Claims are certain pre-Petition Date  
16 unsecured income, employment and other taxes described by Section 507(a)(8) of the  
17 Bankruptcy Code. Holders of Allowed Priority Tax Claims will be paid in full and in  
18 cash within five (5) years of the Petition Date through regular equal monthly installments  
19 of principal and interest. Priority Tax Claims will be allowed in the principal amount of  
20 the tax due as of the Petition Date, with interest at the applicable statutory rate in  
21 accordance with section 511 of the Bankruptcy Code. No amounts attributable to  
22 penalties imposed or sought to be imposed by holders of Priority Tax Claims will be paid.  
23 Priority Tax Claims are unimpaired pursuant to the Plan and votes to accept or reject the  
24 Plan will not be solicited from Creditors holding Priority Tax Claims.

25 **C. Summary of Treatment Of Claims Impaired Under The Plan**

26 1. Class 1 (Secured Tax Claims). Class 1 consists of any Secured Tax Claims

1 filed by the Maricopa County Treasurer against the Debtors.

2 a. Class 1.1 (Secured Tax Claims Against EP). Class 1.1 consists of the  
3 Secured Tax Claims filed by the Maricopa County Treasurer against EP. The  
4 holder of the Class 1.1 Secured Tax Claim shall retain its Lien in its prepetition  
5 collateral. The holder of the Class 1.1 Secured Tax Claim shall be paid, in full  
6 satisfaction of the Allowed amount of such Class 1.1 Secured Tax Claim, with  
7 interest at the applicable statutory rate in accordance with section 511 of the  
8 Bankruptcy Code: (a) fully and in Cash on or before ten (10) Business Days after  
9 the Effective Date if the Claim is then an Allowed Claim; (b) fully and in Cash  
10 within ten (10) Business Days after the entry of a Final Order allowing the Claim,  
11 if the Claim is not an Allowed Claim as of the Effective Date; (c) as otherwise  
12 agreed in writing by the Creditor holding the Class 1.1 Secured Tax Claim and the  
13 Reorganized Debtors; or (d) as otherwise ordered by the Bankruptcy Court. The  
14 Class 1.1 Secured Tax Claim is impaired under the Plan, and the holder is entitled  
15 to vote to accept or reject the Plan.

16 b. Class 1.2 (Secured Tax Claims Against SDLI). Class 1.2 consists of  
17 the Secured Tax Claims filed by the Maricopa County Treasurer against SDLI.  
18 The holder of the Class 1.2 Secured Tax Claim shall retain its Lien in its  
19 prepetition collateral. The holder of the Class 1.2 Secured Tax Claim shall be paid,  
20 in full satisfaction of the Allowed amount of such Class 1.1 Secured Tax Claim,  
21 with interest at the applicable statutory rate in accordance with section 511 of the  
22 Bankruptcy Code: (a) fully and in Cash on or before ten (10) Business Days after  
23 the Effective Date if the Claim is then an Allowed Claim; (b) fully and in Cash  
24 within ten (10) Business Days after the entry of a Final Order allowing the Claim,  
25 if the Claim is not an Allowed Claim as of the Effective Date; (c) as otherwise  
26 agreed in writing by the Creditor holding the Class 1.2 Secured Tax Claim and the



1 Reorganized Debtors; or (d) as otherwise ordered by the Bankruptcy Court. The  
2 Class 1.2 Secured Tax Claim is impaired under the Plan, and the holder is entitled  
3 to vote to accept or reject the Plan.

4 c. Class 1.3 (Secured Tax Claims Against EoE). Class 1.3 consists of  
5 the Secured Tax Claims filed by the Maricopa County Treasurer against EoE. The  
6 holder of the Class 1.3 Secured Tax Claim shall retain its Lien in its prepetition  
7 collateral. The holder of the Class 1.3 Secured Tax Claim shall be paid, in full  
8 satisfaction of the Allowed amount of such Class 1.3 Secured Tax Claim, with  
9 interest at the applicable statutory rate in accordance with section 511 of the  
10 Bankruptcy Code: (a) fully and in Cash on or before ten (10) Business Days after  
11 the Effective Date if the Claim is then an Allowed Claim; (b) fully and in Cash  
12 within ten (10) Business Days after the entry of a Final Order allowing the Claim,  
13 if the Claim is not an Allowed Claim as of the Effective Date; (c) as otherwise  
14 agreed in writing by the Creditor holding the Class 1.3 Secured Tax Claim and the  
15 Reorganized Debtors; or (d) as otherwise ordered by the Bankruptcy Court. The  
16 Class 1.3 Secured Tax Claim is impaired under the Plan, and the holder is entitled  
17 to vote to accept or reject the Plan.

18 2. Class 2 (CPF Secured Claims). Class 2 consists of CPF's Secured Claims  
19 against the Debtors.

20 a. Class 2.1 (CPF Secured Claims against EP and GMF). Class 2.1  
21 consists of CPF's Secured Claims against EP and GMF. The Class 2.1 CPF  
22 Secured Claims shall be deemed to be Allowed Claims for all purposes under the  
23 Plan in the amount set forth in CPF's proofs of claim, plus all accrued post-petition  
24 interest, at the rates set forth in CPF's proofs of claim and underlying loan  
25 documents, plus all attorneys' fees and costs incurred by CPF post-petition. In full  
26 and final satisfaction of the Allowed Class 2.1 CPF Secured Claims, on the

1 Effective Date, CPF shall receive 100% of the new Equity Security Interests in the  
2 EP and GMF, as reorganized under the Plan. The Class 2.1 CPF Secured Claims  
3 are impaired under the Plan, and the holder is entitled to vote to accept or reject the  
4 Plan.

5 b. Class 2.2 (CPF Secured Claim against GPDR II and SDLI). Class  
6 2.2 consists of CPF's Secured Claims against GPDR II and SDLI. The Class 2.2  
7 CPF Secured Claims shall be deemed to be Allowed Claims for all purposes under  
8 the Plan in the amount set forth in CPF's proofs of claim, plus all accrued post-  
9 petition interest, at the rates set forth in CPF's proofs of claim and underlying loan  
10 documents, plus all attorneys' fees and costs incurred by CPF post-petition. In full  
11 and final satisfaction of the Allowed Class 2.2 CPF Secured Claims, on the  
12 Effective Date, CPF shall receive 100% of the new Equity Security Interests in  
13 SDLI and GPDR II, as reorganized under the Plan. Nothing in this Section 6.4.2 or  
14 any other provision of the Plan shall release, reduce or impair, or be deemed to  
15 have released, reduced, or impaired, any claims that CPF may have against Bruce  
16 Gray or Barbara Gray. The Class 2.2 CPF Secured Claims are impaired under the  
17 Plan, and the holder is entitled to vote to accept or reject the Plan.

18 c. Class 2.3 (CPF Secured Claim against EoE). Class 2.3 consists of  
19 CPF's Secured Claims against EoE. The Class 2.3 CPF Secured Claims shall be  
20 deemed to be Allowed Claims for all purposes under the Plan in the amount set  
21 forth in CPF's proofs of claim, plus all accrued post-petition interest, at the rates  
22 set forth in CPF's proofs of claim and underlying loan documents, plus all  
23 attorneys' fees and costs incurred by CPF post-petition. In full and final  
24 satisfaction of the Allowed Class 2.3 CPF Secured Claims against EoE, on the  
25 Effective Date, CPF shall receive 100% of the new Equity Security Interests in  
26 EoE, as reorganized under the Plan. Nothing in this Section 6.4.3 or any other

1 provision of the Plan shall release, reduce or impair, or be deemed to have released,  
2 reduced, or impaired, any claims that CPF may have against Bruce Gray. The  
3 Class 2.3 CPF Secured Claim is impaired under the Plan, and the holder is entitled  
4 to vote to accept or reject the Plan.

5 3. Class 3 (Non-Insider Unsecured Claims). Class 3 consists of all Non-  
6 Insider Unsecured Claims against the Debtors existing as of the Confirmation Date in sub-  
7 Classes 3.1, 3.2, 3.3, 3.4, and 3.5. In full and final satisfaction of the Allowed amount of  
8 their Class 3.1, 3.2, 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims, holders of Class 3.1,  
9 3.2, 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims shall receive their Pro Rata share of  
10 the Unsecured Creditor Dividend Fund on a *pari passu* basis with all other holders of  
11 Allowed Class 3.1, 3.2, 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims. The  
12 Reorganized Debtors will make an initial 50% distribution to holders of Allowed Non-  
13 Insider Unsecured Claims 60 days after the Effective Date, subject to the requirement of  
14 the Reorganized Debtors to keep appropriate reserves for Disputed Claims. Final  
15 distributions will be made after all Claim objections have been resolved. Class 3.1, 3.2,  
16 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims are impaired, and holders shall be entitled  
17 to vote to accept or reject the Plan.

18 4. Class 4 (Insider Unsecured Claims). Class 4 consists of all Insider  
19 Unsecured Claims against the Debtors existing as of the Confirmation Date in sub-Classes  
20 4.1, 4.2, 4.3, 4.4, and 4.5. All Class 4.1, 4.2, 4.3, 4.4, and 4.5 Insider Unsecured Claims in  
21 the Debtors will be re-characterized as prepetition Equity Security Interests in the Debtors  
22 and cancelled on the Effective Date. Holders of Class 4.1, 4.2, 4.3, 4.4, and 4.5 Insider  
23 Unsecured Claims will not receive or retain any property interests or other recovery under  
24 the Plan on account of their Insider Unsecured Claims. Classes 4.1, 4.2, 4.3, 4.4, and 4.5  
25 are deemed to have rejected the Plan. No votes will be solicited from holders of Class 4.1,  
26 4.2, 4.3, 4.4, or 4.5 Insider Unsecured Claims.



1 Debtors; (b) the issuance of the new Equity Security Interests in the Debtors to CPF; (c)  
2 the election of directors, managers and officers in accordance with this Plan; (d) the  
3 adoption of the Reorganized Debtors' organizational documents, which shall supersede  
4 the prior certificates of incorporation, articles of organization, limited liability company  
5 agreements, operating agreements, by-laws or other organizational documents, as  
6 appropriate, of each of the Reorganized Debtors; and (e) all actions as are necessary or  
7 appropriate to close or dismiss the Case. All such actions shall be deemed to have  
8 occurred and shall be in effect pursuant to applicable non-bankruptcy law and the  
9 Bankruptcy Code, without any requirement of further action by the members,  
10 stockholders, directors or managers of the Debtors, the Reorganized Debtors or any of  
11 their affiliates. On the Effective Date, the appropriate officers, directors, members and  
12 managers of the Reorganized Debtors are authorized and directed to execute and deliver  
13 the agreements, documents and instruments contemplated by this Plan in the name of and  
14 on behalf of the Debtors and/or the Reorganized Debtors, as applicable.

15 4. Organizational Documents. Any prepetition written or oral operating  
16 agreement applicable to any of Debtors shall be deemed terminated and of no further force  
17 or effect as of the Effective Date, and, CPF shall be entitled to file amended articles of  
18 organization for each of the Reorganized Debtors reflecting CPF's 100% member interest  
19 in each of the Reorganized Debtors.

20 5. Post Effective Date Management of the Reorganized Debtors. On the  
21 Effective Date, the existing managers of the Debtors shall be deemed terminated and shall  
22 have no further authority or control of the Reorganized Debtors and operation of each  
23 Reorganized Debtor shall become the general responsibility of the respective members,  
24 managers, board members and/or officers elected or appointed in accordance with  
25 applicable non-bankruptcy law. Subject to any requirement of Bankruptcy Court approval  
26 pursuant to section 1129(a)(5) of the Bankruptcy Code, the initial members and managers

1 of each Reorganized Debtor shall be comprised of the individuals set forth on Schedule  
2 8.5 to the Plan. Each such member and manager will serve from the Effective Date until  
3 his or her successor is duly elected or appointed and qualified or until his or her earlier  
4 death, resignation or removal in accordance with the terms of the certificate of  
5 incorporation and bylaws (or comparable constituent documents) of the respective  
6 Reorganized Debtor and state law.

7       6.     Release of Liens. Except as otherwise provided in the Plan or in any  
8 contract, instrument, release or other agreement or document to be assumed, entered into  
9 or delivered in connection with the Plan, on the Effective Date and consistent with the  
10 treatment provided for Claims and Interests in Article 5 and 6, all liens on, in or against  
11 the Reorganized Debtors' Assets shall be fully released and discharged, and all of the  
12 right, title and interest of any holder of Liens, including any rights to any collateral  
13 thereunder, shall revert to the Reorganized Debtors and their successors and assigns, as  
14 applicable. As of the Effective Date, the Reorganized Debtors shall be authorized but not  
15 required to execute and file or record releases or Form UCC-3 Termination Statements or  
16 such other forms as may be necessary or appropriate to implement the provisions of this  
17 Section 8.6.

18       7.     Turnover of Assets. Bruce Gray, Gray Western Development Company,  
19 and all affiliates, insiders, and Representatives of Bruce Gray and Gray Western  
20 Development Company shall promptly turnover all Assets, including all Documents,  
21 contracts, and business records of the Debtors and Reorganized Debtors to CPF on the  
22 Effective Date.

23       8.     Pending CPF Litigation. Notwithstanding any other term or provision of the  
24 Plan to the contrary, in consideration to the benefits provided and to be provided under the  
25 Plan by CPF, on the Effective Date, the Ganymede Adversary, the Ganymede Claims, the  
26 Lien Avoidance Adversary, and the Lien Avoidance Claims shall be dismissed with

1 prejudice, and CPF shall be awarded its reasonable attorneys' fees and costs incurred in  
2 each adversary proceeding, upon appropriate application to the Court.

3 9. Transfer of GBSRP I Property. On the Effective Date, the GBSRP I  
4 Property shall be deemed transferred from GBSRP I back to SDLI, subject to any existing  
5 encumbrances, including the *lis pendens* associated with Proof of Claim 4-1 filed by  
6 Emerald Equities, LLC against SDLI.

7 10. No Successor Liability. The Reorganized Debtors and CPF are not, and  
8 shall not be, successors to the Debtors by reason of any theory of law or equity, and none  
9 shall have any successor or transferee liability of any kind or character, except that the  
10 Reorganized Debtors shall assume the obligations specified in the Plan and the  
11 Confirmation Order.

12 11. Effectuating Documents; Further Transactions. The Reorganized Debtors or  
13 their designees, as applicable, shall be authorized to (a) execute, deliver, file or record  
14 such contracts, instruments, releases and other agreements or documents and take such  
15 actions as may be necessary or appropriate to effectuate and implement the provisions of  
16 the Plan and (b) certify or attest to any of the foregoing actions.

17 **B. Executory Contracts And Unexpired Leases.**

18 1. The 20 Acre Lease and the 96.5 Acre Lease, as amended, shall be deemed  
19 assumed on the Effective Date. All deferred lease payments shall be paid timely and in  
20 full by EP, GMF, and GPDR II in the amounts and at the times set forth in the 20 Acre  
21 Rent Extension Letter and the 96.5 Acre Rent Extension Letter.

22 2. Except as stated in Section 9.1 of the Plan, the Plan contemplates and  
23 hereby provides for the rejection, pursuant to Section 365 of the Bankruptcy Code, of any  
24 and all other Executory Contracts and Unexpired Leases of the Debtors which are in force  
25 on the Effective Date, except (i) those Executory Contracts and Unexpired Leases which  
26 were specifically assumed pursuant to an order of the Bankruptcy Court, and (ii) those

1 Executory Contracts and Unexpired Leases listed on Schedule 9.2 attached hereto, which  
2 Executory Contracts and Unexpired Leases shall be deemed assumed on the Effective  
3 Date.

4 3. The Confirmation Order (except as otherwise provided therein) shall  
5 constitute an order of the Bankruptcy Court pursuant to Section 365 of the Bankruptcy  
6 Code, effective as of the Effective Date, approving the assumptions and rejections  
7 hereunder. Each contract and lease assumed pursuant to Section 9.1 or 9.2 shall be  
8 assumed only to the extent that any such contract or lease constitutes an Executory  
9 Contract or Unexpired Lease. Assumption of a contract or lease pursuant to Section 9.1  
10 or 9.2 shall not constitute an admission by the Reorganized Debtors that such contract or  
11 lease is an Executory Contract or Unexpired Lease or that the Debtors or the Reorganized  
12 Debtors, as applicable, have any liability thereunder. All Executory Contracts and  
13 Unexpired Leases that are assumed will be assumed under their present terms or upon  
14 such terms as are agreed to in writing between the Reorganized Debtors and the  
15 counterparty to such contract or lease.

16 4. CPF asserts that no cure amounts are due from the Debtors to any  
17 counterparty to an Executory Contract or Unexpired Lease assumed hereunder. CPF will  
18 serve the Plan on the non-Debtor counterparties to each such Executory Contract or  
19 Unexpired Lease prior to the Confirmation Hearing. Each such counterparty shall have  
20 until the date that is five (5) Business Days prior to the Confirmation Hearing to file an  
21 objection to the assumption of their Executory Contract or Unexpired Lease (whether the  
22 objection relates to the cure amount or otherwise). If any objections are filed and cannot  
23 be resolved by agreement, the Bankruptcy Court shall hold a hearing to determine the cure  
24 amount with respect to such Executory Contract or Unexpired Lease or to otherwise  
25 resolve the objection, which hearing may be the Confirmation Hearing. Any party failing  
26 to object to the assumption of their Executory Contract or Unexpired Lease as set forth



1 above shall be forever barred from asserting, collecting or seeking to collect any cure  
2 amount or from otherwise objecting to the assumption and assignment of such Executory  
3 Contract or Unexpired Lease. Notwithstanding the foregoing, or anything else in this  
4 Article 9, with respect to any Executory Contract or Unexpired Lease which is the subject  
5 of an objection, the Reorganized Debtors shall retain the right, until five (5) Business  
6 Days following any order resolving such objection having become a Final Order, to reject  
7 such Executory Contract or Unexpired Lease by amending Schedule 9.2. Within ten (10)  
8 days of the later of the Effective Date or the date that an order of the Bankruptcy Court  
9 establishing the cure amount of such Executory Contract or Unexpired Lease becomes a  
10 Final Order, or as otherwise agreed with the counterparty to each Executory Contract or  
11 Unexpired Lease, the Reorganized Debtors shall pay the cure amounts to the non-Debtor  
12 parties to such Executory Contracts and Unexpired Leases being assumed and/or assigned.

13         5. Notwithstanding any other provision in this Plan or prior notice of any kind  
14 from the clerk of the Bankruptcy Court, any and all Creditors or persons with Claims  
15 against a Debtor's Estate arising out of or in connection with or due to the rejection of an  
16 Executory Contract or Unexpired Lease pursuant to the Plan shall have thirty (30) days  
17 from the Effective Date within which to file a proof of claim in the true amount of such  
18 Claims. If any such Creditors fail to file such proofs of claim within said thirty (30) day  
19 period, then such Creditors shall have no Claims as against the Debtors, their Estates, the  
20 Reorganized Debtors or their respective Representatives, which Claims arising out of or in  
21 connection with or due to such rejection of such Executory Contract or Unexpired Lease,  
22 shall be dismissed, released and null and void.

23         6. Any Claim that arises from the rejection of an Executory Contract or  
24 Unexpired Lease shall, to the extent such Claim becomes an Allowed Claim, be treated as  
25 a Non-Insider Unsecured Claim or an Insider Unsecured Claim, as applicable based on the  
26 definition of such terms in the Plan.

1           7. Any claim filed in accordance with the provisions of Section 9.5 hereof  
2 shall be treated as a Disputed Claim until the period of time has elapsed within which the  
3 Reorganized Debtors may file an objection to such Claim.

4 **C. Retention Of Jurisdiction.**

5           1. Notwithstanding the entry of the Confirmation Order or the occurrence of  
6 Effective Date, the Bankruptcy Court shall retain jurisdiction over this Case and any  
7 proceedings related thereto to the fullest extent permitted by the Bankruptcy Code or  
8 applicable law, and to make such orders as are necessary or appropriate to carry out the  
9 provisions of this Plan.

10           2. In addition, the Bankruptcy Court shall retain jurisdiction to implement the  
11 provisions of the Plan in the manner as provided under Section 1142 of the Bankruptcy  
12 Code. If the Bankruptcy Court abstains from exercising, or declines to exercise  
13 jurisdiction, or is otherwise without jurisdiction over any matter set forth in this Section,  
14 or if the Reorganized Debtors elect to bring an action or proceeding in any other forum,  
15 then this Section shall have no effect upon and shall not control, prohibit or limit the  
16 exercise of jurisdiction by any other court, public authority, or commission having  
17 competent jurisdiction over such matters.

18           3. Without limiting the foregoing, the Bankruptcy Court shall retain  
19 jurisdiction of the Case for the following matters:

20           a. To enable the Reorganized Debtors to consummate any and all  
21 proceedings which may have been brought before or after the entry of the  
22 Confirmation Order, to challenge or object to the allowance of Claims and to  
23 recover any preferences, transfers, assets or damages to which the Reorganized  
24 Debtors may be entitled under the applicable provisions of the Code or other  
25 federal, state or local law;

26           b. To adjudicate all controversies concerning the classification or

1 allowance of a Claim or Equity Security Interest;

2 c. To adjudicate all disputes regarding or relating in any way to Claims,  
3 Equity Security Interests, and the Plan;

4 d. To hear and determine all claims or motions arising from or seeking  
5 the assumption and/or assignment or rejection of any Executory Contracts or  
6 Unexpired Leases, and to consummate the rejection and termination thereof or with  
7 respect to any Executory Contracts or Unexpired Leases to which an application or  
8 motion for rejection or termination is filed before entry of the Confirmation Order;

9 e. To liquidate damages in connection with any disputed, contingent or  
10 unliquidated Claims;

11 f. To adjudicate all claims to a security or ownership interest in any  
12 property of the Debtors or in any proceeds thereof, including the adjudication of all  
13 claims asserted by Creditors and Holders of Equity Security Interests;

14 g. To adjudicate all claims or controversies arising out of any purchases,  
15 sales, or contracts made or undertaken by the Debtors during the pendency of the  
16 Proceedings;

17 h. To adjudicate, determine and resolve any and all adversary  
18 proceedings, applications, motions, and contested or litigated matters, instituted  
19 before the closing of the Case;

20 i. To recover all Assets and properties of the Debtors, wherever  
21 located;

22 j. To adjudicate and determine any cause of action provided for under  
23 the Plan or pursuant to the Confirmation Order;

24 k. To make orders as are necessary or appropriate to carry out the  
25 provisions of the Plan, or in aid of confirmation and consummation of the Plan;

26 l. To hear and determine any application to modify the Plan in

1 accordance with Section 1127 of the Bankruptcy Code, to remedy any defect or  
2 omission, or reconcile any inconsistency in the Plan, the Disclosure Statement or  
3 any Order of the Bankruptcy Court, including the Confirmation Order, in such a  
4 manner as may be necessary to carry out the purposes and effects hereof;

5 m. To hear and determine all matters concerning state, local and federal  
6 taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code;

7 n. To determine any and all applications, adversary proceedings, and  
8 contested or litigated matters properly before the Bankruptcy Court before or after  
9 the Confirmation Date;

10 o. To hear and determine all controversies, suits and disputes, if any, as  
11 may arise with regard to orders of the Bankruptcy Court in the Case entered on or  
12 before the Confirmation Date; and

13 p. To enter an Order closing the Case.

14 **D. Procedures For Resolving Disputed Claims.**

15 1. Objections to Claims. The Reorganized Debtors shall be entitled to object  
16 to any Claims. Any objections to Claims shall be served and filed on or before the later  
17 of: (i) sixty (60) days after the Effective Date; (ii) thirty (30) days after a request for  
18 payment or proof of Claim is timely filed and properly served; or (iii) such other date as  
19 may be fixed by the Bankruptcy Court, whether before or after the dates specified in  
20 subsections (i) and (ii) herein. Notwithstanding any authority to the contrary, an objection  
21 to a Claim shall be deemed properly served on the Creditor if service is effected in any of  
22 the following manners: (a) in accordance with Federal Rule of Civil Procedure 4, as  
23 modified and made applicable by Bankruptcy Rule 7004; (b) by first class mail, postage  
24 prepaid, on any counsel that has appeared on the Creditor's behalf in the Cases; or (c) by  
25 first class mail, postage prepaid, on the signatory on the proof of Claim or other  
26 representative identified in the proof of Claim or any attachment thereto.

1           2.    Payments and Distributions with Respect to Disputed Claims.  
2 Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed  
3 Claim, no payment or distribution provided hereunder shall be made on account of such  
4 Claim unless and until such Disputed Claim becomes an Allowed Claim.

5           3.    Distributions After Allowance. After such time as a Disputed Claim  
6 becomes an Allowed Claim, the Debtors shall distribute to the holder thereof the  
7 distributions, if any, to which such holder is then entitled under the Plan in accordance  
8 with the provisions hereof. In respect of Disputed Claims such distributions shall be made  
9 within fifteen (15) days after such Disputed Claims become Allowed Claims by Final  
10 Order of the Bankruptcy Court or as soon thereafter as practicable.

11 **E. Provisions Concerning Distributions.**

12           1.    Time of Distributions Under the Plan. Payments and distributions to be  
13 made on or after the Effective Date pursuant to the Plan shall be made on such date, or as  
14 soon as practicable thereafter, except as otherwise provided for in the Plan, or as may be  
15 ordered by the Court, or as may be agreed to by the Reorganized Debtors and the Holder  
16 of the Claim or Equity Security Interest.

17           2.    Payment Dates. Whenever any payment or distribution to be made under  
18 the Plan shall be due on a day other than a Business Day, such payment or distribution  
19 shall instead be made, without interest, on the next Business Day, or as soon as practicable  
20 thereafter, or as may be agreed to by the Reorganized Debtors and the holder of the Claim  
21 or Equity Security Interest.

22           3.    Manner of Payments Under the Plan. Cash payments made pursuant to the  
23 Plan shall be made in the currency of the United States, by check drawn on a domestic  
24 bank or by wire transfer from a domestic bank. Distributions to all holders of Allowed  
25 Claims and Equity Security Interests shall be made (a) at the addresses set forth in the  
26 proof of claim filed by such holders (or at last known addresses of such holders if no

1 proofs of claims were filed or the Debtors were notified of a change of address); or (b) at  
2 the addresses set forth in any written notices of address change delivered to the  
3 Reorganized Debtors or the Bankruptcy Court; or (c) at the addresses reflected in the  
4 Debtors' schedules if no claim shall have been filed and no written notice of an address  
5 change has been received by the Reorganized Debtors. No payments shall be made to a  
6 holder of a Disputed Claim unless and until such Claim becomes an Allowed Claim by a  
7 Final Order.

8 4. Fractional Cents. Any other provision of the Plan to the contrary  
9 notwithstanding, no payments of fractions of cents will be made. Whenever any payment  
10 of a fraction of a cent would otherwise be called for, the actual payment shall reflect a  
11 rounding of such fraction to the nearest whole cent (rounding down in the case of .5).

12 5. Non-Negotiated Checks. If a Holder of an Allowed Claim, or any other  
13 claim or interest fails to negotiate a check issued to such Holder under the Plan within  
14 sixty (60) days of the date such check was issued by the Reorganized Debtors, then the  
15 amount of Cash or other property attributable to such check shall be deemed to be  
16 "Unclaimed Distributions," and the payee of such check shall be deemed to have no  
17 further Claim or future Claim against the Reorganized Debtors.

18 6. Unclaimed Distributions. In the event any payment to a holder of a Claim  
19 under the Plan remains unclaimed for a period of sixty (60) days after such distribution  
20 has been made (or after such delivery has been attempted), such Unclaimed Distribution  
21 and all future distributions to be made to such holders shall be deemed forfeited by such  
22 holder.

23 7. Disputed Payments or Distributions. In the event of any dispute between  
24 and among Claimants (including the Entity or Entities asserting the right to receive the  
25 disputed payment or distribution) as to the right of any Entity to receive or retain any  
26 payment or distribution to be made to such Entity under the Plan, the Reorganized

1 Debtors may, in lieu of making such payment or distribution to such Entity, make it  
2 instead into an escrow account or to a disbursing agent, for payment or distribution as  
3 ordered by the Bankruptcy Court or as the interested parties to such dispute may otherwise  
4 agree among themselves, and the payment or distribution shall be deemed to have been  
5 made to and received by the Entity determined to be entitled to such payment or  
6 distribution as of the date that the Reorganized Debtors delivers such payment or  
7 distribution to a disbursing agent or escrow account.

8 **F. Effect Of Confirmation Of Plan**

9 1. Discharge. Any liability imposed by the Plan will not be discharged. If  
10 Confirmation of this Plan and/or the conditions precedent to the effectiveness of the Plan  
11 are not satisfied, the Plan shall be deemed null and void. In such event, nothing contained  
12 in this Plan shall be deemed to constitute a waiver or release of any claims against the  
13 Debtors or their Estates or any other Persons, or to prejudice in any manner the rights of  
14 CPF and/or any Person in any further proceeding involving the Debtors, their Estates  
15 and/or any Person. The provisions of this Plan shall be binding upon the Debtors and  
16 their Representatives, all Creditors and all Equity Security Interest holders, regardless of  
17 whether such Claims or Equity Security Interest holders are impaired or whether such  
18 parties accept this Plan, upon Confirmation thereof.

19 2. Modification of Plan. CPF may modify the Plan at any time before  
20 Confirmation. However, the Bankruptcy Court may require a new disclosure statement or  
21 re-voting on the Plan if CPF materially modifies the Plan before Confirmation. CPF may  
22 also seek to modify the Plan at any time after Confirmation so long as (a) the Plan has not  
23 been substantially consummated, and (b) the Bankruptcy Court authorizes the proposed  
24 modification after notice and a hearing. After Confirmation, CPF may, upon Order from  
25 the Bankruptcy Court, in accordance with Section 1127(b) of the Bankruptcy Code,  
26 remedy any defect or omission or reconcile any inconsistency in this Plan in such manner

1 as may be necessary to carry out the purpose of this Plan.

2 3. Post-Confirmation Quarterly Fees. Quarterly fees pursuant to 28 U.S.C.  
3 Section 1930(a)(6) continue to be payable to the Office of the United States Trustee by the  
4 Reorganized Debtors until such time as the Case is converted, dismissed, or closed  
5 pursuant to a final decree.

6 4. Retention of Claims and Causes of Action. Except to the extent any rights,  
7 claims, causes of action, defenses, and counterclaims are expressly and specifically  
8 released or assigned in connection with this Plan or in any settlement agreement approved  
9 during the Case: (i) any and all Claims accruing to the Debtors or the Estates shall remain  
10 assets of and vest in the Reorganized Debtors whether or not litigation relating thereto is  
11 pending on the Effective Date, and whether or not any such Claims have been listed or  
12 referred to in the Plan, the Disclosure Statement, or any other document filed with the  
13 Bankruptcy Court, and (ii) neither the Reorganized Debtors nor the Estates waive, release,  
14 relinquish, forfeit, or abandon (nor shall they be estopped or otherwise precluded or  
15 impaired from asserting) any Claims or defenses that constitute property of the Debtors or  
16 the Estates: (a) whether or not such Claims or defenses have been listed or referred to in  
17 this Plan, the Disclosure Statement, or any other document filed with the Bankruptcy  
18 Court, (b) whether or not such Claims are currently known to the Debtors or CPF, and (c)  
19 whether or not a defendant in any litigation relating to such Claims filed a proof of claim  
20 in the Case, filed a notice of appearance or any other pleading or notice in the Case, voted  
21 for or against this Plan, or received or retained any consideration under this Plan. Without  
22 in any manner limiting the scope of the foregoing, notwithstanding any otherwise  
23 applicable principle of law or equity, including, without limitation, any principles of  
24 judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine,  
25 the failure to list, disclose, describe, identify, analyze or refer to any Claim or cause of  
26 action, in the Plan, the Disclosure Statement, or any other document filed with the



1 Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the  
2 Reorganized Debtors' right to commence, prosecute, defend against, settle, recover on  
3 account of, and realize upon any Claim that the Debtors or their Estates have or may have  
4 as of the Effective Date.

5 Except to the extent any rights, claims, causes of action, defenses, and  
6 counterclaims are expressly and specifically released or assigned in connection with this  
7 Plan or in any settlement agreement approved during the Case, the Reorganized Debtors  
8 expressly reserves all Claims and defenses for later adjudication by the Reorganized  
9 Debtors and therefore, no preclusion doctrine, including the doctrines of res judicata,  
10 collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable  
11 or otherwise) or laches will apply to such Claims and defenses upon or after the  
12 Confirmation or Consummation of the Plan based on the Disclosure Statement, the Plan,  
13 and/or the Confirmation Order. In addition, the Reorganized Debtors expressly reserve  
14 the right to pursue or adopt Claims that are alleged in any lawsuits in which the Debtors  
15 are a defendant or an interested party, against any Person or Governmental Entity,  
16 including the plaintiffs or co-defendants in such lawsuits. Any Person or Governmental  
17 Entity to whom the Debtors have incurred an obligation (whether on account of services,  
18 purchase, sale of goods or otherwise), or who has received services from the Debtors, or  
19 who has received money or property from the Debtors, or who has transacted business  
20 with the Debtors, or who has leased equipment or property from or to the Debtors should  
21 assume that such obligation, receipt, transfer or transaction may be reviewed by the  
22 Reorganized Debtors subsequent to the Effective Date and maybe the subject of an action  
23 after the Effective Date, whether or not: (a) such Person or Governmental Unit has Filed a  
24 proof of Claim against the Debtors in the Case; (b) such Person's or Governmental Unit's  
25 proof of Claim has been objected to by the Debtors; (c) such Person's or Governmental  
26 Unit's Claim was included in the Debtors' Schedules; or (d) such Person's or

1 Governmental Unit's scheduled Claim has been objected to by the Debtors or has been  
2 identified by the Debtors as contingent, unliquidated or disputed.

3 5. NO WAIVER OF CLAIMS. NEITHER THE FAILURE TO LIST A  
4 CLAIM IN THE SCHEDULES FILED BY THE DEBTORS, THE FAILURE OF THE  
5 DEBTORS OR ANY OTHER PERSON TO OBJECT TO ANY CLAIM FOR  
6 PURPOSES OF VOTING, THE FAILURE OF THE DEBTORS OR ANY OTHER  
7 PERSON TO OBJECT TO A CLAIM OR ADMINISTRATIVE EXPENSE BEFORE  
8 CONFIRMATION OR THE EFFECTIVE DATE, THE FAILURE OF ANY PERSON  
9 TO ASSERT A CLAIM OR CAUSE OF ACTION BEFORE CONFIRMATION OR  
10 THE EFFECTIVE DATE, THE ABSENCE OF A PROOF OF CLAIM HAVING BEEN  
11 FILED WITH RESPECT TO A CLAIM, NOR ANY ACTION OR INACTION OF THE  
12 DEBTORS OR ANY OTHER PERSON WITH RESPECT TO A CLAIM, OR  
13 ADMINISTRATIVE EXPENSE, OTHER THAN A LEGALLY EFFECTIVE EXPRESS  
14 WAIVER OR RELEASE SHALL BE DEEMED A WAIVER OR RELEASE OF THE  
15 RIGHT OF THE REORGANIZED DEBTORS, BEFORE OR AFTER SOLICITATION  
16 OF VOTES ON THE PLAN OR BEFORE OR AFTER CONFIRMATION OR THE  
17 EFFECTIVE DATE TO (A) OBJECT TO OR EXAMINE SUCH CLAIM OR  
18 ADMINISTRATIVE EXPENSE, IN WHOLE OR IN PART OR (B) RETAIN AND  
19 EITHER ASSIGN OR EXCLUSIVELY ASSERT, PURSUE, PROSECUTE, UTILIZE,  
20 OTHERWISE ACT OR OTHERWISE ENFORCE ANY CLAIM OR CAUSE OF  
21 ACTION AGAINST THE HOLDER OF ANY SUCH CLAIM.

22 **G. General Provisions**

23 1. Notices Under the Plan. Notices, requests, or demands with respect to this  
24 Plan shall be in writing and shall be deemed to have been received within five (5) days of  
25 the date of mailing, provided they are sent by registered mail or certified mail, postage  
26 prepaid, return receipt requested, and:

1           if sent to CPF, addressed to:

2                   GALLAGHER & KENNEDY, P.A.  
3                   Attn.: Todd A. Burgess  
4                   2575 East Camelback Road  
5                   Phoenix, Arizona 85016-9225  
6                   Facsimile: (602) 530-8500  
7                   Email: [todd.burgess@gknet.com](mailto:todd.burgess@gknet.com)

8           2.     Withholding Taxes/Setoffs. The Reorganized Debtors shall be entitled to  
9 deduct any Federal or State withholding taxes from any payments with respect to Allowed  
10 Claims for wages of any kind. The Reorganized Debtors may, but shall not be required  
11 to, set off or recoup against any Claim, and the payments to be made pursuant to the Plan  
12 in respect of such Claim, any claims of any nature whatsoever the Debtors or the Estates  
13 may have against the holder of such Claim, but neither the failure to do so nor the  
14 allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized  
15 Debtors of any such claim the Debtors may have against such holder.

16           3.     Committee. On the Effective Date, any Committee appointed in the Case  
17 shall automatically dissolve and the members thereof and the Professional Persons  
18 retained by the Committee in accordance with Section 1103 of the Bankruptcy Code shall  
19 be released and discharged from their respective duties and obligations.

20           4.     Headings. The headings used in this Plan are inserted for convenience only  
21 and neither shall constitute a portion of this Plan nor in any manner affect the provisions  
22 of this Plan.

23           5.     Unenforceability. Should any provision in this Plan be determined to be  
24 unenforceable, such determination shall in no way limit or affect the enforceability and  
25 operative effect of any and all other provisions of this Plan.

26           6.     Certain Terminations. On the Effective Date, all instruments evidencing  
indebtedness of the Debtors discharged by the Plan shall be deemed canceled, unless this  
Plan provides for the retention of liens.

1           7.     Governing Law. Except to the extent that the Bankruptcy Code is  
2 applicable, the rights and obligations arising under this Plan shall be governed by, and  
3 construed and enforced in accordance with, the internal laws of the State of Arizona  
4 without regard to its conflicts of law principles.

5           8.     Liquidated and/or Disputed Claims. The Bankruptcy Court shall fix or  
6 liquidate the amount of any contingent and/or disputed Claim pursuant to Section 502 of  
7 the Bankruptcy Code. The amount so fixed shall be deemed the amount of such  
8 contingent Claim for purposes of this Plan. In lieu thereof, the Bankruptcy Court may  
9 determine the amount to be reserved for such contingent Claim, which amount shall be the  
10 maximum amount which the holder of such contingent Claim shall be entitled to receive  
11 under this Plan if such contingent Claim is allowed in whole or in part.

12           9.     Revocation of Plan. CPF reserves the right to revoke and withdraw this  
13 Plan at any time before Confirmation.

14           10.    Reservation of Rights. Nothing contained herein shall prohibit CPF from  
15 prosecuting or defending any of its rights as may exist on its own behalf before the  
16 Effective Date. If Confirmation of the Plan does not occur, the Plan shall be deemed null  
17 and void. In such event, nothing contained in the Plan shall be deemed to constitute a  
18 waiver or release of any Claims by or against the Debtors, their Estates, or any other  
19 Person, or to prejudice in any manner, the rights and remedies of the creditors, the  
20 Debtors, their Estates, or any Person in any further proceedings involving the Debtors or  
21 their Estate. The filing of the Plan and or any modifications hereto, and the Plan itself  
22 shall not constitute a waiver by CPF of any rights, remedies, objections, or causes of  
23 action they may have or may wish to raise with respect to anything, including, without  
24 limitation, any other plan or plans filed or to be filed in this bankruptcy case, all of which  
25 rights and objections are hereby reserved.

26           11.    Exemption from Certain Transfer Taxes. Pursuant to Section 1146(a) of the

1 Bankruptcy Code, the issuance, transfer or exchange of a security, or the making or  
2 delivery of an instrument of transfer hereunder will not be subject to any stamp, tax, or  
3 similar tax.

4 12. Injunction. Except as otherwise provided in the Plan or the Confirmation  
5 Order, and except for any actions timely filed pursuant to Section 523 of the Bankruptcy  
6 Code or any Claims declared by the Bankruptcy Court to be non-dischargeable pursuant  
7 to Section 523 of the Bankruptcy Code, as of the Confirmation Date, but subject to the  
8 occurrence of the Effective Date, all Persons who have held, hold or may hold Claims  
9 against the Debtors or their Estates, or Equity Security Interests in the Debtors, are, with  
10 respect to any such Claims or Equity Security Interests, permanently enjoined from and  
11 after the Confirmation Date from: (i) commencing, conducting or continuing in any  
12 manner, directly or indirectly, any suit, action or other proceeding of any kind (including,  
13 without limitation, any proceeding in a judicial, arbitral, administrative or other forum)  
14 with respect to any such Claim against or affecting the Debtors, their Estates or any of  
15 their respective property, or any direct or indirect transferee of any property of, or direct  
16 or indirect successor in interest to, any of the foregoing Persons, or any property of any  
17 such transferee or successor; (ii) enforcing, levying, attaching (including, without  
18 limitation, any pre-judgment attachment), collecting or otherwise recovering by any  
19 manner or means, whether directly or indirectly, with respect to any judgment, award,  
20 decree or order against the Debtors, their Estates or any of their respective property, or  
21 any direct or indirect transferee of any property of, or direct or indirect successor in  
22 interest to, any of the foregoing Persons, or any property of any such transferee or  
23 successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or  
24 indirectly, any encumbrance of any kind against the Debtors, their Estates or any of their  
25 respective property, or any direct or indirect transferee of any property of, or successor in  
26 interest to, any of the foregoing Persons; (iv) asserting initially after the Effective Date

1 any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against  
2 any obligation due to the Debtors, their Estates or any of their respective property, or any  
3 direct or indirect transferee of any property of, or successor in interest to, any of the  
4 foregoing Persons; and (v) acting or proceeding in any manner, in any place whatsoever,  
5 that does not conform to or comply with the provisions of the Plan to the full extent  
6 permitted by applicable law. By accepting a distribution pursuant to the Plan, each holder  
7 of an Allowed Claim receiving distributions pursuant to the Plan will be deemed to have  
8 specifically consented to the injunctions set forth in this section, and, except as set forth in  
9 this Section, waives any and all claims, causes of action, remedies and objections of every  
10 kind against the Debtors.

11 13. Term of Injunctions or Stays. Unless otherwise provided, all injunctions or  
12 stays arising before the Confirmation Date in accordance with Sections 105 or 362 of the  
13 Bankruptcy Code, and in existence on the Confirmation Date, shall remain in full force  
14 and effect until the Effective Date, or such later date as provided under applicable law.  
15 For the avoidance of doubt, this Section 14.13 does not apply to the permanent injunction  
16 set forth in Section 14.12 of the Plan.

17 14. Injunction Against Interference With Plan. Upon the entry of the  
18 Confirmation Order, all holders of Claims and Equity Security Interests and other parties  
19 in interest, including the Debtors, along with its respective present or former employees,  
20 agents, officers, directors, or principals, shall be enjoined from taking any actions to  
21 interfere with the implementation or consummation of the Plan.

22 15. Exculpation. Except with respect to obligations under the Plan, neither  
23 CPF, nor any of their respective Representatives, all solely in their capacity as such (each  
24 an “Exculpated Party”), shall have or incur any liability to the Debtors or any of their  
25 Representatives for any act or omission in connection with, or arising out of: (i) the Case;  
26 (ii) the confirmation of the Plan; (iii) the consummation of the Plan; or (iv) the

1 administration of the Plan or property to be distributed pursuant to the Plan, except for  
2 fraud, willful misconduct, recklessness or gross negligence; and, in all respects, each  
3 Exculpated Party shall be entitled to rely upon the advice of counsel with respect to their  
4 duties and responsibilities under the Plan.

5 16. Successors and Assigns. The rights and obligations of any Entity named or  
6 referred to in the Plan shall be binding upon and shall inure to the benefit of, the  
7 predecessors, successors, assigns and agents of such Entity.

8 **H. Conditions Precedent To Effectiveness Of Plan.**

9 The following shall be conditions to the occurrence of the Effective Date unless  
10 such conditions shall have been duly waived as provided below: The Confirmation Order  
11 in form and substance acceptable to CPF shall have become a Final Order, except that  
12 CPF reserves the right to cause the Effective Date to occur notwithstanding the pendency  
13 of an appeal of the Confirmation Order.

14 **VII.**  
15 **FEDERAL TAX CONSEQUENCES**

16 Each holder of a claim is urged to consult with its own tax advisor regarding the  
17 federal, state, local and other tax consequences of the Plan. No rules have been requested  
18 from the Internal Revenue Service with respect to any of the tax aspects of the Plan.

19 **VIII.**  
20 **VOTING PROCEDURES AND REQUIREMENTS**

21 **A. Parties Entitled to Vote**

22 If you hold an Allowed Claim that is “impaired” under the Plan, you are entitled to  
23 vote to accept or reject the Plan. Accordingly, to be entitled to vote, your Claim must be  
24 “allowed” as set forth in Section 502 of the Bankruptcy Code or temporarily allowed as  
25 set forth in Bankruptcy Rule 3018(a). Additionally, Section 1126(f) of the Bankruptcy  
26 Code permits you to vote to accept or reject the Plan only if your Claim is “impaired.”

1 **B. Procedures for Voting**

2 1. Submission of Ballots. After this Disclosure Statement has been approved  
3 by the Bankruptcy Court, all Creditors whose votes are solicited (as explained above) will  
4 be sent (a) a ballot, together with instructions for voting (the “Ballot”); (b) a copy of this  
5 Disclosure Statement as approved by the Bankruptcy Court; and (c) a copy of the Plan.  
6 You should read the Ballot carefully and follow the instructions. Please use only the  
7 Ballot sent with this Disclosure Statement. You should complete your Ballot and return it  
8 to:

9 GALLAGHER & KENNEDY, P.A.  
10 Attn: Todd A. Burgess  
11 2575 East Camelback Road, Suite 1100  
12 Phoenix, AZ 85016  
13 Telephone: (602) 530-8000  
14 Email: [todd.burgess@gknet.com](mailto:todd.burgess@gknet.com)

15 TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE ADDRESS  
16 LISTED ABOVE BY 5:00 P.M., MOUNTAIN STANDARD TIME, ON  
17 \_\_\_\_\_, 2017. IF YOUR BALLOT IS NOT TIMELY RECEIVED, IT  
18 WILL NOT BE COUNTED IN DETERMINING WHETHER THE PLAN HAS BEEN  
19 ACCEPTED OR REJECTED.

20 2. Procedures for Vote Tabulation. In determining whether the Plan has been  
21 accepted or rejected, Ballots will be tabulated in accordance with the Court’s Order  
22 approving this Disclosure Statement.

23 3. Withdrawal of Ballots. A Ballot may not be withdrawn or changed after it  
24 is cast unless the Bankruptcy Court permits you to do so after notice and a hearing to  
25 determine whether sufficient cause exists to permit the change.

26 4. Questions and Lost or Damaged Ballots. If you have any questions  
concerning voting procedures, if your Ballot is damaged or lost, or if you believe you  
should have received a Ballot but did not receive one, you may contact CPF’s counsel,  
Todd Burgess, at the address and telephone number listed above.



1 **C. Summary of Voting Requirements.**

2 In order for the Plan to be confirmed, the Plan must be accepted by at least one (1)  
3 impaired Class of Claims. For a Class of Claims to accept the Plan, votes representing at  
4 least two-thirds in claim amount and a majority in number of the Claims voted in that  
5 Class (not including votes of insiders) must be cast to accept the Plan.

6 **IT IS IMPORTANT THAT HOLDERS OF ALLOWED IMPAIRED**  
7 **CLAIMS EXERCISE THEIR RIGHTS TO VOTE TO ACCEPT OR**  
8 **REJECT THE PLAN. CPF ASSERTS THAT THE TREATMENT OF**  
9 **CREDITORS UNDER THE PLAN IS THE BEST ALTERNATIVE**  
10 **FOR CREDITORS, AND CPF RECOMMENDS THAT THE**  
11 **HOLDERS OF ALLOWED CLAIMS VOTE IN FAVOR OF THE**  
12 **PLAN.**

11 The specific treatment of each Class under the Plan is described in the Plan and is  
12 summarized in this Disclosure Statement.

13 **IX.**  
14 **LIQUIDATION ANALYSIS**

15 CPF contends that the Plan will provide a materially better recovery to creditors, in  
16 light of the CPF Plan Contribution, which would be unavailable in the event of conversion  
17 of the Cases to chapter 7. In a conversion to chapter 7, CPF likely would be granted stay  
18 relief and would simply foreclose on its collateral.

19 **X.**  
20 **CONFIRMATION OF THE PLAN**

21 **A. Confirmation Hearing**

22 Section 1128(a) of the Bankruptcy Code provides that the Bankruptcy Court, after  
23 notice, will hold a Confirmation Hearing on the Plan. The Confirmation Hearing will be  
24 held at the United States Bankruptcy Court, 230 N. First Avenue, Courtroom 702,  
25 Phoenix, Arizona, on \_\_\_\_\_, 2017, at \_\_\_\_\_ a.m./p.m. **THE HEARING**  
26 **MAY BE ADJOURNED FROM TIME TO TIME BY THE COURT WITHOUT**  
**FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT MADE AT THE**

1 **HEARING.**

2 **B. Objections to Confirmation.**

3 Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may  
4 object to confirmation of the Plan, regardless of whether it is entitled to vote. Objections  
5 to confirmation of the Plan are governed by Bankruptcy Rule 9014. **IF AN**  
6 **OBJECTION TO CONFIRMATION IS NOT TIMELY MADE, THE COURT**  
7 **NEED NOT RECEIVE OR CONSIDER IT. ALL OBJECTIONS TO**  
8 **CONFIRMATION OF THE PLAN MUST BE FILED WITH THE BANKRUPTCY**  
9 **COURT AND SERVED ON COUNSEL FOR CPF AT THE ADDRESSES SET**  
10 **FORTH ABOVE, ON THE UNITED STATES TRUSTEE, ON THE DEBTORS,**  
11 **AND ON ANY PARTY-IN-INTEREST WHO HAS REQUESTED NOTICE IN**  
12 **THE DEBTOR'S BANKRUPTCY CASE, BY \_\_\_\_\_, 2017.**

13 **C. Requirements for Confirmation of the Plan**

14 1. Confirmation Under Section 1129(a) of the Bankruptcy Code. At the  
15 Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of  
16 Section 1129(a) of the Bankruptcy Code have been satisfied, in which event the  
17 Bankruptcy Court will enter an order confirming the Plan. Such requirements include,  
18 among others:

19 a. That the Plan Proponent has complied with the applicable provisions  
20 of Chapter 11, including the provisions of Sections 1122 and 1123 of the  
21 Bankruptcy Code governing classification of claims and interests and contents of a  
22 plan of reorganization.

23 b. That the Plan has been proposed in good faith and not by any means  
24 forbidden by law.

25 c. That any payment made or promised by the Plan Proponent to any  
26 Person for services, costs, or expenses in connection with the Bankruptcy Case or

1 the Plan has been approved by or is subject to approval by the Bankruptcy Court as  
2 reasonable.

3 d. That the Plan Proponent has disclosed the identity and affiliations of  
4 Persons proposed to serve as officers after confirmation.

5 e. That one or more of the impaired Classes of Claims has voted to  
6 accept the Plan.

7 f. That the Plan is in the best interests of holders of Claims and Equity  
8 Interests; that is, each holder of an Allowed Claim or Allowed Equity Interest  
9 either has accepted the Plan or will receive on account of its Claim or Equity  
10 Interest property with a value, as of the Effective Date, that is not less than the  
11 amount that the holder of such Claim or Equity Interest would receive if the  
12 Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective  
13 Date.

14 g. That the Plan is feasible; that is, confirmation is not likely to be  
15 followed by the need for liquidation or further reorganization of the Debtors unless  
16 that is provided for in the Plan.

17 2. The Plan Satisfies Bankruptcy Code Requirements.

18 a. Best Interests Test and Liquidation Analysis. Under the best interests  
19 test, the Plan is confirmable if, with respect to each impaired Class of Claims or  
20 Equity Interests, each holder of an Allowed Claim or Allowed Equity Interest in  
21 such Class either: (i) has accepted the Plan; or (ii) will receive or retain under the  
22 Plan, on account of its Claim or Interest, property of a value, as of the Effective  
23 Date, that is not less than the amount such holder would receive or retain if the  
24 Debtors were liquidated under Chapter 7 of the Bankruptcy Code. The Debtors  
25 believe the distributions to Creditors under the Plan will meet or exceed the  
26 recoveries that Creditors would receive in a Chapter 7 liquidation of the Debtors

1 and their Estates. The Debtors believe that the Plan provides an equal or better  
2 return to Creditors than they can otherwise receive under Chapter 7, and therefore  
3 the best interests of creditors test is met.

4 b. Feasibility of the Plan. Section 1129(a)(11) of the Bankruptcy Code  
5 includes what is commonly described as the “feasibility” standard. In order for the  
6 Plan to be confirmed, the Bankruptcy Court also must determine that the Plan is  
7 feasible - that is, that the need for further reorganization or a subsequent liquidation  
8 of the Debtors is not likely to result following confirmation of the Plan. As set  
9 forth in this Disclosure Statement and in the Plan, CPF believes that the Plan is  
10 feasible. CPF will provide evidence of its financial wherewithal to make the CPF  
11 Plan Contribution and other payments required under the Plan prior to the  
12 Confirmation Hearing.

13 c. Acceptance by an Impaired Class. Because the Plan impairs some  
14 Classes of Claims, Section 1129(a)(10) of the Bankruptcy Code requires that, for  
15 the Plan to be confirmed, at least one impaired Class must accept the Plan by the  
16 requisite vote without counting the votes of any “insiders” (as that term is defined  
17 in Section 101(31) of the Bankruptcy Code) contained in that Class. CPF will vote  
18 to accept the Plan, therefore, this requirement will be satisfied.

19 d. Confirmation Under Section 1129(b) of the Bankruptcy Code.  
20 Although Section 1129(a)(8) of the Bankruptcy Code requires that the Plan be  
21 accepted by each Class that is impaired by the Plan, Section 1129(b) of the  
22 Bankruptcy Code provides that the Bankruptcy Court may still confirm the Plan at  
23 the request of the Plan Proponent if all requirements of Section 1129(a) of the  
24 Bankruptcy Code are met except for Section 1129(a)(8) and if, with respect to each  
25 Class of Claims or Equity Interests that (a) is impaired under the Plan, and (b) has  
26 not voted to accept the Plan, the Plan “does not discriminate unfairly” and is “fair

1 and equitable.” This provision commonly is referred to as a “cramdown.” The  
2 Plan Proponent has requested cramdown confirmation of the Plan with respect to  
3 any such non-accepting Class of Creditors. The Plan Proponent believes that, with  
4 respect to such Class or Classes, the Plan meets the requirements of Section  
5 1129(b) of the Bankruptcy Code.

6 (1) Unfair Discrimination. A plan of reorganization “does not  
7 discriminate unfairly” if: (i) the legal rights of a non-accepting class are  
8 treated in a manner that is consistent with the treatment of other classes  
9 whose legal rights are related to those of the non-accepting class; and (ii) no  
10 class receives payments in excess of that which it is legally entitled to  
11 receive on account of its Claims or Equity Interests. The Plan Proponent  
12 asserts that under the Plan: (i) all classes of impaired Claims are being  
13 treated in a manner that is consistent with the treatment of other similar  
14 classes of Claims; and (ii) no Class of Claims will receive payments or  
15 property with an aggregate value greater than the sum of the Allowed  
16 Claims in the Class. Accordingly, the Plan Proponent believes that the Plan  
17 does not discriminate unfairly as to any impaired Class of Claims or Equity  
18 Interests.

19 (2) Fair and Equitable Test. The Bankruptcy Code establishes  
20 different “fair and equitable” tests for Secured Creditors, Unsecured  
21 Creditors, and holders of Equity Interests, as follows:

22 (a) Secured Creditors. With respect to a secured claim,  
23 “fair and equitable” means that a plan provides that either (A) the  
24 holder of the secured claim in an impaired class retains the liens  
25 securing such claim, whether the property subject to such liens is  
26 retained by the debtor or transferred to another entity, to the extent of

1 the amount of such allowed claim, and that the holder of such claim  
2 receives on account of such claim deferred cash payments totaling at  
3 least the amount of such allowed claim, of a value, as of the effective  
4 date, of at least the value of such holder's interest in the estate's  
5 interest in such property; (B) for the sale, subject to Section 363(k) of  
6 the Bankruptcy Code, of any property that is subject to the liens  
7 securing such claim, free and clear of such liens, with such liens to  
8 attach to the proceeds of such sale, and the treatment of such liens on  
9 proceeds under clauses (A) and (C); or (C) the realization by such  
10 holder of the "indubitable equivalent" of such claim.

11 (b) Unsecured Creditors. With respect to an unsecured  
12 claim, "fair and equitable" means that a plan provides that either (A)  
13 each impaired unsecured creditor receives or retains property of a  
14 value, as of the effective date, equal to the amount of its allowed  
15 claim; or (B) the holders of claims and equity interests that are junior  
16 to the claims of the dissenting class will not receive or retain any  
17 property under the plan.

18 (c) Equity Security Interest Holders. With respect to  
19 holders of equity interests, "fair and equitable" means that a plan  
20 provides that either (A) each holder will receive or retain under the  
21 plan property of a value, as of the effective date, equal to the greater  
22 of: (1) the fixed liquidation preference or redemption price, if any, of  
23 such interest; or (2) the value of such interest; or (B) the holders of  
24 equity interests that are junior to the non-accepting class will not  
25 receive any property under the plan.

26 The Plan Proponent believes that the Plan complies with the Claims priority

1 established by the Bankruptcy Code and thus the “fair and equitable” test of the  
2 Bankruptcy Code (including the absolute priority rule) is met with respect to the Secured  
3 Creditors and the Equity Interest holders under the Plan.

4 **XI.**  
5 **ALTERNATIVES TO THE PLAN**

6 If the Plan is not confirmed, several different events could occur: (1) the Debtors or  
7 a third party could propose another plan providing for different treatment of certain  
8 Creditors; (2) CPF could move for relief from the automatic stay to allow it to foreclose  
9 its liens against their collateral, which may be granted by the Bankruptcy Court if an  
10 alternative plan is not confirmed in a reasonable period of time; or (3) the Bankruptcy  
11 Court (after appropriate notice and hearing) could dismiss the Bankruptcy Case or convert  
12 such to a case under Chapter 7 if an alternative plan is not confirmed in a reasonable  
13 period of time.

14 **XII.**  
15 **RECOMMENDATION AND CONCLUSION**

16 CPF believes that the Plan provides the best available alternative for maximizing  
17 the recoveries that Creditors will receive from the Debtors’ Assets. Therefore, CPF  
18 recommends that all Creditors, that are entitled to vote on the Plan, vote to accept the  
19 Plan.

20 DATED: February 6, 2017.

21 CPF VASEO ASSOCIATES, LLC

22 By:     /s/Robert Flaxman      
23 Name: Robert Flaxman  
24 Its: Authorized Representative  
25  
26

1 Prepared and submitted of CPF Vaseo Associates, LLC by:

2 GALLAGHER & KENNEDY, P.A.

3

4 By: /s/Todd A. Burgess (019013)

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10 Attorneys for CPF Vaseo Associates, LLC

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**EXHIBIT A**  
**(Joint Plan of Reorganization)**

1 **GALLAGHER & KENNEDY, P.A.**  
2 John R. Clemency, Esq. (Bar No. 009646)  
3 Todd A. Burgess, Esq. (Bar No. 019013)  
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12 Attorneys for CPF VASEO ASSOCIATES, LLC

13 **IN THE UNITED STATES BANKRUPTCY COURT**  
14 **FOR THE DISTRICT OF ARIZONA**

15 In re:

16 EPICENTER PARTNERS L.L.C.

17 GRAY MEYER FANNIN L.L.C.

18 SONORAN DESERT LAND INVESTORS LLC

19 EAST OF EPICENTER LLC

20 GRAY PHOENIX DESERT RIDGE II, LLC

21 Debtors.

Chapter 11

Case No. 2:16-bk-05493-MCW

Jointly Administered with:

Case No. 2:16-bk-05494-MCW

Case No. 2:16-bk-07659-MCW

Case No. 2:16-bk-07660-MCW

Case No. 2:16-bk-07661-MCW

22 **JOINT PLAN OF REORGANIZATION FOR ALL DEBTORS**

23 This Joint Plan of Reorganization (as amended, the "Plan") is filed by CPF Vaseo  
24 Associates, LLC ("CPF" or "Plan Proponent"), a secured creditor and party-in-interest in  
25 the above captioned chapter 11 cases of Epicenter Partners, LLC ("EP"), Gray Meyer  
26 Fannin, LLC ("GMF"), Sonoran Desert Land Investors, LLC ("SDLI"), East of Epicenter,  
LLC ("EoE") and Gray Phoenix Desert Ridge II, LLC ("GPDR II" and together with EP,  
GMF, SDLI, and EoE, the "Debtors"). Sent to you in the same envelope as this document  
is the Disclosure Statement in Support of Joint Plan of Reorganization (the "Disclosure  
Statement"), which has been approved by the Bankruptcy Court and is provided to help

5835879v2/27539-0001  
02/06/17

1 you understand the Plan. The Plan provides for the reorganization of the Debtors  
2 supported by significant Plan Contributions by CPF. The Effective Date of the Plan is  
3 defined herein.

4 **ARTICLE 1. DEFINITIONS.**

5 Except as otherwise provided in this Plan, all terms used herein shall have the  
6 meanings attributable to such terms under title 11 of the United States Code, 11 U.S.C.  
7 §§ 101 *et seq.*, as amended (the “Bankruptcy Code”), the applicable Federal Rules of  
8 Bankruptcy Procedure and the Local Bankruptcy Rules for the District of Arizona (the  
9 “Local Bankruptcy Rules”). For purposes of this Plan, except as expressly otherwise  
10 provided or unless the context otherwise requires, all capitalized terms not otherwise  
11 defined shall have the meanings assigned to them in this Section of the Plan. In all  
12 references herein to any parties, persons, entities, or corporations, the use of any particular  
13 gender or the plural or singular number is intended to include the appropriate gender or  
14 number as the text may require.

15 1.1 20 Acre Lease shall refer to and mean the Arizona State Land Department  
16 Commercial Lease No. 003-116780-99 between GPDR II and ASLD, as amended,  
17 pursuant to which GPDR II leases the 20 Acre Parcel from ASLD. The 20 Acre Lease  
18 shall be deemed assumed in accordance with the provisions of 11 U.S.C. § 365, as of the  
19 Effective Date, and will be assigned to the Buyer of the DR Property.

20 1.2 20 Acre Parcel shall refer to and mean the approximately 20 acres of real  
21 property of Parcel 5A of the DRSP located near the northwest corner of 56<sup>th</sup> Street and  
22 State Route 101 in Phoenix, AZ leased by GPDR II from the ASLD, including any and all  
23 related real property rights held by GPDR II with respect to the 20 Acre Property.

24 1.3 20 Acre Personal Property shall refer to and mean all Plans and  
25 Specifications, as that term is defined in the Assignment of Plans, Specifications and  
26 Contracts recorded as Instrument No. 20140812398 in the Official Records of Maricopa

1 County, Arizona, and all other documents and personal property of every kind and nature  
2 related to the ownership, management, and development of the 20 Acre Parcel.

3 1.4 20 Acre Rent Extension Letter shall refer to and mean the letter dated May  
4 30, 2014 from the State Land Commissioner to GPDR II granting GPDR II an extension  
5 of time through July 7, 2017 to pay rent and other payments due under the 20 Acre Lease  
6 attributable to the period of time from July 7, 2013 through July 6, 2017.

7 1.5 96.5 Acre Lease shall refer to and mean the Arizona State Land Department  
8 Commercial Lease No. 003-052415-99, as amended or modified, pursuant to which EP  
9 and GMF lease the 96.5 Acre Parcels from ASLD. The 96.5 Acre Lease shall be deemed  
10 assumed in accordance with the provisions of 11 U.S.C. § 365, as of the Effective Date,  
11 and will be assigned to the Buyer of the DR Property.

12 1.6 96.5 Acre Parcels shall refer to and mean the approximately 96.5 acres of  
13 real property leased by EP and GMF from ASLD pursuant to the 96.5 Acre Lease,  
14 including any and all real property rights held by EP and/or GMF relating to the 96.5 Acre  
15 Parcels, including, but not limited to all rights of EP and GMF as Master Developer and  
16 Declarant described in the Assignment of Rights as Master Developer and Declarant,  
17 recorded on May 8, 2013 as Instrument 20130421834 in the Official Records of Maricopa  
18 County, Arizona.

19 1.7 96.5 Acre Personal Property shall refer to and mean all plans, contracts,  
20 specifications, studies, and other documents and personal property of every kind and  
21 nature related to the ownership, management, and development of the 96.5 Acre Parcel.

22 1.8 96.5 Acre Rent Extension Letter shall refer to and mean the letter dated May  
23 30, 2014 from the State Land Commissioner to EP and GMF granting EP and GMF an  
24 extension of time through July 7, 2017 to pay rent and other payments due under the  
25 96.5Acre Lease attributable to the period of time from July 7, 2012 through July 6, 2017.

1           1.9    Administrative Expense shall mean any cost or expense of administration of  
2 the Debtors' chapter 11 cases allowable under Section 503(b) and Section 507(a) of the  
3 Bankruptcy Code, including, without limitation, any actual and necessary expenses of  
4 preserving the estates of the Debtors, any actual and necessary expense of operating the  
5 businesses of the Debtors, any indebtedness or obligation incurred or assumed by the  
6 Debtors in connection with the conduct of the business or for the acquisition or lease of  
7 property or the rendition of services to the Debtors, all allowances of compensation and  
8 reimbursement of expenses of Professional Persons, including Professional Fee Claims,  
9 and any fees or charges assessed against the estates of the Debtors under Chapter 123 of  
10 Title 28 of the United States Code.

11           1.10 Affiliates shall have the meaning set forth in Section 101(2) of the  
12 Bankruptcy Code.

13           1.11 Allowed when used as an adjective preceding the words "Claims" or  
14 "Equity Security Interest" shall mean any Claim against or Equity Security Interest in the  
15 Debtors as to which no objection to the allowance thereof has been interposed with the  
16 applicable period of limitations fixed by the Plan, the Bankruptcy Code, the Federal Rules  
17 of Bankruptcy Procedure, Local Rules, or as to which any objection has been interposed  
18 timely and such Claim has been allowed in whole or in part by a Final Order. Subject to  
19 rights of Secured Creditors under Bankruptcy Code § 506(b), if any, unless otherwise  
20 specified in the Plan, "Allowed Claim" and "Allowed Equity Security Interest" shall not,  
21 for purposes of computation of distributions under the Plan, include interest on the amount  
22 of such Claim or Equity Security Interest from and after the Debtors' Petition Date.

23           1.12 ASLD shall refer to and mean the Arizona State Land Department.

24           1.13 ASLD Settlement Agreement shall refer to and mean the Settlement  
25 Agreement, dated as of May 30, 2014, between Epicenter Partners, LLC, East of  
26

1 Epicenter, LLC, the State of Arizona, acting by and through the Arizona State Land  
2 Department and Vanessa Hickman, the Arizona State Land Commissioner.

3 1.14 Assets shall mean the aggregate assets of any kind of the Debtors and their  
4 Estates, wherever located.

5 1.15 Avoidance Actions shall refer to and mean, with respect to each Debtor, all  
6 Claims and/or causes of action of the Debtor or its Estate under Sections 543, 544, 545,  
7 546, 547, 548, 549, 550, et seq. of the Bankruptcy Code, or under related state or federal  
8 statutes and common law, including fraudulent transfer laws, whether or not litigation is  
9 commenced to prosecute such Avoidance Actions, including but not limited to all  
10 potential causes of action identified in Sections 3(b) and (c) of each Debtor's Statement of  
11 Financial Affairs filed in the Case.

12 1.16 Ballot shall mean the form(s) distributed to creditors holding claims in an  
13 impaired Class, or holders of interests in an impaired Class, on which is to be indicated  
14 the acceptance or rejection of the Plan.

15 1.17 Bankruptcy Code or Code shall mean the Bankruptcy Reform Act of 1978  
16 (11 U.S.C. Sections 101, *et seq.*), as amended, and as codified in Title 11 of the United  
17 States Code.

18 1.18 Bankruptcy Court shall mean the United States Bankruptcy Court for the  
19 District of Arizona having jurisdiction over the Debtors' chapter 11 cases and, to the  
20 extent of any reference made pursuant to 28 U.S.C. Section 158, the unit of such District  
21 Court constituted pursuant to 28 U.S.C. Section 151.

22 1.19 Bankruptcy Rules shall mean the rules and forms of practice and procedure  
23 in bankruptcy, promulgated under 11 U.S.C. Section 2075 and also referred to as the  
24 Federal Rules of Bankruptcy Procedure.

1           1.20 Bar Date shall mean October 20, 2016, the date established by the  
2 Bankruptcy Court by which all proofs of claim must be filed, in accordance with the  
3 *ORDER Granting Motion to Set Last Day to File Proofs of Claim* [Dkt. 154].

4           1.21 Blue Sky Property shall mean the approximately 3.74 acres of real property  
5 owned by SDLI located northeast of the intersection of Scottsdale Rd. and Camelback Rd.

6           1.22 Business Day shall mean and refer to any day except Saturday, Sunday, and  
7 any other days on which commercial banks in Arizona are authorized by law to close.

8           1.23 Cash shall mean legal tender of the United States of America or equivalents  
9 thereof, as well as any and all foreign currencies.

10          1.24 Case shall mean the Debtors' cases under Chapter 11 of the Bankruptcy  
11 Code currently pending before the Bankruptcy Court.

12          1.25 Claim shall mean a claim against the Debtors as defined in Section 101(5)  
13 of the Bankruptcy Code; including any right to payment from the Debtors whether or not  
14 such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,  
15 unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or any right to an  
16 equitable remedy for breach of performance if such breach gives rise to a right of payment  
17 from the Debtors whether or not such right to an equitable remedy is reduced to judgment,  
18 fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

19          1.26 Claimant shall mean the holder of a Claim.

20          1.27 Class shall mean a class of holders of Claims or Equity Security Interests  
21 described in Article III of the Plan.

22          1.28 Commercial Core Declaration shall refer to and mean the Declaration of  
23 Covenants, Conditions, Restrictions and Easements for Desert Ridge Commercial Core,  
24 dated July 20, 2000, and recorded on July 21, 2000 in the Official Records of Maricopa  
25 County, Arizona as Instrument 2000-0555236, as the same may have been or may be  
26 amended or modified from time to time.

1           1.29 Committee shall mean any statutory committee of unsecured creditors  
2 appointed in the Case pursuant to Bankruptcy Code § 1102.

3           1.30 Confirmation shall mean the entry of an order by the Bankruptcy Court  
4 approving and confirming the Plan in accordance with the provisions of the Bankruptcy  
5 Code.

6           1.31 Confirmation Date shall mean the date upon which the clerk of the  
7 Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

8           1.32 Confirmation Hearing shall mean a hearing conducted before the  
9 Bankruptcy Court for the purpose of considering confirmation of the Plan, as such hearing  
10 may be adjourned or continued from time to time.

11           1.33 Confirmation Order shall mean an Order of the Bankruptcy Court  
12 confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy  
13 Code.

14           1.34 CPF shall refer to and mean CPF Vaseo Associates, LLC.

15           1.35 CPF Plan Contribution shall refer to and mean cash contributed by CPF on  
16 or after the Effective Date sufficient to: (i) pay all Allowed Administrative Claims,  
17 Allowed Professional Fee Claims, Allowed Priority Claims, and Allowed Secured Tax  
18 Claims in full in accordance with accordance the Plan; (ii) pay all deferred lease payments  
19 and future lease payments due to ASLD under the 96 Acre Lease and the 20 Acre Lease;  
20 (iii) fund the Unsecured Creditor Dividend Fund; and (iv) fund post-Effective Date  
21 expenses of the Reorganized Debtors.

22           1.36 Creditor shall mean any person that has a Claim against the Debtors that  
23 arose on or before the Petition Date or a Claim against the Estates of any kind specified in  
24 Section 502(g), 502(h) or 502(i) of the Bankruptcy Code.



1           1.37 Debtors shall mean EP, GMF, SDLI, EoE and GPDR II. With respect to  
2 any period of time after the Effective Date, the term Debtors, as used herein shall mean  
3 and include the Debtors as reorganized under and in accordance with the confirmed Plan.

4           1.38 Document shall mean refers to and includes the originals (or copies if the  
5 originals are unavailable to you), and all non-identical copies, whether different from the  
6 originals by reason of any notation made on such copies or otherwise, of every writing of  
7 every type of description, and every other thing constituting any medium by which,  
8 through which, or on which any type of communication or knowledge has been  
9 transmitted, recorded, or preserved, whether printed, handwritten, recorded or graphic  
10 matter, computer records, photographic matter, or sound reproductions, wherever  
11 produced or recorded, whether claimed to be exempt from production pursuant to a  
12 properly asserted privilege or for any other reason, with this definition including, for  
13 illustrative purposes and without limitation, all of the following:

14           1.38.1 correspondence, memoranda, notes, diaries, statistics, letters,  
15 telegrams, minutes, contracts, reports, studies, check statements, check stubs, bank  
16 statements, memoranda, pamphlets, reports, surveys, studies, analyses, tabulations,  
17 graphs, logs, statements, receipts, returns, summaries, pamphlets, books, inter-  
18 office or intraoffice communications, telephone message slips, offers, notations of  
19 conversations, bulletins, drawings, plans, computer printouts, teletypes, telefaxes,  
20 invoices, worksheets, ledger books, books of account, reports and/or summaries of  
21 investigations, opinions and/or reports of consultants, appraisals and/or other  
22 valuation estimates of any kind, and all drafts, alterations, modifications, changes  
23 and amendments of any of the foregoing;

24           1.38.2 all graphic or aural records and representations of any kind,  
25 including without limitation photographs, charts, graphs, microfiche, microfilm,  
26 videotape recordings, motion pictures and electronic, mechanical or electrical

1 records, cassettes, disks, or recordings of any kind; and (iii) electronic mail  
2 communications, computer disks and diskettes, computer input or output,  
3 computer hard drive files, computer back-up tapes, zip drive files, recorded  
4 information, electromagnetic tapes used for preserving and backing up computer  
5 systems, data and information located in computer systems, on computer  
6 networks, and information in whatever other form stored or utilized by you on  
7 computer systems, or stored for you by a third party.

8 1.39 DR Property shall refer to and mean the 20 Acre Lease, the 20 Acre  
9 Personal Property, the 96.5 Acre Lease, the 96.5 Acre Personal Property, and all related  
10 real property and personal property rights, including, but not limited to the Master  
11 Developer Rights, the Master Declarant Rights, and the Property Development  
12 Agreement.

13 1.40 DRSP shall refer to and mean the Desert Ridge Specific Plan currently in  
14 effect with respect to the Desert Ridge Master Planned Community, as the same may be  
15 amended in accordance with applicable State law.

16 1.41 Disallowed Claim shall mean a Claim or portion thereof that: (i) has been  
17 disallowed by a Final Order; (ii) is identified in the Debtors' Schedules in an amount of  
18 zero dollars or as contingent, unliquidated, or disputed and as to which a proof of claim  
19 was not filed by the Bar Date; or (iii) is not identified in the Debtors' schedules and as to  
20 which no proof of claim has been filed or deemed filed by the Bar Date.

21 1.42 Disclosure Statement shall mean and refer to the disclosure statement filed  
22 by the Debtors as required pursuant to Section 1125 of the Bankruptcy Code, as the same  
23 may be amended from time to time by the Debtors.

24 1.43 Disputed Claim shall mean any Claim that is not an Allowed Claim or a  
25 Disallowed Claim and that has not been barred or otherwise disallowed or paid or  
26 otherwise satisfied. In the event that any part of a Claim is a Disputed Claim, such Claim

1 in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution  
2 under the Plan unless the Debtors and the holder thereof agree otherwise; provided,  
3 however, nothing in this definition is intended to or does impair the rights of any holder of  
4 a Disputed Claim to pursue its rights under Section 502(c) of the Bankruptcy Code.  
5 Without limiting any of the foregoing, but subject to the provisions of the Plan, a Claim,  
6 including a Claim scheduled by the Debtors, that is the subject of a pending application,  
7 motion, complaint, objection or any other legal proceeding commenced or filed by the  
8 Debtors seeking to disallow, limit, subordinate or estimate such Claim shall be deemed to  
9 constitute a Disputed Claim.

10 1.44 Effective Date shall mean the first Business Day after the Confirmation  
11 Order becomes a Final Order; provided however, that if an appeal or other challenge to  
12 the Confirmation Order has been timely taken, but such order remains in full force and  
13 effect and has not been stayed, then CPF may waive the condition that the Confirmation  
14 Order become a Final Order in which case the “Effective Date” shall mean the date  
15 designated in a writing filed by CPF in the Case.

16 1.45 EoE shall mean East of Epicenter, LLC, a debtor herein.

17 1.46 EP shall mean Epicenter Partners, L.L.C., a debtor herein.

18 1.47 Equity Security Interests shall have the meaning set forth in Section 101(16)  
19 of the Bankruptcy Code and “Holders of Equity Security Interests” shall have the meaning  
20 set forth in Section 101(17) of the Bankruptcy Code.

21 1.48 GBSRP I shall mean Gray Blue Sky Scottsdale Residential Phase I, LLC, an  
22 Arizona limited liability company 100% owned by SDLI and the current owner of  
23 approximately .55 acres adjacent to the Blue Sky Property.

24 1.49 GBSRP I Property shall refer to and mean the approximately .55 acres of  
25 real property located adjacent to the Blue Sky Property.

1           1.50 Estate shall mean the estate of the applicable Debtor created in accordance  
2 with Section 541 of the Bankruptcy Code.

3           1.51 Estate Claims shall mean, with respect to each Debtor, any and all claims,  
4 actions, causes of action, liabilities, obligations, rights, damages, judgments, demands,  
5 defenses, suits, choses in action and all other rights and remedies of the Debtor and its  
6 Estate, for or on behalf of Creditors and/or the Debtor and/or the Estate, including but not  
7 limited to any and all claims and/or causes of action by the Estate and/or the Debtor,  
8 against any and all Creditors, Governmental Units, or other Persons, including but not  
9 limited to any and all claims any of the Debtors may have against their respective current or  
10 former officers, directors, managers and members, of every kind or nature, whether known  
11 or unknown, suspected or unsuspected, whether arising before, on or after the Petition  
12 Date, in contract or in tort, at law or in equity, and whether or not brought as of the  
13 Effective Date, including but not limited to those for (i) damages, (ii) the recovery of  
14 monies, (iii) lien avoidance, subordination, surcharge, recharacterization, setoff,  
15 counterclaim, contribution or recoupment, (iv) tax refunds, (v) claims and defenses such  
16 as fraud, mistake, duress and usury, (vi) injunctive, equitable or other relief, and (vii) all  
17 Avoidance Actions of the Estate.

18           1.52 Executory Contract and Unexpired Lease or Executory Contract or  
19 Unexpired Lease shall mean a contract or lease to which a Debtor is a party that is subject  
20 to assumption or rejection under Section 365 of the Bankruptcy Code.

21           1.53 Final Order shall mean an order or judgment of the Bankruptcy Court as  
22 entered on the docket that (a) is not stayed, (b) has not been reversed, modified or  
23 amended, and (c) as to which the time to appeal, petition for certiorari, or seek  
24 reargument, review, reconsideration, rehearing or leave to appeal (excluding the time to  
25 move for relief from a final order or judgment under Rule 60(b) of the Federal Rules of  
26 Civil Procedure and the time to request revocation of an order of confirmation under

1 Section 1144 of the Bankruptcy Code) has expired and as to which no appeal, petition for  
2 certiorari or other proceeding for reargument, review, reconsideration, rehearing or leave  
3 to appeal (including a motion for relief from a final order or judgment under said Rule  
4 60(b) or a request for revocation of an order of confirmation under said Section 1144) or  
5 as to which any right to appeal, petition for certiorari or seek reargument, review,  
6 reconsideration, rehearing or leave to appeal has been waived in writing, or, if any appeal,  
7 petition for certiorari, or other proceeding for reargument, review, reconsideration,  
8 rehearing or leave to appeal has been sought, the order or judgment of the Bankruptcy  
9 Court has been affirmed by the highest court to which the order or judgment was appealed  
10 or from which the reargument or rehearing was sought, or certiorari has been denied, and  
11 the time to take any further appeal, petition for certiorari or seek further reargument,  
12 review reconsideration, rehearing or leave to appeal (excluding the time to move for relief  
13 from a final order or judgment under said Rule 60(b) and the time to request revocation of  
14 an order of confirmation under said Section 1144) has expired.

15 1.54 Ganymede shall refer to and mean Ganymede Investments Limited, a  
16 company organized under the laws of Guernsey.

17 1.55 Ganymede Adversary shall refer to and mean Adversary No. 16-ap-00334-  
18 MCW commenced by EP and GMF against CPF, including, but not limited to, the First  
19 Amended Complaint filed at Dkt. 59 in Adversary No. 16-ap-00334-MCW.

20 1.56 Ganymede Claims shall refer to and mean all claims and causes of action  
21 alleged, or that could have been alleged, in the Ganymede Adversary against CPF, its  
22 successors, assigns, and Representatives.

23 1.57 GMF shall mean Gray Meyer Fannin, LLC, a debtor herein.

24 1.58 GPDR II shall mean Gray Phoenix Desert Ridge II, LLC, a debtor herein.  
25  
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1           1.59 Impaired when used as an adjective preceding the words “Class of Claims”  
2 or “Class of Equity Security Interests,” shall mean that the Plan alters the legal, equitable,  
3 or contractual rights of the member of that class.

4           1.60 Insider Unsecured Claim shall mean any Unsecured Claim against the  
5 Debtor arising from a transaction with a person or entity that is an affiliate or insider of  
6 any of the Debtors or Bruce Gray.

7           1.61 IRS shall mean the Internal Revenue Service, Department of the Treasury of  
8 the United States of America.

9           1.62 Lien shall mean any lien or charge against or interest, including any security  
10 interest, in property to secure payment of a debt or performance of an obligation but only  
11 to the extent such lien, charge, or interest is valid, binding, enforceable and perfected and  
12 not subject to avoidance, defense, recharacterization or subordination.

13           1.63 Lien Avoidance Adversary shall refer to and mean Adversary No. 16-ap-  
14 00395-MCW commenced by EP and GMF against CPF, including, but not limited to the  
15 Complaint filed therein.

16           1.64 Lien Avoidance Claims shall refer to and mean all claims and causes of  
17 action alleged, or that could have been alleged, in the Lien Avoidance Action against  
18 CPF, its successors, assigns, and Representatives.

19           1.65 Master CC&Rs shall refer to and mean the Declaration of Covenants,  
20 Conditions, Restrictions and Easements for Desert Ridge, Phoenix, Arizona, recorded on  
21 February 7, 1994 in the Official Records of Maricopa County, Arizona as Instrument No.  
22 94-0106341, as the same may have been or may be amended or modified from time to  
23 time.

24           1.66 Master Developer Rights shall refer to and mean those rights currently held  
25 by EP and GMF under the 96.5 Acre Lease, as well as under all recorded covenants,  
26

1 conditions and restrictions relating to the 96.5 Acre Parcels and otherwise under the  
2 DRSP, as the same may have been or may be amended or modified from time to time.

3 1.67 Master Declarant Rights shall refer to and mean the rights of the Declarant  
4 under the Commercial Core Declaration, as the same may have been or may be amended  
5 or modified from time to time.

6 1.68 Non-Insider Unsecured Claim shall mean any Unsecured Claim against the  
7 Debtor arising from a transaction with a person or entity that is not an affiliate or insider  
8 of any of the Debtors or Bruce Gray.

9 1.69 Petition Date shall mean May 16, 2016 with respect to EP and GMF, and  
10 shall mean July 6, 2016 with respect to GPDR II.

11 1.70 Plan shall mean this plan of reorganization, including, without limitation,  
12 the exhibits and schedules hereto, as the same may be amended, supplemented or  
13 modified from time to time in accordance with the provisions of the Bankruptcy Code and  
14 the terms hereof.

15 1.71 Priority Claims shall mean “Priority Tax Claims” and “Priority Non-Tax  
16 Claims” in the aggregate, and shall mean any claim to the extent entitled to priority in  
17 payment under Section 507 (3), (4), (5), (6), (7) or (8) of the Bankruptcy Code.

18 1.72 Priority Non-Tax Claims shall mean Priority Claims other than Priority  
19 Claims entitled to priority treatment as a tax under Section 507(a)(8) of the Bankruptcy  
20 Code.

21 1.73 Priority Tax Creditor shall mean a Creditor holding a Priority Tax Claim.

22 1.74 Priority Tax Claim shall mean any Claim entitled to priority in payment  
23 under Section 507(a)(8) of the Bankruptcy Code, but only to the extent it is entitled to  
24 priority under such subsection.

25 1.75 Professional Persons shall mean any professional employed in the Chapter  
26 11 Case pursuant to Section 327 or Section 1103 of the Bankruptcy Code, or any

1 professional or other entity seeking compensation or reimbursement of expenses in  
2 connection with the Case pursuant to Sections 503(b)(3)(F) and (b)(4) of the Bankruptcy  
3 Code.

4 1.76 Professional Fee Claim shall mean any claim by a Professional Person as  
5 provided for in Sections 327, 328, 330, 503(b) and 1103 of the Bankruptcy Code.

6 1.77 Property Development Agreement shall refer to and mean the Property  
7 Development Agreement, dated July 3, 2012, between EP, GMF, Bruce W. Gray, and  
8 City North HH, Inc.

9 1.78 Pro Rata shall mean, with respect to an amount of Cash to be paid or  
10 distributed to a Creditor with respect to an Allowed Claim or Allowed Equity Security  
11 Interest on a particular date, in accordance with the ratio, as of such date, of the dollar  
12 amount of the Allowed Claim or Allowed Equity Security Interest of such Person in the  
13 indicated Class to the aggregate dollar amount of all Claims or Equity Security Interests in  
14 the indicated Class (including, in each such calculation, the full amount of Disputed  
15 Claims in the Class which have been asserted or are otherwise pending and which have  
16 not yet been Allowed or otherwise disposed of).

17 1.79 Reorganized Debtors shall mean the Debtors as reorganized under and in  
18 accordance with the confirmed Plan.

19 1.80 Representative shall mean, with respect to any entity, any officer, director,  
20 affiliate, manager, member, subsidiary, attorney, advisor, investment banker, financial  
21 advisor, accountant or other professional of such entity, in each case in such capacity,  
22 together with each of their successors and assigns.

23 1.81 SDLI shall mean Sonoran Desert Land Investors, LLC, a debtor herein.

24 1.82 Secured Claim shall mean a Claim which is secured by a valid, perfected  
25 and unavoidable Lien against a Debtor's Assets as of the Petition Date, or which expressly  
26 attached to the proceeds of assets sold pursuant to an order of the Bankruptcy Court but



1 only to the extent of the value of such Debtor's interest in the property. In accordance  
2 with the Section 506(a) of the Bankruptcy Code, Secured Claim specifically excludes that  
3 portion of a Claim of a holder of a Lien against the property of the Debtor to the extent  
4 such holder's interest in the property is less than the amount of such Claim. To the extent  
5 of any deficiency in the value of the interest of the holder of such Secured Claim in such  
6 property, such deficiency is an Unsecured Claim, unless otherwise provided for by order  
7 of the Bankruptcy Court.

8 1.83 STB shall refer to and mean the law firm of Simpson Thatcher & Bartlett  
9 LLP.

10 1.84 Subordinated Claim shall mean all claims described in Section 510 of the  
11 Bankruptcy Code or claims which are otherwise subordinated pursuant to an Order of the  
12 Bankruptcy Court.

13 1.85 Unsecured Claim shall mean any Claim against the Debtors which arose or  
14 which is deemed by the Bankruptcy Code to have arisen before the Petition Date for the  
15 Debtors, and which is not (i) a secured claim pursuant to Section 506 of the Bankruptcy  
16 Code, as modified by Section 1111(b) of the Bankruptcy Code, or (ii) a Claim entitled to  
17 priority under Sections 503 or 507 of the Bankruptcy Code. "Unsecured Claims" shall  
18 include all Claims against the Debtors that are not expressly otherwise dealt with in the  
19 Plan.

20 1.86 Unsecured Creditor Dividend Fund shall mean a fund in the amount of  
21 \$500,000 created by the Plan Proponent to make Pro Rata distributions to holders of  
22 Allowed Non-Insider Unsecured Claims on or after the Effective Date in accordance with  
23 the Plan.

24 1.87 Voting Class shall mean a Class of Claims under the Plan which is impaired  
25 and entitled to vote to accept or reject the Plan.

26 **ARTICLE 2. INTERPRETATION, RULES OF CONSTRUCTION, AND OTHER**

1 **TERMS.**

2 2.1 Any term used in this Plan that is not defined herein, whether in Article I or  
3 elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules, has the  
4 meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules and shall  
5 be construed in accordance with the rules of construction used in the Bankruptcy Code.

6 2.2 The words “herein,” “hereto,” “hereunder,” and others of similar  
7 importance, refer to the Plan as a whole and not to any particular article or clause  
8 contained in this Plan.

9 2.3 Unless specified otherwise in a particular reference, a reference in this Plan  
10 to an article is a reference to that article of this Plan.

11 2.4 Unless otherwise provided for, any reference in this Plan to an existing  
12 document or instrument means such document or instrument as it may have been  
13 amended, modified, or supplemented from time to time.

14 2.5 For purposes of this Plan and such defined terms, the singular and plural  
15 uses of such defined terms and the conjunctive and disjunctive uses will be fungible and  
16 interchangeable (unless the context otherwise requires); and the defined terms will include  
17 masculine, feminine, and neuter genders.

18 2.6 In addition to the foregoing, the rules of construction set forth in Section  
19 102 of the Bankruptcy Code shall apply to this Plan.

20 2.7 In computing any period of time prescribed or allowed by this Plan, the  
21 provisions of Bankruptcy Rule 9006(a) shall apply.

22 2.8 Any exhibits or schedules to this Plan are incorporated into this Plan, and  
23 shall be deemed to be included in this Plan, regardless of when filed with the Bankruptcy  
24 Court.

1           2.9    Where Claims are divided into subclasses in this Plan, each subclass will be  
2 considered to be a separate class for all confirmation purposes, including treatment and  
3 voting on the Plan.

4   **ARTICLE 3. CLASSIFICATION OF CLAIMS AND INTERESTS.**

5           3.1    General Classification Provisions. For purposes of organization, voting, and  
6 all confirmation matters, except as otherwise provided herein, all Claims (except for  
7 Administrative Claims and Priority Tax Claims) and Equity Security Interests shall be  
8 classified as set forth in this Article III of the Plan. All Claims and Equity Security  
9 Interests are classified under the Plan as hereafter stated in this Article III; provided,  
10 however, that a Claim or Equity Security Interest will be deemed classified in a particular  
11 Class only to the extent that the Claim or Equity Security Interest qualifies within the  
12 description of that Class and will be deemed classified in a different Class to the extent  
13 that any remainder of the Claim or Equity Security Interest qualifies within the description  
14 of such different Class. As of the Confirmation Hearing, any Class of Claims or Equity  
15 Security Interest that does not contain any Creditor's Claim or an Equity Security Interest  
16 will be deemed deleted automatically from the Plan; and any Class of Claims or Equity  
17 Security Interest that does not contain an Allowed Claim (or a Claim temporarily or  
18 provisionally allowed by the Bankruptcy Court for voting purposes) or Equity Security  
19 Interest will be deemed automatically deleted from the Plan with respect to voting on  
20 confirmation of the Plan. A Claim or Equity Security Interest is in a particular Class only  
21 to the extent the Claim or Equity Security Interest is an Allowed Claim or Allowed Equity  
22 Security Interest as defined herein.

23           3.2    Classification of Claims and Equity Security Interests. The Plan classifies  
24 Claims and Equity Security Interests in various Classes according to their right to priority  
25 of payments as provided in the Bankruptcy Code. The Plan states whether each Class of  
26 Claims or Equity Security Interests are impaired or unimpaired. The Plan provides the

1 treatment each Class will receive under the Plan. In accordance with the requirements of  
2 the Bankruptcy Code, Allowed Administrative Expense Claims and Priority Tax Claims  
3 are not set forth in Classes and are not entitled to vote on the Plan. The Allowed Claims  
4 against the Debtors' Estates are divided into the following classes:

5 3.2.1 Class 1 (Secured Tax Claims). Class 1 consists of any Secured Tax  
6 Claims filed by the Maricopa County Treasurer against the Debtors.

7 (a) Class 1.1 (Secured Tax Claims Against EP). Class 1.1  
8 consists of any Secured Tax Claims filed against EP.

9 (b) Class 1.2 (Secured Tax Claims Against SDLI). Class 1.2  
10 consists of any Secured Tax Claims filed against SDLI.

11 (c) Class 1.3 (Secured Tax Claims Against EoE). Class 1.3  
12 consists of any Secured Tax Claims filed against EoE.

13 3.2.2 Class 2 (CPF Secured Claims). Class 2 consists of CPF's Secured  
14 Claims against the Debtors.

15 (a) Class 2.1 (CPF Secured Claims against EP and GMF). Class  
16 2.1 consists of CPF's Secured Claims against EP and GMF.

17 (b) Class 2.2 (CPF Secured Claim against GPDR II and SDLI).  
18 Class 2.2 consists of CPF's Secured Claims against GPDR II and SDLI.

19 (c) Class 2.3 (CPF Secured Claim against EoE). Class 2.3  
20 consists of CPF's Secured Claim against EoE.

21 3.2.3 Class 3 (Non-Insider Unsecured Claims). Class 3 consists of any  
22 Non-Insider Unsecured Claims against the Debtors existing as of the Confirmation  
23 Date.

24 (a) Class 3.1 (EP Non-Insider Unsecured Claims). Class 3.1  
25 consists of all Non-Insider Unsecured Claims against EP.  
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1 (b) Class 3.2 (GMF Non-Insider Unsecured Claims). Class 3.2  
2 consists of all Non-Insider Unsecured Claims against GMF.

3 (c) Class 3.3 (SDLI Non-Insider Unsecured Claims). Class 3.3  
4 consists of all Non-Insider Unsecured Claims against SDLI.

5 (d) Class 3.4 (EoE Non-Insider Unsecured Claims). Class 3.4  
6 consists of all Non-Insider Unsecured Claims against EoE.

7 (e) Class 3.5 (GPDR II Non-Insider Unsecured Claims). Class  
8 3.5 consists of all Non-Insider Unsecured Claims against GPDR II.

9 3.2.4 Class 4 (Insider Unsecured Claims). Class 4 consists of any Insider  
10 Unsecured Claims against the Debtors existing as of the Confirmation Date.

11 (a) Class 4.1 (EP Insider Unsecured Claims). Class 4.1 consists  
12 of all Insider Unsecured Claims against EP.

13 (b) Class 4.2 (GMF Insider Unsecured Claims). Class 4.2  
14 consists of all Insider Unsecured Claims against GMF.

15 (c) Class 4.3 (SDLI Insider Unsecured Claims). Class 4.3  
16 consists of all Insider Unsecured Claims against SDLI.

17 (d) Class 4.4 (EoE Insider Unsecured Claims). Class 4.4 consists  
18 of all Insider Unsecured Claims against EoE.

19 (e) Class 4.5 (GPDR II Insider Unsecured Claims). Class 4.5  
20 consists of all Insider Unsecured Claims against GPDR II.

21 3.2.5 Class 5 (Equity Security Interests). Class 5 consists of the Equity  
22 Security Interests in each of the Debtors.

23 (a) Class 5.1 (EP Equity Security Interests). Class 5.1 consists of  
24 all Equity Security Interests in EP.

25 (b) Class 5.2 (GMF Equity Security Interests). Class 5.2 consists  
26 of all Equity Security Interests in GMF.

1 (c) Class 5.3 (SDLI Equity Security Interests). Class 5.3 consists  
2 of all Equity Security Interests in SDLI.

3 (d) Class 5.4 (EoE Equity Security Interests). Class 5.4 consists  
4 of all Equity Security Interests in EoE.

5 (e) Class 5.5 (GPDR II Equity Security Interests). Class 5.5  
6 consists of all Equity Security Interests in GPDR II.

7 **ARTICLE 4. IDENTIFICATION OF IMPAIRED AND UNIMPAIRED CLASSES.**

8 4.1 Allowed Administrative Expense Claims and Allowed Priority Tax Claims,  
9 are not classified under the Plan and are not entitled to vote on the Plan.

10 4.2 All other classes of Claims and Equity Security Interests are impaired by the  
11 Plan and therefore are entitled to vote to accept or reject the Plan, provided, however, that  
12 such acceptance or rejection shall be determined without regard to votes cast by Insiders.

13 4.3 In the event of a controversy as to whether any Claimant or Class of  
14 Claimants is impaired under the Plan, the Bankruptcy Court shall, after notice and a  
15 hearing, resolve such controversy.

16 4.4 The Debtors shall provide all Claimants entitled to vote with a form of  
17 Ballot approved by the Bankruptcy Court to be used in casting a vote on the Plan.

18 **ARTICLE 5. PROVISIONS FOR TREATMENT OF CLAIMS NOT IMPAIRED**  
19 **UNDER THE PLAN.**

20 5.1 Administrative Expense Claims. Every Creditor holding an Allowed  
21 Administrative Claim against the Debtors will be paid, in full satisfaction of their Allowed  
22 Claim: (a) fully and in Cash on or before ten (10) Business Days after the Effective Date  
23 if the Claim is then an Allowed Claim; (b) fully and in Cash within ten (10) Business  
24 Days after the entry of a Final Order allowing the Claim, if the Claim is not an Allowed  
25 Claim as of the Effective Date; (c) as otherwise agreed in writing by the Creditor holding  
26 the Allowed Administrative Claim and the Reorganized Debtors; or (d) as otherwise

1 ordered by the Bankruptcy Court. Requests for allowance and payment of Administrative  
2 Expenses must be filed and served no later than thirty (30) days after the Effective Date.  
3 Administrative Claims are unimpaired pursuant to the Plan and votes to accept or reject  
4 the Plan will not be solicited from Creditors holding Administrative Claims.

5       5.2 Objections. Notwithstanding any other provision of the Plan to the contrary,  
6 any objections to motions or applications seeking the allowance and payment of  
7 Administrative Expense Claims, including Professional Fee Claims, must be filed and  
8 served within the normal time limits established by the Federal Rules of Bankruptcy  
9 Procedure and the Local Rules of Bankruptcy Procedure for the District of Arizona, or as  
10 otherwise ordered by the Bankruptcy Court. CPF shall be entitled to object to any  
11 Administrative Claims, including Professional Fee Claims.

12       5.3 U.S. Trustee Fees. All fees payable pursuant to section 1930 of Title 28 of  
13 the United States Code, as determined by the Bankruptcy Court at the Confirmation  
14 Hearing, shall be paid on the Effective Date, or as due in the normal course of billing and  
15 payment. The Reorganized Debtors shall be responsible for timely payment of fees  
16 incurred pursuant to 28 U.S.C. § 1930(a)(6). The Reorganized Debtors shall file with the  
17 Bankruptcy Court, and serve on the United States Trustee, a quarterly financial report for  
18 each quarter (or portion thereof) that the cases remain open in a format prescribed by the  
19 United States Trustee and provided to the Reorganized Debtors by the United States  
20 Trustee, and shall pay such quarterly fees as become due for each quarter post-  
21 confirmation that the cases remain open. No motion or application is required to fix fees  
22 payable to the Clerks' Office or the Office of the United States Trustee, as those fees are  
23 determined by statute.

24       5.4 Priority Tax Claims. Priority Tax Claims are certain pre-Petition Date  
25 unsecured income, employment and other taxes described by Section 507(a)(8) of the  
26 Bankruptcy Code. Holders of Allowed Priority Tax Claims will be paid in full and in

1 cash within five (5) years of the Petition Date through regular equal monthly installments  
2 of principal and interest. Priority Tax Claims will be allowed in the principal amount of  
3 the tax due as of the Petition Date, with interest at the applicable statutory rate in  
4 accordance with section 511 of the Bankruptcy Code. No amounts attributable to  
5 penalties imposed or sought to be imposed by holders of Priority Tax Claims will be paid.  
6 Priority Tax Claims are unimpaired pursuant to the Plan and votes to accept or reject the  
7 Plan will not be solicited from Creditors holding Priority Tax Claims.

8 **ARTICLE 6. PROVISIONS FOR TREATMENT OF CLAIMS IMPAIRED**  
9 **UNDER THE PLAN.**

10 6.1 Class 1 (Secured Tax Claims). Class 1 consists of any Secured Tax Claims  
11 filed by the Maricopa County Treasurer against the Debtors.

12 6.1.1 Class 1.1 (Secured Tax Claims Against EP). Class 1.1 consists of the  
13 Secured Tax Claims filed by the Maricopa County Treasurer against EP. The  
14 holder of the Class 1.1 Secured Tax Claim shall retain its Lien in its prepetition  
15 collateral. The holder of the Class 1.1 Secured Tax Claim shall be paid, in full  
16 satisfaction of the Allowed amount of such Class 1.1 Secured Tax Claim, with  
17 interest at the applicable statutory rate in accordance with section 511 of the  
18 Bankruptcy Code: (a) fully and in Cash on or before ten (10) Business Days after  
19 the Effective Date if the Claim is then an Allowed Claim; (b) fully and in Cash  
20 within ten (10) Business Days after the entry of a Final Order allowing the Claim,  
21 if the Claim is not an Allowed Claim as of the Effective Date; (c) as otherwise  
22 agreed in writing by the Creditor holding the Class 1.1 Secured Tax Claim and the  
23 Reorganized Debtors; or (d) as otherwise ordered by the Bankruptcy Court. The  
24 Class 1.1 Secured Tax Claim is impaired under the Plan, and the holder is entitled  
25 to vote to accept or reject the Plan.

26 6.1.2 Class 1.2 (Secured Tax Claims Against SDLI). Class 1.2 consists of



1 the Secured Tax Claims filed by the Maricopa County Treasurer against SDLI.  
2 The holder of the Class 1.2 Secured Tax Claim shall retain its Lien in its  
3 prepetition collateral. The holder of the Class 1.2 Secured Tax Claim shall be paid,  
4 in full satisfaction of the Allowed amount of such Class 1.1 Secured Tax Claim,  
5 with interest at the applicable statutory rate in accordance with section 511 of the  
6 Bankruptcy Code: (a) fully and in Cash on or before ten (10) Business Days after  
7 the Effective Date if the Claim is then an Allowed Claim; (b) fully and in Cash  
8 within ten (10) Business Days after the entry of a Final Order allowing the Claim,  
9 if the Claim is not an Allowed Claim as of the Effective Date; (c) as otherwise  
10 agreed in writing by the Creditor holding the Class 1.2 Secured Tax Claim and the  
11 Reorganized Debtors; or (d) as otherwise ordered by the Bankruptcy Court. The  
12 Class 1.2 Secured Tax Claim is impaired under the Plan, and the holder is entitled  
13 to vote to accept or reject the Plan.

14 6.1.3 Class 1.3 (Secured Tax Claims Against EoE). Class 1.3 consists of  
15 the Secured Tax Claims filed by the Maricopa County Treasurer against EoE. The  
16 holder of the Class 1.3 Secured Tax Claim shall retain its Lien in its prepetition  
17 collateral. The holder of the Class 1.3 Secured Tax Claim shall be paid, in full  
18 satisfaction of the Allowed amount of such Class 1.3 Secured Tax Claim, with  
19 interest at the applicable statutory rate in accordance with section 511 of the  
20 Bankruptcy Code: (a) fully and in Cash on or before ten (10) Business Days after  
21 the Effective Date if the Claim is then an Allowed Claim; (b) fully and in Cash  
22 within ten (10) Business Days after the entry of a Final Order allowing the Claim,  
23 if the Claim is not an Allowed Claim as of the Effective Date; (c) as otherwise  
24 agreed in writing by the Creditor holding the Class 1.3 Secured Tax Claim and the  
25 Reorganized Debtors; or (d) as otherwise ordered by the Bankruptcy Court. The  
26 Class 1.3 Secured Tax Claim is impaired under the Plan, and the holder is entitled

1 to vote to accept or reject the Plan.

2 6.2 Class 2 (CPF Secured Claims). Class 2 consists of CPF's Secured Claims  
3 against the Debtors.

4 6.2.1 Class 2.1 (CPF Secured Claims against EP and GMF). Class 2.1  
5 consists of CPF's Secured Claims against EP and GMF. The Class 2.1 CPF  
6 Secured Claims shall be deemed to be Allowed Claims for all purposes under the  
7 Plan in the amount set forth in CPF's proofs of claim, plus all accrued post-petition  
8 interest, at the rates set forth in CPF's proofs of claim and underlying loan  
9 documents, plus all attorneys' fees and costs incurred by CPF post-petition. In full  
10 and final satisfaction of the Allowed Class 2.1 CPF Secured Claims, on the  
11 Effective Date, CPF shall receive 100% of the new Equity Security Interests in the  
12 EP and GMF, as reorganized under the Plan. The Class 2.1 CPF Secured Claims  
13 are impaired under the Plan, and the holder is entitled to vote to accept or reject the  
14 Plan.

15 6.2.2 Class 2.2 (CPF Secured Claim against GPDR II and SDLI). Class  
16 2.2 consists of CPF's Secured Claims against GPDR II and SDLI. The Class 2.2  
17 CPF Secured Claims shall be deemed to be Allowed Claims for all purposes under  
18 the Plan in the amount set forth in CPF's proofs of claim, plus all accrued post-  
19 petition interest, at the rates set forth in CPF's proofs of claim and underlying loan  
20 documents, plus all attorneys' fees and costs incurred by CPF post-petition. In full  
21 and final satisfaction of the Allowed Class 2.2 CPF Secured Claims, on the  
22 Effective Date, CPF shall receive 100% of the new Equity Security Interests in  
23 SDLI and GPDR II, as reorganized under the Plan. Nothing in this Section 6.4.2 or  
24 any other provision of the Plan shall release, reduce or impair, or be deemed to  
25 have released, reduced, or impaired, any claims that CPF may have against Bruce  
26 Gray or Barbara Gray. The Class 2.2 CPF Secured Claims are impaired under the

1 Plan, and the holder is entitled to vote to accept or reject the Plan.

2 6.2.3 Class 2.3 (CPF Secured Claim against EoE). Class 2.3 consists of  
3 CPF's Secured Claims against EoE. The Class 2.3 CPF Secured Claims shall be  
4 deemed to be Allowed Claims for all purposes under the Plan in the amount set  
5 forth in CPF's proofs of claim, plus all accrued post-petition interest, at the rates  
6 set forth in CPF's proofs of claim and underlying loan documents, plus all  
7 attorneys' fees and costs incurred by CPF post-petition. In full and final  
8 satisfaction of the Allowed Class 2.3 CPF Secured Claims against EoE, on the  
9 Effective Date, CPF shall receive 100% of the new Equity Security Interests in  
10 EoE, as reorganized under the Plan. Nothing in this Section 6.4.3 or any other  
11 provision of the Plan shall release, reduce or impair, or be deemed to have released,  
12 reduced, or impaired, any claims that CPF may have against Bruce Gray. The  
13 Class 2.3 CPF Secured Claim is impaired under the Plan, and the holder is entitled  
14 to vote to accept or reject the Plan.

15 6.3 Class 3 (Non-Insider Unsecured Claims). Class 3 consists of all Non-  
16 Insider Unsecured Claims against the Debtors existing as of the Confirmation Date in sub-  
17 Classes 3.1, 3.2, 3.3, 3.4, and 3.5. In full and final satisfaction of the Allowed amount of  
18 their Class 3.1, 3.2, 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims, holders of Class 3.1,  
19 3.2, 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims shall receive their Pro Rata share of  
20 the Unsecured Creditor Dividend Fund on a *pari passu* basis with all other holders of  
21 Allowed Class 3.1, 3.2, 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims. The  
22 Reorganized Debtors will make an initial 50% distribution to holders of Allowed Non-  
23 Insider Unsecured Claims 60 days after the Effective Date, subject to the requirement of  
24 the Reorganized Debtors to keep appropriate reserves for Disputed Claims. Final  
25 distributions will be made after all Claim objections have been resolved. Class 3.1, 3.2,  
26

1 3.3, 3.4, and 3.5 Non-Insider Unsecured Claims are impaired, and holders shall be entitled  
2 to vote to accept or reject the Plan.

3 6.4 Class 4 (Insider Unsecured Claims). Class 4 consists of all Insider  
4 Unsecured Claims against the Debtors existing as of the Confirmation Date in sub-Classes  
5 4.1, 4.2, 4.3, 4.4, and 4.5. All Class 4.1, 4.2, 4.3, 4.4, and 4.5 Insider Unsecured Claims in  
6 the Debtors will be re-characterized as prepetition Equity Security Interests in the Debtors  
7 and cancelled on the Effective Date. Holders of Class 4.1, 4.2, 4.3, 4.4, and 4.5 Insider  
8 Unsecured Claims will not receive or retain any property interests or other recovery under  
9 the Plan on account of their Insider Unsecured Claims. Classes 4.1, 4.2, 4.3, 4.4, and 4.5  
10 are deemed to have rejected the Plan. No votes will be solicited from holders of Class 4.1,  
11 4.2, 4.3, 4.4, or 4.5 Insider Unsecured Claims.

12 6.5 Class 5 (Equity Security Interests). Class 5 consists of the Equity Security  
13 Interests in each of the Debtors in Classes 5.1, 5.2, 5.3, 5.4, and 5.5. All prepetition  
14 Equity Security Interests in the Debtors shall be deemed cancelled on the Effective Date.  
15 Holders of Class 5.1, 5.2, 5.3, 5.4, and 5.5 Equity Security Interests will not receive or  
16 retain any property interests or other recovery under the Plan on account of such their  
17 prepetition Equity Security Interests. Classes 5.1, 5.2, 5.3, 5.4, and 5.5 are deemed to  
18 have rejected the Plan. No votes will be solicited from holders of Class 5.1, 5.2, 5.3, 5.4,  
19 and 5.5 Equity Security Interests.

20 **ARTICLE 7. ACCEPTANCE OR REJECTION OF PLAN; EFFECT OF**  
21 **REJECTION BY ONE OR MORE CLASSES OF CLAIMS.**

22 7.1 Impaired Classes to Vote. Each impaired class of Creditors with Claims  
23 against the Estates shall be forwarded a ballot and shall be entitled to vote to accept or  
24 reject the Plan.

25 7.2 Acceptance by a Class of Creditors. A Class of Creditors shall have  
26 accepted the Plan if the Plan is accepted by at least (i) two-thirds (2/3) in the aggregate

1 dollar amount and (ii) more than one-half (1/2) in number of Holders of the Claims of  
2 such class that have voted to accept or reject the Plan.

3 7.3 Cram-down. In the event that any impaired Class of Creditors with Claims  
4 against s Debtor's Estate shall fail to accept the Plan in accordance with Section 1129(a)  
5 of the Bankruptcy Code, the Debtors request that the Bankruptcy Court confirm the Plan,  
6 notwithstanding such rejection, in accordance with Section 1129(b) of the Bankruptcy  
7 Code.

8 7.4 Blank Ballots. Any Ballot which is executed by the Holder of an Allowed  
9 Claim or interest but which does not indicate an acceptance or rejection of the Plan shall  
10 be deemed an acceptance of the Plan.

11 **ARTICLE 8. MEANS OF EFFECTUATING THE PLAN.**

12 8.1 In General. The Plan is to be implemented in a manner consistent with  
13 Section 1123 of the Bankruptcy Code and the Reorganized Debtors, as applicable, are  
14 authorized to take any and all actions that may be necessary or appropriate to implement  
15 the terms of the Plan.

16 8.2 Issuance of Equity Interests in Reorganized Debtors. On the Effective Date,  
17 in exchange for the CPF Plan Contribution and the other benefits provided under the Plan  
18 by CPF, CPF shall receive 100% of the new Equity Security Interests in each of the  
19 Reorganized Debtors.

20 8.3 Corporate Action. Pursuant to section 1142 of the Bankruptcy Code and  
21 any applicable provisions of the business corporation law of any applicable state, the entry  
22 of the Confirmation Order shall constitute authorization for the Reorganized Debtors to  
23 take or cause to be taken all corporate and limited liability company actions necessary or  
24 appropriate to consummate and implement the provisions of this Plan on and after the  
25 Effective Date, and all such actions taken or caused to be taken shall be deemed to have  
26 been authorized and approved by the Bankruptcy Court, including without limitation: (a)

1 the cancellation of all of the issued and outstanding Equity Security Interests in the  
2 Debtors; (b) the issuance of the new Equity Security Interests in the Debtors to CPF; (c)  
3 the election of directors, managers and officers in accordance with this Plan; (d) the  
4 adoption of the Reorganized Debtors' organizational documents, which shall supersede  
5 the prior certificates of incorporation, articles of organization, limited liability company  
6 agreements, operating agreements, by-laws or other organizational documents, as  
7 appropriate, of each of the Reorganized Debtors; and (e) all actions as are necessary or  
8 appropriate to close or dismiss the Case. All such actions shall be deemed to have  
9 occurred and shall be in effect pursuant to applicable non-bankruptcy law and the  
10 Bankruptcy Code, without any requirement of further action by the members,  
11 stockholders, directors or managers of the Debtors, the Reorganized Debtors or any of  
12 their affiliates. On the Effective Date, the appropriate officers, directors, members and  
13 managers of the Reorganized Debtors are authorized and directed to execute and deliver  
14 the agreements, documents and instruments contemplated by this Plan in the name of and  
15 on behalf of the Debtors and/or the Reorganized Debtors, as applicable.

16       8.4 Organizational Documents. Any prepetition written or oral operating  
17 agreement applicable to any of Debtors shall be deemed terminated and of no further force  
18 or effect as of the Effective Date, and, CPF shall be entitled to file amended articles of  
19 organization for each of the Reorganized Debtors reflecting CPF's 100% member interest  
20 in each of the Reorganized Debtors.

21       8.5 Post Effective Date Management of the Reorganized Debtors. On the  
22 Effective Date, the existing managers of the Debtors shall be deemed terminated and shall  
23 have no further authority or control of the Reorganized Debtors and operation of each  
24 Reorganized Debtor shall become the general responsibility of the respective members,  
25 managers, board members and/or officers elected or appointed in accordance with  
26 applicable non-bankruptcy law. Subject to any requirement of Bankruptcy Court approval

1 pursuant to section 1129(a)(5) of the Bankruptcy Code, the initial members and managers  
2 of each Reorganized Debtor shall be comprised of the individuals set forth on Schedule  
3 8.5 to the Plan. Each such member and manager will serve from the Effective Date until  
4 his or her successor is duly elected or appointed and qualified or until his or her earlier  
5 death, resignation or removal in accordance with the terms of the certificate of  
6 incorporation and bylaws (or comparable constituent documents) of the respective  
7 Reorganized Debtor and state law.

8       8.6 Release of Liens. Except as otherwise provided in the Plan or in any  
9 contract, instrument, release or other agreement or document to be assumed, entered into  
10 or delivered in connection with the Plan, on the Effective Date and consistent with the  
11 treatment provided for Claims and Interests in Article 5 and 6, all liens on, in or against  
12 the Reorganized Debtors' Assets shall be fully released and discharged, and all of the  
13 right, title and interest of any holder of Liens, including any rights to any collateral  
14 thereunder, shall revert to the Reorganized Debtors and their successors and assigns, as  
15 applicable. As of the Effective Date, the Reorganized Debtors shall be authorized but not  
16 required to execute and file or record releases or Form UCC-3 Termination Statements or  
17 such other forms as may be necessary or appropriate to implement the provisions of this  
18 Section 8.6.

19       8.7 Turnover of Assets. Bruce Gray, Gray Western Development Company,  
20 and all affiliates, insiders, and Representatives of Bruce Gray and Gray Western  
21 Development Company shall promptly turnover all Assets, including all Documents,  
22 contracts, and business records of the Debtors and Reorganized Debtors to CPF on the  
23 Effective Date.

24       8.8 Pending CPF Litigation. Notwithstanding any other term or provision of the  
25 Plan to the contrary, in consideration to the benefits provided and to be provided under the  
26 Plan by CPF, on the Effective Date, the Ganymede Adversary, the Ganymede Claims, the

1 Lien Avoidance Adversary, and the Lien Avoidance Claims shall be dismissed with  
2 prejudice, and CPF shall be awarded its reasonable attorneys' fees and costs incurred in  
3 each adversary proceeding, upon appropriate application to the Court.

4 8.9 Transfer of GBSRP I Property. On the Effective Date, the GBSRP I  
5 Property shall be deemed transferred from GBSRP I back to SDLI, subject to any existing  
6 encumbrances, including the *lis pendens* associated with Proof of Claim 4-1 filed by  
7 Emerald Equities, LLC against SDLI. The Emerald Equities, LLC Claim will be resolved  
8 through the Claims administration process under the Plan or as otherwise ordered by the  
9 Bankruptcy Court.

10 8.10 No Successor Liability. The Reorganized Debtors and CPF are not, and  
11 shall not be, successors to the Debtors by reason of any theory of law or equity, and none  
12 shall have any successor or transferee liability of any kind or character, except that the  
13 Reorganized Debtors shall assume the obligations specified in the Plan and the  
14 Confirmation Order.

15 8.11 Effectuating Documents; Further Transactions. The Reorganized Debtors  
16 or their designees, as applicable, shall be authorized to (a) execute, deliver, file or record  
17 such contracts, instruments, releases and other agreements or documents and take such  
18 actions as may be necessary or appropriate to effectuate and implement the provisions of  
19 the Plan and (b) certify or attest to any of the foregoing actions.

20 **ARTICLE 9. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

21 9.1 The 20 Acre Lease and the 96.5 Acre Lease, as amended, shall be deemed  
22 assumed on the Effective Date. All deferred lease payments shall be paid timely and in  
23 full by EP, GMF, and GPDR II in the amounts and at the times set forth in the 20 Acre  
24 Rent Extension Letter and the 96.5 Acre Rent Extension Letter.

25 9.2 Except as stated in Section 9.1 above, the Plan contemplates and hereby  
26 provides for the rejection, pursuant to Section 365 of the Bankruptcy Code, of any and all



1 other Executory Contracts and Unexpired Leases of the Debtors which are in force on the  
2 Effective Date, except (i) those Executory Contracts and Unexpired Leases which were  
3 specifically assumed pursuant to an order of the Bankruptcy Court, and (ii) those  
4 Executory Contracts and Unexpired Leases listed on Schedule 9.2 attached hereto, which  
5 Executory Contracts and Unexpired Leases shall be deemed assumed on the Effective  
6 Date.

7 9.3 The Confirmation Order (except as otherwise provided therein) shall  
8 constitute an order of the Bankruptcy Court pursuant to Section 365 of the Bankruptcy  
9 Code, effective as of the Effective Date, approving the assumptions and rejections  
10 hereunder. Each contract and lease assumed pursuant to Section 9.1 or 9.2 shall be  
11 assumed only to the extent that any such contract or lease constitutes an Executory  
12 Contract or Unexpired Lease. Assumption of a contract or lease pursuant to Section 9.1  
13 or 9.2 shall not constitute an admission by the Reorganized Debtors that such contract or  
14 lease is an Executory Contract or Unexpired Lease or that the Debtors or the Reorganized  
15 Debtors, as applicable, have any liability thereunder. All Executory Contracts and  
16 Unexpired Leases that are assumed will be assumed under their present terms or upon  
17 such terms as are agreed to in writing between the Reorganized Debtors and the  
18 counterparty to such contract or lease.

19 9.4 CPF asserts that no cure amounts are due from the Debtors to any  
20 counterparty to an Executory Contract or Unexpired Lease assumed hereunder. CPF will  
21 serve the Plan on the non-Debtor counterparties to each such Executory Contract or  
22 Unexpired Lease prior to the Confirmation Hearing. Each such counterparty shall have  
23 until the date that is five (5) Business Days prior to the Confirmation Hearing to file an  
24 objection to the assumption of their Executory Contract or Unexpired Lease (whether the  
25 objection relates to the cure amount or otherwise). If any objections are filed and cannot  
26 be resolved by agreement, the Bankruptcy Court shall hold a hearing to determine the cure

1 amount with respect to such Executory Contract or Unexpired Lease or to otherwise  
2 resolve the objection, which hearing may be the Confirmation Hearing. Any party failing  
3 to object to the assumption of their Executory Contract or Unexpired Lease as set forth  
4 above shall be forever barred from asserting, collecting or seeking to collect any cure  
5 amount or from otherwise objecting to the assumption and assignment of such Executory  
6 Contract or Unexpired Lease. Notwithstanding the foregoing, or anything else in this  
7 Article 9, with respect to any Executory Contract or Unexpired Lease which is the subject  
8 of an objection, the Reorganized Debtors shall retain the right, until five (5) Business  
9 Days following any order resolving such objection having become a Final Order, to reject  
10 such Executory Contract or Unexpired Lease by amending Schedule 9.2. Within ten (10)  
11 days of the later of the Effective Date or the date that an order of the Bankruptcy Court  
12 establishing the cure amount of such Executory Contract or Unexpired Lease becomes a  
13 Final Order, or as otherwise agreed with the counterparty to each Executory Contract or  
14 Unexpired Lease, the Reorganized Debtors shall pay the cure amounts to the non-Debtor  
15 parties to such Executory Contracts and Unexpired Leases being assumed and/or assigned.

16       9.5 Notwithstanding any other provision in this Plan or prior notice of any kind  
17 from the clerk of the Bankruptcy Court, any and all Creditors or persons with Claims  
18 against a Debtor's Estate arising out of or in connection with or due to the rejection of an  
19 Executory Contract or Unexpired Lease pursuant to the Plan shall have thirty (30) days  
20 from the Effective Date within which to file a proof of claim in the true amount of such  
21 Claims. If any such Creditors fail to file such proofs of claim within said thirty (30) day  
22 period, then such Creditors shall have no Claims as against the Debtors, their Estates, the  
23 Reorganized Debtors or their respective Representatives, which Claims arising out of or in  
24 connection with or due to such rejection of such Executory Contract or Unexpired Lease,  
25 shall be dismissed, released and null and void.

1           9.6 Any Claim that arises from the rejection of an Executory Contract or  
2 Unexpired Lease shall, to the extent such Claim becomes an Allowed Claim, be treated as  
3 a Non-Insider Unsecured Claim or an Insider Unsecured Claim, as applicable based on the  
4 definition of such terms in the Plan.

5           9.7 Any claim filed in accordance with the provisions of Section 9.5 hereof  
6 shall be treated as a Disputed Claim until the period of time has elapsed within which the  
7 Reorganized Debtors may file an objection to such Claim.

8 **ARTICLE 10. RETENTION OF JURISDICTION.**

9           10.1 Notwithstanding the entry of the Confirmation Order or the occurrence of  
10 Effective Date, the Bankruptcy Court shall retain jurisdiction over this Case and any  
11 proceedings related thereto to the fullest extent permitted by the Bankruptcy Code or  
12 applicable law, and to make such orders as are necessary or appropriate to carry out the  
13 provisions of this Plan.

14           10.2 In addition, the Bankruptcy Court shall retain jurisdiction to implement the  
15 provisions of the Plan in the manner as provided under Section 1142 of the Bankruptcy  
16 Code. If the Bankruptcy Court abstains from exercising, or declines to exercise  
17 jurisdiction, or is otherwise without jurisdiction over any matter set forth in this Section,  
18 or if the Reorganized Debtors elect to bring an action or proceeding in any other forum,  
19 then this Section shall have no effect upon and shall not control, prohibit or limit the  
20 exercise of jurisdiction by any other court, public authority, or commission having  
21 competent jurisdiction over such matters.

22           10.3 Without limiting the foregoing, the Bankruptcy Court shall retain  
23 jurisdiction of the Case for the following matters:

24                   10.3.1 To enable the Reorganized Debtors to consummate any and all  
25 proceedings which may have been brought before or after the entry of the  
26 Confirmation Order, to challenge or object to the allowance of Claims and to

1 recover any preferences, transfers, assets or damages to which the Reorganized  
2 Debtors may be entitled under the applicable provisions of the Code or other  
3 federal, state or local law;

4 10.3.2 To adjudicate all controversies concerning the classification or  
5 allowance of a Claim or Equity Security Interest;

6 10.3.3 To adjudicate all disputes regarding or relating in any way to  
7 Claims, Equity Security Interests, and the Plan;

8 10.3.4 To hear and determine all claims or motions arising from or seeking  
9 the assumption and/or assignment or rejection of any Executory Contracts or  
10 Unexpired Leases, and to consummate the rejection and termination thereof or with  
11 respect to any Executory Contracts or Unexpired Leases to which an application or  
12 motion for rejection or termination is filed before entry of the Confirmation Order;

13 10.3.5 To liquidate damages in connection with any disputed, contingent or  
14 unliquidated Claims;

15 10.3.6 To adjudicate all claims to a security or ownership interest in any  
16 property of the Debtors or in any proceeds thereof, including the adjudication of all  
17 claims asserted by Creditors and Holders of Equity Security Interests;

18 10.3.7 To adjudicate all claims or controversies arising out of any  
19 purchases, sales, or contracts made or undertaken by the Debtors during the  
20 pendency of the Proceedings;

21 10.3.8 To adjudicate, determine and resolve any and all adversary  
22 proceedings, applications, motions, and contested or litigated matters, instituted  
23 before the closing of the Case;

24 10.3.9 To recover all Assets and properties of the Debtors, wherever  
25 located;

26 10.3.10 To adjudicate and determine any cause of action provided for

1 under the Plan or pursuant to the Confirmation Order;

2 10.3.11 To make orders as are necessary or appropriate to carry out  
3 the provisions of the Plan, or in aid of confirmation and consummation of the Plan;

4 10.3.12 To hear and determine any application to modify the Plan in  
5 accordance with Section 1127 of the Bankruptcy Code, to remedy any defect or  
6 omission, or reconcile any inconsistency in the Plan, the Disclosure Statement or  
7 any Order of the Bankruptcy Court, including the Confirmation Order, in such a  
8 manner as may be necessary to carry out the purposes and effects hereof;

9 10.3.13 To hear and determine all matters concerning state, local and  
10 federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy  
11 Code;

12 10.3.14 To determine any and all applications, adversary  
13 proceedings, and contested or litigated matters properly before the Bankruptcy  
14 Court before or after the Confirmation Date;

15 10.3.15 To hear and determine all controversies, suits and disputes, if  
16 any, as may arise with regard to orders of the Bankruptcy Court in the Case entered  
17 on or before the Confirmation Date; and

18 10.4 To enter an Order closing the Case.

19 **ARTICLE 11. PROCEDURES FOR RESOLVING DISPUTED CLAIMS.**

20 11.1 Objections to Claims. The Reorganized Debtors shall be entitled to object  
21 to any Claims. Any objections to Claims shall be served and filed on or before the later  
22 of: (i) sixty (60) days after the Effective Date; (ii) thirty (30) days after a request for  
23 payment or proof of Claim is timely filed and properly served; or (iii) such other date as  
24 may be fixed by the Bankruptcy Court, whether before or after the dates specified in  
25 subsections (i) and (ii) herein. Notwithstanding any authority to the contrary, an objection  
26 to a Claim shall be deemed properly served on the Creditor if service is effected in any of

1 the following manners: (a) in accordance with Federal Rule of Civil Procedure 4, as  
2 modified and made applicable by Bankruptcy Rule 7004; (b) by first class mail, postage  
3 prepaid, on any counsel that has appeared on the Creditor's behalf in the Cases; or (c) by  
4 first class mail, postage prepaid, on the signatory on the proof of Claim or other  
5 representative identified in the proof of Claim or any attachment thereto.

6 11.2 Payments and Distributions with Respect to Disputed Claims.

7 Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed  
8 Claim, no payment or distribution provided hereunder shall be made on account of such  
9 Claim unless and until such Disputed Claim becomes an Allowed Claim.

10 11.3 Distributions After Allowance. After such time as a Disputed Claim

11 becomes an Allowed Claim, the Debtors shall distribute to the holder thereof the  
12 distributions, if any, to which such holder is then entitled under the Plan in accordance  
13 with the provisions hereof. In respect of Disputed Claims such distributions shall be made  
14 within fifteen (15) days after such Disputed Claims become Allowed Claims by Final  
15 Order of the Bankruptcy Court or as soon thereafter as practicable.

16 **ARTICLE 12. PROVISIONS CONCERNING DISTRIBUTIONS.**

17 12.1 Time of Distributions Under the Plan. Payments and distributions to be

18 made on or after the Effective Date pursuant to the Plan shall be made on such date, or as  
19 soon as practicable thereafter, except as otherwise provided for in the Plan, or as may be  
20 ordered by the Court, or as may be agreed to by the Reorganized Debtors and the Holder  
21 of the Claim or Equity Security Interest.

22 12.2 Payment Dates. Whenever any payment or distribution to be made under

23 the Plan shall be due on a day other than a Business Day, such payment or distribution  
24 shall instead be made, without interest, on the next Business Day, or as soon as practicable  
25 thereafter, or as may be agreed to by the Reorganized Debtors and the holder of the Claim  
26 or Equity Security Interest.

1           12.3 Manner of Payments Under the Plan. Cash payments made pursuant to the  
2 Plan shall be made in the currency of the United States, by check drawn on a domestic  
3 bank or by wire transfer from a domestic bank. Distributions to all holders of Allowed  
4 Claims and Equity Security Interests shall be made (a) at the addresses set forth in the  
5 proof of claim filed by such holders (or at last known addresses of such holders if no  
6 proofs of claims were filed or the Debtors were notified of a change of address); or (b) at  
7 the addresses set forth in any written notices of address change delivered to the  
8 Reorganized Debtors or the Bankruptcy Court; or (c) at the addresses reflected in the  
9 Debtors' schedules if no claim shall have been filed and no written notice of an address  
10 change has been received by the Reorganized Debtors. No payments shall be made to a  
11 holder of a Disputed Claim unless and until such Claim becomes an Allowed Claim by a  
12 Final Order.

13           12.4 Fractional Cents. Any other provision of the Plan to the contrary  
14 notwithstanding, no payments of fractions of cents will be made. Whenever any payment  
15 of a fraction of a cent would otherwise be called for, the actual payment shall reflect a  
16 rounding of such fraction to the nearest whole cent (rounding down in the case of .5).

17           12.5 Non-Negotiated Checks. If a Holder of an Allowed Claim, or any other  
18 claim or interest fails to negotiate a check issued to such Holder under the Plan within  
19 sixty (60) days of the date such check was issued by the Reorganized Debtors, then the  
20 amount of Cash or other property attributable to such check shall be deemed to be  
21 "Unclaimed Distributions," and the payee of such check shall be deemed to have no  
22 further Claim or future Claim against the Reorganized Debtors.

23           12.6 Unclaimed Distributions. In the event any payment to a holder of a Claim  
24 under the Plan remains unclaimed for a period of sixty (60) days after such distribution  
25 has been made (or after such delivery has been attempted), such Unclaimed Distribution  
26

1 and all future distributions to be made to such holders shall be deemed forfeited by such  
2 holder.

3       12.7 Disputed Payments or Distributions. In the event of any dispute between  
4 and among Claimants (including the Entity or Entities asserting the right to receive the  
5 disputed payment or distribution) as to the right of any Entity to receive or retain any  
6 payment or distribution to be made to such Entity under the Plan, the Reorganized  
7 Debtors may, in lieu of making such payment or distribution to such Entity, make it  
8 instead into an escrow account or to a disbursing agent, for payment or distribution as  
9 ordered by the Bankruptcy Court or as the interested parties to such dispute may otherwise  
10 agree among themselves, and the payment or distribution shall be deemed to have been  
11 made to and received by the Entity determined to be entitled to such payment or  
12 distribution as of the date that the Reorganized Debtors delivers such payment or  
13 distribution to a disbursing agent or escrow account.

14 **ARTICLE 13. EFFECT OF CONFIRMATION OF PLAN.**

15       13.1 Discharge. Any liability imposed by the Plan will not be discharged. If  
16 Confirmation of this Plan and/or the conditions precedent to the effectiveness of the Plan  
17 are not satisfied, the Plan shall be deemed null and void. In such event, nothing contained  
18 in this Plan shall be deemed to constitute a waiver or release of any claims against the  
19 Debtors or their Estates or any other Persons, or to prejudice in any manner the rights of  
20 CPF and/or any Person in any further proceeding involving the Debtors, their Estates  
21 and/or any Person. The provisions of this Plan shall be binding upon the Debtors and  
22 their Representatives, all Creditors and all Equity Security Interest holders, regardless of  
23 whether such Claims or Equity Security Interest holders are impaired or whether such  
24 parties accept this Plan, upon Confirmation thereof.

25       13.2 Modification of Plan. CPF may modify the Plan at any time before  
26 Confirmation. However, the Bankruptcy Court may require a new disclosure statement or



1 re-voting on the Plan if CPF materially modifies the Plan before Confirmation. CPF may  
2 also seek to modify the Plan at any time after Confirmation so long as (a) the Plan has not  
3 been substantially consummated, and (b) the Bankruptcy Court authorizes the proposed  
4 modification after notice and a hearing. After Confirmation, CPF may, upon Order from  
5 the Bankruptcy Court, in accordance with Section 1127(b) of the Bankruptcy Code,  
6 remedy any defect or omission or reconcile any inconsistency in this Plan in such manner  
7 as may be necessary to carry out the purpose of this Plan.

8       13.3 Post-Confirmation Quarterly Fees. Quarterly fees pursuant to 28 U.S.C.  
9 Section 1930(a)(6) continue to be payable to the Office of the United States Trustee by the  
10 Reorganized Debtors until such time as the Case is converted, dismissed, or closed  
11 pursuant to a final decree.

12       13.4 Retention of Claims and Causes of Action. Except to the extent any rights,  
13 claims, causes of action, defenses, and counterclaims are expressly and specifically  
14 released or assigned in connection with this Plan or in any settlement agreement approved  
15 during the Case: (i) any and all Claims accruing to the Debtors or the Estates shall remain  
16 assets of and vest in the Reorganized Debtors whether or not litigation relating thereto is  
17 pending on the Effective Date, and whether or not any such Claims have been listed or  
18 referred to in the Plan, the Disclosure Statement, or any other document filed with the  
19 Bankruptcy Court, and (ii) neither the Reorganized Debtors nor the Estates waive, release,  
20 relinquish, forfeit, or abandon (nor shall they be estopped or otherwise precluded or  
21 impaired from asserting) any Claims or defenses that constitute property of the Debtors or  
22 the Estates: (a) whether or not such Claims or defenses have been listed or referred to in  
23 this Plan, the Disclosure Statement, or any other document filed with the Bankruptcy  
24 Court, (b) whether or not such Claims are currently known to the Debtors or CPF, and (c)  
25 whether or not a defendant in any litigation relating to such Claims filed a proof of claim  
26 in the Case, filed a notice of appearance or any other pleading or notice in the Case, voted

1 for or against this Plan, or received or retained any consideration under this Plan. Without  
2 in any manner limiting the scope of the foregoing, notwithstanding any otherwise  
3 applicable principle of law or equity, including, without limitation, any principles of  
4 judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine,  
5 the failure to list, disclose, describe, identify, analyze or refer to any Claim or cause of  
6 action, in the Plan, the Disclosure Statement, or any other document filed with the  
7 Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the  
8 Reorganized Debtors' right to commence, prosecute, defend against, settle, recover on  
9 account of, and realize upon any Claim that the Debtors or their Estates have or may have  
10 as of the Effective Date.

11 Except to the extent any rights, claims, causes of action, defenses, and  
12 counterclaims are expressly and specifically released or assigned in connection with this  
13 Plan or in any settlement agreement approved during the Case, the Reorganized Debtors  
14 expressly reserves all Claims and defenses for later adjudication by the Reorganized  
15 Debtors and therefore, no preclusion doctrine, including the doctrines of res judicata,  
16 collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable  
17 or otherwise) or laches will apply to such Claims and defenses upon or after the  
18 Confirmation or Consummation of the Plan based on the Disclosure Statement, the Plan,  
19 and/or the Confirmation Order. In addition, the Reorganized Debtors expressly reserve  
20 the right to pursue or adopt Claims that are alleged in any lawsuits in which the Debtors  
21 are a defendant or an interested party, against any Person or Governmental Entity,  
22 including the plaintiffs or co-defendants in such lawsuits. Any Person or Governmental  
23 Entity to whom the Debtors have incurred an obligation (whether on account of services,  
24 purchase, sale of goods or otherwise), or who has received services from the Debtors, or  
25 who has received money or property from the Debtors, or who has transacted business  
26 with the Debtors, or who has leased equipment or property from or to the Debtors should

1 assume that such obligation, receipt, transfer or transaction may be reviewed by the  
2 Reorganized Debtors subsequent to the Effective Date and maybe the subject of an action  
3 after the Effective Date, whether or not: (a) such Person or Governmental Unit has Filed a  
4 proof of Claim against the Debtors in the Case; (b) such Person's or Governmental Unit's  
5 proof of Claim has been objected to by the Debtors; (c) such Person's or Governmental  
6 Unit's Claim was included in the Debtors' Schedules; or (d) such Person's or  
7 Governmental Unit's scheduled Claim has been objected to by the Debtors or has been  
8 identified by the Debtors as contingent, unliquidated or disputed.

9 13.5 NO WAIVER OF CLAIMS. NEITHER THE FAILURE TO LIST A  
10 CLAIM IN THE SCHEDULES FILED BY THE DEBTORS, THE FAILURE OF THE  
11 DEBTORS OR ANY OTHER PERSON TO OBJECT TO ANY CLAIM FOR  
12 PURPOSES OF VOTING, THE FAILURE OF THE DEBTORS OR ANY OTHER  
13 PERSON TO OBJECT TO A CLAIM OR ADMINISTRATIVE EXPENSE BEFORE  
14 CONFIRMATION OR THE EFFECTIVE DATE, THE FAILURE OF ANY PERSON  
15 TO ASSERT A CLAIM OR CAUSE OF ACTION BEFORE CONFIRMATION OR  
16 THE EFFECTIVE DATE, THE ABSENCE OF A PROOF OF CLAIM HAVING BEEN  
17 FILED WITH RESPECT TO A CLAIM, NOR ANY ACTION OR INACTION OF THE  
18 DEBTORS OR ANY OTHER PERSON WITH RESPECT TO A CLAIM, OR  
19 ADMINISTRATIVE EXPENSE, OTHER THAN A LEGALLY EFFECTIVE EXPRESS  
20 WAIVER OR RELEASE SHALL BE DEEMED A WAIVER OR RELEASE OF THE  
21 RIGHT OF THE REORGANIZED DEBTORS, BEFORE OR AFTER SOLICITATION  
22 OF VOTES ON THE PLAN OR BEFORE OR AFTER CONFIRMATION OR THE  
23 EFFECTIVE DATE TO (A) OBJECT TO OR EXAMINE SUCH CLAIM OR  
24 ADMINISTRATIVE EXPENSE, IN WHOLE OR IN PART OR (B) RETAIN AND  
25 EITHER ASSIGN OR EXCLUSIVELY ASSERT, PURSUE, PROSECUTE, UTILIZE,  
26

1 OTHERWISE ACT OR OTHERWISE ENFORCE ANY CLAIM OR CAUSE OF  
2 ACTION AGAINST THE HOLDER OF ANY SUCH CLAIM.

3 **ARTICLE 14. GENERAL PROVISIONS.**

4 14.1 Notices Under the Plan. Notices, requests, or demands with respect to this  
5 Plan shall be in writing and shall be deemed to have been received within five (5) days of  
6 the date of mailing, provided they are sent by registered mail or certified mail, postage  
7 prepaid, return receipt requested, and:

8 if sent to CPF, addressed to:

9 GALLAGHER & KENNEDY, P.A.  
10 Attn.: Todd A. Burgess  
2575 East Camelback Road  
11 Phoenix, Arizona 85016-9225  
Facsimile: (602) 530-8500  
12 Email: [todd.burgess@gknet.com](mailto:todd.burgess@gknet.com)

13 14.2 Withholding Taxes/Setoffs. The Reorganized Debtors shall be entitled to  
14 deduct any Federal or State withholding taxes from any payments with respect to Allowed  
15 Claims for wages of any kind. The Reorganized Debtors may, but shall not be required  
16 to, set off or recoup against any Claim, and the payments to be made pursuant to the Plan  
17 in respect of such Claim, any claims of any nature whatsoever the Debtors or the Estates  
18 may have against the holder of such Claim, but neither the failure to do so nor the  
19 allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized  
20 Debtors of any such claim the Debtors may have against such holder.

21 14.3 Committee. On the Effective Date, any Committee appointed in the Case  
22 shall automatically dissolve and the members thereof and the Professional Persons  
23 retained by the Committee in accordance with Section 1103 of the Bankruptcy Code shall  
24 be released and discharged from their respective duties and obligations.

1           14.4 Headings. The headings used in this Plan are inserted for convenience only  
2 and neither shall constitute a portion of this Plan nor in any manner affect the provisions  
3 of this Plan.

4           14.5 Unenforceability. Should any provision in this Plan be determined to be  
5 unenforceable, such determination shall in no way limit or affect the enforceability and  
6 operative effect of any and all other provisions of this Plan.

7           14.6 Certain Terminations. On the Effective Date, all instruments evidencing  
8 indebtedness of the Debtors discharged by the Plan shall be deemed canceled, unless this  
9 Plan provides for the retention of liens.

10           14.7 Governing Law. Except to the extent that the Bankruptcy Code is  
11 applicable, the rights and obligations arising under this Plan shall be governed by, and  
12 construed and enforced in accordance with, the internal laws of the State of Arizona  
13 without regard to its conflicts of law principles.

14           14.8 Liquidated and/or Disputed Claims. The Bankruptcy Court shall fix or  
15 liquidate the amount of any contingent and/or disputed Claim pursuant to Section 502 of  
16 the Bankruptcy Code. The amount so fixed shall be deemed the amount of such  
17 contingent Claim for purposes of this Plan. In lieu thereof, the Bankruptcy Court may  
18 determine the amount to be reserved for such contingent Claim, which amount shall be the  
19 maximum amount which the holder of such contingent Claim shall be entitled to receive  
20 under this Plan if such contingent Claim is allowed in whole or in part.

21           14.9 Revocation of Plan. CPF reserves the right to revoke and withdraw this Plan  
22 at any time before Confirmation.

23           14.10 Reservation of Rights. Nothing contained herein shall prohibit CPF from  
24 prosecuting or defending any of its rights as may exist on its own behalf before the  
25 Effective Date. If Confirmation of the Plan does not occur, the Plan shall be deemed null  
26 and void. In such event, nothing contained in the Plan shall be deemed to constitute a

1 waiver or release of any Claims by or against the Debtors, their Estates, or any other  
2 Person, or to prejudice in any manner, the rights and remedies of the creditors, the  
3 Debtors, their Estates, or any Person in any further proceedings involving the Debtors or  
4 their Estate. The filing of the Plan and or any modifications hereto, and the Plan itself  
5 shall not constitute a waiver by CPF of any rights, remedies, objections, or causes of  
6 action they may have or may wish to raise with respect to anything, including, without  
7 limitation, any other plan or plans filed or to be filed in this bankruptcy case, all of which  
8 rights and objections are hereby reserved.

9 14.11 Exemption from Certain Transfer Taxes. Pursuant to Section 1146(a) of the  
10 Bankruptcy Code, the issuance, transfer or exchange of a security, or the making or  
11 delivery of an instrument of transfer hereunder will not be subject to any stamp, tax, or  
12 similar tax.

13 14.12 Injunction. Except as otherwise provided in the Plan or the Confirmation  
14 Order, and except for any actions timely filed pursuant to Section 523 of the Bankruptcy  
15 Code or any Claims declared by the Bankruptcy Court to be non-dischargeable pursuant  
16 to Section 523 of the Bankruptcy Code, as of the Confirmation Date, but subject to the  
17 occurrence of the Effective Date, all Persons who have held, hold or may hold Claims  
18 against the Debtors or their Estates, or Equity Security Interests in the Debtors, are, with  
19 respect to any such Claims or Equity Security Interests, permanently enjoined from and  
20 after the Confirmation Date from: (i) commencing, conducting or continuing in any  
21 manner, directly or indirectly, any suit, action or other proceeding of any kind (including,  
22 without limitation, any proceeding in a judicial, arbitral, administrative or other forum)  
23 with respect to any such Claim against or affecting the Debtors, their Estates or any of  
24 their respective property, or any direct or indirect transferee of any property of, or direct  
25 or indirect successor in interest to, any of the foregoing Persons, or any property of any  
26 such transferee or successor; (ii) enforcing, levying, attaching (including, without

1 limitation, any pre-judgment attachment), collecting or otherwise recovering by any  
2 manner or means, whether directly or indirectly, with respect to any judgment, award,  
3 decree or order against the Debtors, their Estates or any of their respective property, or  
4 any direct or indirect transferee of any property of, or direct or indirect successor in  
5 interest to, any of the foregoing Persons, or any property of any such transferee or  
6 successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or  
7 indirectly, any encumbrance of any kind against the Debtors, their Estates or any of their  
8 respective property, or any direct or indirect transferee of any property of, or successor in  
9 interest to, any of the foregoing Persons; (iv) asserting initially after the Effective Date  
10 any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against  
11 any obligation due to the Debtors, their Estates or any of their respective property, or any  
12 direct or indirect transferee of any property of, or successor in interest to, any of the  
13 foregoing Persons; and (v) acting or proceeding in any manner, in any place whatsoever,  
14 that does not conform to or comply with the provisions of the Plan to the full extent  
15 permitted by applicable law. By accepting a distribution pursuant to the Plan, each holder  
16 of an Allowed Claim receiving distributions pursuant to the Plan will be deemed to have  
17 specifically consented to the injunctions set forth in this section, and, except as set forth in  
18 this Section, waives any and all claims, causes of action, remedies and objections of every  
19 kind against the Debtors.

20       14.13 Term of Injunctions or Stays. Unless otherwise provided, all injunctions or  
21 stays arising before the Confirmation Date in accordance with Sections 105 or 362 of the  
22 Bankruptcy Code, and in existence on the Confirmation Date, shall remain in full force  
23 and effect until the Effective Date, or such later date as provided under applicable law.  
24 For the avoidance of doubt, this Section 14.13 does not apply to the permanent injunction  
25 set forth in Section 14.12 of the Plan.

1           14.14 Injunction Against Interference With Plan. Upon the entry of the  
2 Confirmation Order, all holders of Claims and Equity Security Interests and other parties  
3 in interest, including the Debtors, along with its respective present or former employees,  
4 agents, officers, directors, or principals, shall be enjoined from taking any actions to  
5 interfere with the implementation or consummation of the Plan.

6           14.15 Exculpation. Except with respect to obligations under the Plan, neither  
7 CPF, nor any of their respective Representatives, all solely in their capacity as such (each  
8 an “Exculpated Party”), shall have or incur any liability to the Debtors or any of their  
9 Representatives for any act or omission in connection with, or arising out of: (i) the Case;  
10 (ii) the confirmation of the Plan; (iii) the consummation of the Plan; or (iv) the  
11 administration of the Plan or property to be distributed pursuant to the Plan, except for  
12 fraud, willful misconduct, recklessness or gross negligence; and, in all respects, each  
13 Exculpated Party shall be entitled to rely upon the advice of counsel with respect to their  
14 duties and responsibilities under the Plan.

15           14.16 Successors and Assigns. The rights and obligations of any Entity named or  
16 referred to in the Plan shall be binding upon and shall inure to the benefit of, the  
17 predecessors, successors, assigns and agents of such Entity.

18 **ARTICLE 15. CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN.**

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**Schedule 9.2  
(Executory Contracts and Unexpired Leases to be Assumed)**

- Arizona State Land Department Commercial Lease No. 003-052415-99, as amended
- Arizona State Land Department Commercial Lease No. 003-116780-99, as amended
- Property Development Agreement

**SUBJECT TO AMENDMENT BY THE PLAN PROPONENT PRIOR TO  
CONFIRMATION AND AS OTHERWISE PROVIDED IN THE PLAN**

Gallagher & Kennedy, P.A.  
2575 East Camelback Road  
Phoenix, Arizona 85016-9225  
(602) 530-8000

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**EXHIBIT B**  
*(Disclosure Statement to Accompany First Amended Chapter 11 Plan Of  
Reorganization For Epicenter Partners LLC And Gray Meyer Fannin LLC [Dkt. 208])*

1 Thomas J. Salerno (No. 007492)  
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*Attorneys for Debtors*  
7

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

10 In re:	Chapter 11
11 EPICENTER PARTNERS L.L.C.,	Case No. 2:16-bk-05493-MCW
12 GRAY MEYER FANNIN L.L.C.,	Jointly Administered with:
13 SONORAN DESERT LAND INVESTORS LLC,	Case No. 2:16-bk-05494-MCW
14 EAST OF EPICENTER LLC,	Case No. 2:16-bk-07659-MCW
15 GRAY PHOENIX DESERT RIDGE II, LLC	Case No. 2:16-bk-07660-MCW
16	Case No. 2:16-bk-07661-MCW
17 <u>Debtors.</u>	

18 This Filing Applies to:

- 19  All Debtors  
 Specified Debtors
- 20  EPICENTER PARTNERS L.L.C.,  
21  GRAY MEYER FANNIN L.L.C.,  
22  SONORAN DESERT LAND INVESTORS  
LLC,  
23  EAST OF EPICENTER LLC,  
 GRAY PHOENIX DESERT RIDGE II, LLC

24  
25 **DISCLOSURE STATEMENT TO ACCOMPANY FIRST AMENDED CHAPTER 11**  
26 **PLAN OF REORGANIZATION FOR EPICENTER PARTNERS LLC AND GRAY**  
27 **MEYER FANNIN LLC**  
28

TABLE OF CONTENTS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**I. INTRODUCTION..... 1**

**II. GENERAL OVERVIEW..... 2**

    A. General Information About Debtors’ Business and Events Leading to Chapter 11 Case..... 2

        1. Formation of the Debtors and Their Management..... 2

        2. The Debtors’ Acquisition of the Estate Property..... 2

        3. The ASLD Lease, the CPSP, and Master Developer Rights..... 3

        4. The Debtors’ Secured Creditors and Events Leading to the Chapter 11 Case..... 6

    B. Debtors’ Restructuring Efforts..... 6

        1. Joint Administration..... 6

        2. Amendment of the CPSP..... 7

        3. Property Valuation..... 7

        4. Negotiations with Creditors Committee..... 7

        5. Agreement with ASLD..... 7

        6. Litigation..... 8

**III. INFORMATION REGARDING THE PLAN AND THIS DISCLOSURE STATEMENT ..... 9**

    A. Chapter 11..... 9

    B. Plan of Reorganization..... 9

    C. The Purpose of a Disclosure Statement ..... 9

    D. Approval of the Disclosure Statement ..... 10

    E. The Plan Confirmation Process ..... 10

        1. Requirements..... 10

        2. Effect of Confirmation..... 15

    F. Voting on the Plan ..... 15

        1. Who May Vote..... 15

        2. Eligibility..... 15

        3. One Vote Per Holder..... 16

    G. Has the Securities and Exchange Commission reviewed and approved this Disclosure Statement? ..... 16

    H. Reliance Upon Statements Made in the Disclosure Statement..... 16

    I. Inconsistencies between the Disclosure Statement and the Plan..... 17

**IV. SUMMARY OF THE PLAN TREATMENT OF CREDITORS..... 17**

    A. Non-Classified Claims..... 18

    B. Classified Claims..... 19

        1. Class 1 – ASLD Lease Claim..... 19

        2. Class 2 – CPF (Burford) Secured Claim..... 20

        3. Class 3 – CPF (STB) Secured Claim..... 21

        4. Class 4 –Priority Unsecured Claims..... 23

        5. Class 5 - General Unsecured Claims..... 23

        6. Class 6 – GDG Litigation Claim..... 24

        7. Class 7 - Equity Securities..... 25

1	<b>V. ADDITIONAL PLAN PROVISIONS.....</b>	<b>25</b>
2	A. Property Rights .....	25
3	1. ASLD Approval Rights.....	25
4	2. Applicable Property Restrictions.....	26
5	B. Means for Implementation of the Plan.....	26
6	1. Substantive Consolidation. ....	27
7	2. Valuation Determination.....	27
8	3. Funding on the Effective Date. ....	27
9	4. Plan Contribution Waterfall Payments. ....	27
10	5. Creditors Trust. ....	28
11	6. Revesting of Estate Assets.....	28
12	7. Post-Confirmation Management of the Reorganization Debtors.....	28
13	8. United States Trustee Fees.....	29
14	9. Limitation of Liability of the Reorganized Debtors. ....	30
15	10. Terms of Injunctions or Stays.....	30
16	C. Provisions Governing Distributions.....	30
17	1. General Provisions; Undeliverable Distributions. ....	30
18	2. Unclaimed Property. ....	31
19	3. Time Bar to Cash Payments by Check. ....	31
20	4. Compliance with Tax Requirements.....	31
21	<b>VI. DISPUTED CLAIMS.....</b>	<b>32</b>
22	A. Resolution of Disputed Claims.....	32
23	B. Payment of Disputed Claims. ....	32
24	C. Objections to Administrative Claims.....	32
25	<b>VII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES.....</b>	<b>32</b>
26	A. Reorganized Debtors and Existing Contracts and Unexpired Leases.....	33
27	B. Rejection Claims.....	33
28	<b>VIII. LIMITATIONS AND RISK FACTORS.....</b>	<b>33</b>
29	A. Risk Factors .....	33
30	B. Debtors Have No Duty to Update.....	34
31	C. No Admissions Made.....	34
32	D. Risks and Considerations.....	34
33	1. Projections and Other Forward Looking Statements Are Not	
34	Assured and Actual Results Will Vary. ....	34
35	2. Confirmation of the Plan is Not Assured.....	35
36	<b>IX. PRESERVATION OF CAUSES OF ACTION, INJUNCTION, RELEASE, AND</b>	
37	<b>RELATED PROVISIONS .....</b>	<b>35</b>
38	A. Vesting and Transfers of Causes of Action. ....	35
39	B. Release and Injunction.....	36
40	C. Payment of Statutory Fees. ....	37
41	<b>X. CERTAIN FEDERAL INCOME TAX CONSEQUENCES.....</b>	<b>37</b>
42	<b>XI. CONFIRMATION OF THE PLAN.....</b>	<b>38</b>

1  
2  
3  
4  
5  
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8  
9  
10  
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16  
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21  
22  
23  
24  
25  
26  
27  
28

A. Confirmation of the Plan..... 38  
B. Objections to Confirmation of the Plan..... 38

**XII. ALTERNATIVES TO THE PLAN..... 39**

**XIII. RECOMMENDATION AND CONCLUSION..... 40**

**APPENDIX**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
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EXHIBIT "1": EPICENTER PARTNERS LLC AND GRAY MEYER FANNIN LLC  
PLAN OF REORGANIZATION



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**I.**

**INTRODUCTION**

On May 16, 2016 (the “**Petition Date**”), Epicenter Partners, LLC (“**Epicenter**”) and Gray Meyer Fannin, LLC (“**GMF**”), debtors and debtors-in-possession (collectively, “**Debtors**” or “**Plan Proponents**”), filed petitions for relief (the “**Petition**”) under Title 11, Chapter 11 of the United States Code (the “**Bankruptcy Code**”) with the United States Bankruptcy Court for the District of Arizona (the “**Bankruptcy Court**”) commencing the above-captioned Chapter 11 case (the “**Chapter 11 Case**”).

The Debtors have prepared this Disclosure Statement in connection with the *First Amended Chapter 11 Plan of Reorganization for Epicenter Partners LLC and Gray Meyer Fannin LLC* [Dkt. No. 206] (as may be amended, modified, or supplemented, the “**Plan**”) filed on October 28, 2016. All capitalized, undefined terms herein shall have the meanings ascribed in the Plan.

The Plan is attached hereto as **Exhibit “1.”** Any interested party desiring further information should contact:

Stinson Leonard Street, LLP  
Attn: Anthony P. Cali, Esq.  
1850 N. Central Ave., Suite 2100  
Phoenix, Arizona 85004  
Telephone: (602) 212-8509  
Email: Anthony.cali@stinson.com

Interested parties may also obtain further information from the Bankruptcy Court at the following website: <http://www.azb.uscourts.gov>. Each Holder of a Claim and parties otherwise affected by the Plan should read this Disclosure Statement and the Plan attached hereto. These documents contain important information concerning the classification and treatment of Claims, Equity Securities, and Executory Contracts.

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**II.**

**GENERAL OVERVIEW**

**A. General Information About Debtors' Business and Events Leading to Chapter 11 Case.**

**1. Formation of the Debtors and Their Management.**

GMF came into existence in 2001. It was originally formed for the purpose of providing development services for affiliates. Epicenter came into existence in 2004. It was formed for the purposes of acquiring, managing, selling or holding land for investment. Both Debtors are fully owned by Gray/Western Development Company and managed, pursuant to that entity, by Bruce Gray.

**2. The Debtors' Acquisition of the Estate Property.**

On July 7, 1993, an entity called Northeast Phoenix Partners (“NPP”) entered into Commercial Lease No. 03-52415 with the State of Arizona through the State Land Commissioner regarding approximately 5,700 acres of real property in Phoenix, Arizona located north of the Central Arizona Project Canal and south of Pinnacle Peak Road between 32<sup>nd</sup> Street and 64<sup>th</sup> Street. NPP filed a special action appeal of a City of Phoenix Board of Adjustment decision in Maricopa County Superior Court of Arizona captioned *Desert Ridge Community Association, et. al v. City of Phoenix, et. al.*, Case No. LC2007-000011 (the “Action”). The Debtors filed a Counterclaim, First Amended Counterclaim, and Second Amended Counterclaim in the Action against NPP, Desert Ridge Community Association, and CityNorth, LLC (hereafter referred to as the “Litigation Claim”).

On October 19, 2010, Debtors obtained final judgement in the State Court on the Litigation Claim against NPP and CityNorth in the amount of \$110,658,800 plus interest. Subsequently, on May 31, 2012, Debtors negotiated a Settlement Agreement with respect to the Litigation Claim which provided that Debtors would receive, in summary, an assignment of the Lessee's Rights to approximately 96.5 acres of real property under the terms of the Arizona State Land Department Commercial Lease No. 03-52415 (the “ASLD Lease”), the assignment of the

1 Master Development Rights,<sup>1</sup> the assignment of the Master Declarant's Rights and all intellectual  
2 property related thereto (collectively, such property interests shall hereafter be referred to as the  
3 “**Estates’ Property**”). The Estates’ Property comprises virtually all of the property of the  
4 Debtors’ bankruptcy estates.

5 **3. The ASLD Lease, the CPSP, and Master Developer Rights.**

6 As mentioned above, the Debtors are party to a long-term lease with the Arizona State  
7 Land Department which figures as part of the Desert Ridge Master Planned Community—a plan  
8 for a 5,700 acre master planned community on previously undeveloped Arizona Trust Land  
9 located in Northeast Phoenix. Under the plan, various parcels within the Desert Ridge  
10 development are auctioned by the state to various developer owner's to be developed within  
11 guidelines enforced by one Master Developer. In order to continue as a Master Developer, the  
12 Master Developer has to own property within the Desert Ridge Commercial Core. Accordingly,  
13 if a creditor foreclosed on all of the Debtors’ real property it would materially impair the  
14 Debtors’ rights as Master Developer.

15 a) **The Desert Ridge Master Planned Community**

16 The Desert Ridge Master Planned Community (“**Desert Ridge**”) is an ambitious plan  
17 for a 5,723 acre master planned community on previously undeveloped Arizona Trust Land  
18 located in Northeast Phoenix. The development plan anticipates 25,431 private residences and  
19 332 acres of commercial property near the center core of the development. Under the plan,  
20 various parcels within the Desert Ridge development are auctioned by the state to various  
21 developers, owners, or lessors to be developed within guidelines enforced by one Master  
22 Developer on behalf of the State, the City of Phoenix, and the Design Review Committee.  
23 Integral with the State's goals and objectives in conceiving the Desert Ridge Community is the  
24 role of the Master Developer who is charged with “insuring that Desert Ridge is developed in  
25 accordance with [the State's] goals”.

---

27 <sup>1</sup> All capitalized terms not otherwise defined herein shall have the same meanings as  
28 ascribed to them in the Plan.

1 The state trust land (like all of the State trust properties) are managed by the ASLD to  
2 generate revenue primarily for support of the common schools of the state. Of the original  
3 5,723 acres, 332 acres were designated as commercial core land (the “**Commercial Core**”).  
4 The 332 acres of Commercial Core property is state trust land leased under a 99 year lease from  
5 the State of Arizona (the “**Core Lease**”). The 96.5 acres of the Debtors’ are part of the  
6 Commercial Core and subject to the Core Lease. In fact, all real property interests in these  
7 jointly administered cases originate from the Core Lease. Fee ownership of the Commercial  
8 Core returns to the State at the end of the Core Lease term net of the value of improvements  
9 upon the land. As such, the ASLD retains a continuing interest in the development of the  
10 Commercial Core and Desert Ridge as a whole.

11 In the conception of Desert Ridge, the ASLD sought to align the interest of the Master  
12 Developer with the long-term interests of the State by tying the Master Development rights to  
13 the Core Lease. The ASLD envisioned that the Master Developer would have a long term  
14 commitment to the community as a holder of a long-term leasehold interest in the Commercial  
15 Core. The rights, duties and obligations of the Master Developer may not be transferred or  
16 assigned without the express written consent of the ASLD.

17 b) **The Master Development Plan.**

18 The Master Development Plan, also referred to as the Specific Plan, was approved by  
19 the City of Phoenix on June 6, 1990, and adopted by the ASLD on November 29, 1990 (the  
20 “**Master Development Plan**”). The Master Development Plan is the governing land use  
21 document of the City of Phoenix for Desert Ridge. The Master Development Plan provides the  
22 underlying zoning controls, specifies the phasing and construction of infrastructure necessary to  
23 serve the area and establishes the future planning framework and zoning processes, including  
24 review and approval of conceptual parcel site plans and individual project site plans,  
25 subdivision review procedures, plan amendment procedures, development monitoring and  
26 phasing. The stated purpose of the Master Development Plan is to establish an effective,  
27  
28

1 regulatory development control mechanism guiding development of the Desert Ridge planned  
2 community.

3 Since the adoption of the Master Development Plan, the development of Desert Ridge  
4 was delayed by the economic slow down that resulted from the Great Recession stemming from  
5 the financial crisis of 2007. Nearly 2,000 acres of the original master plan community  
6 auctioned to private residential developers were returned to the ASLD when the private  
7 developers could not keep up payments.<sup>2</sup>

8 c) **The Conceptual Parcel Site Plan.**

9 Before any individual building, project or use can be approved within the Commercial  
10 Core, a Conceptual Parcel Site Plan (“CPSP”) must be submitted. The criteria that must be  
11 addressed in a conceptual parcel site plan is stated in Chapter 6 of the Master Development  
12 Plan. These standards include traffic circulation standards, perimeter standards governing  
13 noise, odor and light, pedestrian access standards, central gathering space and other criteria. If  
14 these standards are met, approval of the site plan or any amendment thereto is governed by the  
15 processes included in chapter 4 of the Desert Ridge Specific Plan.

16 The former CPSP (devised by North Phoenix Partners) for Parcel 5A, which covered  
17 the 96.5 acres held by the Debtors under the Core Lease was approved by the City in 2008. A  
18 change to the 2008 CPSP for Parcel 5A was necessitated by the dramatic decline in the demand  
19 for traditional “brick and mortar” retail due to the growth in online retailing since 2008.<sup>3</sup> As  
20 further discussed in Section II.B.2, *supra*, during the course of this Chapter 11 Case, the  
21 Debtors obtained approval from the City of Phoenix of an amended CPSP which, among other  
22

23 <sup>2</sup> See, Michael Clancy, *Desert Ridge in Northeast Phoenix falls short of original master plan*, Republic,  
24 *azcentral.com*, Jan. 2, 2012, <http://archive.azcentral.com/community/nephoenix/articles/20111228desert-ridge-falls-short-original-master-plan.html> (last visited Aug 20, 2016).

25 <sup>3</sup> See, Chris Isidore, *Sports Authority Bankruptcy Could Close Remaining Stores*, CNN Money, May 2, 2016,  
26 <http://money.cnn.com/2016/05/02/news/companies/sports-authority-sale-store-closings/index.html> (last visited Aug  
27 20, 2016); Krystina Gustafson, *Men's Warehouse parent closing 250 stores*, March 10, 2016,  
28 <http://www.cnbc.com/2016/03/10/mens-warehouse-parent-closing-250-stores.html> (last visited Aug 20, 2016);  
Matt Egan, *Macy's is closing another 100 stores*, CNN Money, August 11, 2016,  
<http://money.cnn.com/2016/08/11/investing/macys-closes-100-stores/index.html> (last visited Aug 20, 2016).

1 things, replaces upscale big box retailing with an equal amount of Class A office space to  
2 reflect the current market considering the shift in market demands since 2008.

3 **4. The Debtors' Secured Creditors and Events Leading to the Chapter 11 Case.**

4 In order to fund the Debtors' prosecution of the aforementioned Litigation Claim, the  
5 Debtors entered into various agreements with counsel representing them in that litigation—the  
6 law firm of Simpson Thatcher & Bartlett LLP (“STB”)—and litigation financiers, Burford  
7 Capital Limited, and its wholly-owned subsidiary Ganymede Investments Limited (collectively,  
8 “Burford”). Ultimately (and currently the subject of a dispute), STB and Burford obtained a  
9 security interest in the Debtors' Property.

10 On April 14, 2016, Ganymede filed a Notice of Trustee's Sale and Notification of  
11 Disposition of Personal Property and sought to foreclose on the Debtors' Property. Upon  
12 information and belief, on or about March 23, 2016, Ganymede and STB sold their respective  
13 claims to CPF Vaseo Associates, LLC (“CPF”). On May 13, 2016, counsel for CPF sent  
14 correspondence to counsel for Debtors notifying Debtors that the claimed payoff amount as of  
15 May 16, 2016 for the Ganymede Note was a total of \$54,853,149.17, plus interest accruing at  
16 \$52,440.74 per day thereafter. The same correspondence notified Debtors that the claimed  
17 payoff amount for the STB Note as of May 16, 2016 was \$3,674,319.86, plus interest accruing at  
18 \$610.76 per day thereafter. Faced with the potential foreclosure of their Property, the Debtors  
19 filed this Chapter 11 Case.

20 **B. Debtors' Restructuring Efforts.**

21 On May 16, 2016, the Debtors initiated the present Chapter 11 Case. Since the Petition  
22 Date, the Debtors have been operating as debtors-in-possession. The Bankruptcy Court has  
23 authorized the employment of Stinson Leonard Street LLP as counsel for the Debtor. An Official  
24 Committee of Unsecured Creditors was appointed in this Chapter 11 Case on June 15, 2016  
25 [Dkt. No. 39]. The Debtors are current on all post-petition obligations, including the filings of  
26 their monthly operating reports.

27 **1. Joint Administration.**

1 On July 6, 2016, three entities affiliated with the Debtors filed voluntary petitions for  
2 relief under Chapter 11 of the Bankruptcy Code: Sonoran Desert Land Investors, LLC; East of  
3 Epicenter, LLC; and Gray Phoenix Desert Ridge II, LLC (collectively, the “**July Debtors**”). The  
4 July Debtors’ cases are currently jointly administered with the Debtors’ cases. The July Debtors  
5 have submitted their own plan of reorganization.

6 **2. Amendment of the CPSP.** Beginning in February 2016, the Debtors began work  
7 on amending the CPSP with respect to their Property with the goal of materially enhancing the  
8 value of the Property. The City of Phoenix approved the amended CPSP on September 9, 2016.  
9 The amended CPSP is not an encumbrance on the Property, but merely one approved lawful use  
10 that the Debtors, in the exercise of their business judgment as the Master Developer, believe will  
11 enhance both marketability and value of the Property

12 **3. Property Valuation.** During the course of the Bankruptcy Case, the Debtors had  
13 the Property valued by Thomas Raynak of CBRE. As set forth in the Raynak appraisals, the  
14 Property with the amended CPSP, has an aggregate of “As If Complete” market value of  
15 \$166,178,750 and an “As Is” market value of \$121,100,000. The “As Is” value is net of  
16 infrastructure costs and roads. Despite CPF’s expressed concerns in the *Objection to May*  
17 *Debtors’ Disclosure Statement and Reservation of Rights* [Dkt. No. 187], the “As Is” Property  
18 valuation is net of all infrastructure costs related to the Property. Any subsequent lessor under the  
19 Core Lease would be responsible for making any necessary infrastructure changes to the  
20 Property, but the ultimate Valuation Determination will have compensated the holder for any  
21 such outlays.

22 **4. Negotiations with Creditors Committee.** During the Chapter 11 Case, the  
23 Debtors have engaged in negotiations with the Committee. The negotiations have resulted in a  
24 consensual plan treatment that is reflected in the current Plan.

25 **5. Agreement with ASLD.** After negotiations with the Debtors, ASLD has agreed  
26 to extend the time by which the Debtors must assume or reject the ASLD Lease to March 1,  
27 2017. The *Stipulated Order Extending Time to Assume or Reject Certain Executory Contracts*  
28

1 *and Non-Residential Real Property Leases Between Certain Debtors and Arizona State Land*  
2 *Department* [Dkt. No. 205] was entered by the Bankruptcy Court on October 27, 2016.

3 **6. Litigation.**

4 Since initiating the Chapter 11 Case, the Debtors have filed a number of adversary  
5 proceedings against CPF. Those proceedings include the following.

6 a) **Adversary No. 2:16-ap-00334-MCW.** This Adversary Proceeding is  
7 currently proceeding under seal. In general, the sealed complaint alleges counts of (i) fraudulent  
8 transfers, (ii) equitable subordination, (iii) recharacterization, and (iv) claim objections against  
9 CPF. On October 5, 2016, the Bankruptcy Court granted CPF's motion to dismiss the adversary  
10 proceeding with leave for Debtors to amend the Complaint. Pursuant to the Bankruptcy Court's  
11 order, the Debtors intend to have an amended complaint on file on or before November 28, 2016.  
12 To the extent that CPF files another motion to dismiss with respect to the amended complaint,  
13 the Debtors will agree to expedited consideration of such motion in an effort to advance the  
14 Adversary Proceeding and this Chapter 11 Case.

15 b) **Adversary No. 2:16-ap-00343-MCW.** This adversary proceeding  
16 requests an injunction or stay against CPF. The adversary proceeding seeks to prevent CPF from  
17 pursuing guaranty claims against Bruce and Barbara Gray and from attempting to divert attention  
18 and resources from the pending Chapter 11 Case. This adversary proceeding includes a  
19 counterclaim filed by CPF. The counterclaim, filed on September 12, 2016, asks the Bankruptcy  
20 Court to enjoin the Debtors from pursuing or otherwise seeking approval of any amendments to  
21 the 2008 CPSP related to the Debtors' Property. The counterclaim also requests that the Court  
22 order the Debtors to withdraw proposed amendments to the 2008 CPSP. Because the City of  
23 Phoenix had already approved the amended CPSP (*see* Section II.B.2, *supra*) at the time CPF  
24 filed the counterclaim, the Debtors assert that the counterclaim is moot and ought to be dismiss.  
25 Accordingly, on October 6, 2016, Debtors filed their *Motion to Dismiss Counterclaim* [Adv. Dkt.  
26 No. 62] (the "**Motion to Dismiss**"). The Motion to Dismiss is currently pending before the  
27 Bankruptcy Court.



1 c) **Adversary No. 2:16-ap-00395-MCW**. This adversary proceedings seeks  
2 a determination that CPF does not have a valid or effective assignment of the Master Developer  
3 Rights or Declarant Rights with respect to the Property or that such right has not been perfected  
4 and is avoidable under 11 U.S.C. §§ 506(d) and 544. The proceeding also supplements Debtors’  
5 aforementioned objection to the CPF Claim(s).

6 d) **Stay Relief Proceedings**. On August 29, 2016, CPF filed its *Motion for*  
7 *Relief from the Automatic Stay with Respect to All Collateral Securing CPF's Secured Claims*  
8 [Dkt. No. 113] (the “**Stay Relief Motion**”). The Stay Relief Motion seeks relief from that  
9 automatic stay so that CPF may foreclose on all collateral securing its Claims. A preliminary  
10 hearing on the Stay Relief Motion was held on October 18, 2016. At the hearing, the Court  
11 indicated that the matter was to be taken under advisement. As of the date of this filing, the  
12 Bankruptcy Court has yet to rule on the Stay Relief Motion.

### 13 III.

#### 14 **INFORMATION REGARDING THE PLAN AND THIS DISCLOSURE STATEMENT**

##### 15 A. **Chapter 11**

16 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code.  
17 Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its  
18 creditors, and equity interest holders. The commencement of a Chapter 11 case creates an estate  
19 that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The  
20 Bankruptcy Code provides that the debtor may continue to operate its business and remain in  
21 possession of its property as a “debtor-in-possession.”

##### 22 B. **Plan of Reorganization**

23 A plan describes in detail (and in language appropriate for a legal contract) the means for  
24 satisfying claims against, and equity interests in, a debtor.

##### 25 C. **The Purpose of a Disclosure Statement**

26 Before a debtor or other plan proponent can solicit acceptances of a plan, Section 1125 of  
27 the Bankruptcy Code requires the debtor or other plan proponent to prepare a disclosure  
28

1 statement containing adequate information of a kind, and in sufficient detail, to enable those  
2 parties entitled to vote on the plan to make an informed voting decision about whether to accept  
3 or reject the plan.

4 **D. Approval of the Disclosure Statement**

5 This Disclosure Statement should only be considered after the Bankruptcy Court has  
6 found that this Disclosure Statement provides adequate information in accordance with Section  
7 1125 of the Bankruptcy Code and has entered an order approving this Disclosure Statement.  
8 Approval by the Bankruptcy Court is not an opinion or ruling on the merits of the Plan and it  
9 does not mean that the Plan has been or will be approved by the Bankruptcy Court.

10 **E. The Plan Confirmation Process**

11 **1. Requirements.** The requirements for confirmation of the Plan are set forth in  
12 detail in Section 1129 of the Bankruptcy Code. The Bankruptcy Court will confirm the Plan only  
13 if all of the requirements of § 1129 are met. Among the requirements for confirmation are:

14 a) **Acceptance by Impaired Classes.** Except to the extent that the  
15 “cramdown” provisions of Section 1129(b) of the Bankruptcy Code may be invoked, each  
16 impaired class of claims must either vote to accept the Plan or be deemed to accept the Plan.  
17 “Impaired” is defined at Section 1124 of the Bankruptcy Code. A class of claims is impaired  
18 unless the Plan leaves unaltered the legal, equitable, or contractual rights of the holders of such  
19 claims.

20 b) **Feasibility.** The Bankruptcy Court is required to find that confirmation of  
21 the Plan is not likely to be followed by the liquidation, or further need for further financial  
22 reorganization (except as provided in the Plan) of the Debtors. The Reorganized Debtors will be  
23 able to operate without the need for further reorganization or liquidation except as provided in  
24 the Plan. The cash sources and uses analysis below was prepared to assist creditors in their  
25 evaluation of the Plan. The Debtors’ Plan is feasible because payment to CPF will be made  
26 through conveyance of property already owned by the Debtors in full satisfaction of CPF’s  
27 alleged secured claims. Payments to other creditors will be made through plan financing or a  
28

capital contribution to be in place by confirmation, funds received by the Debtors in accordance with the Property Development Agreement (as defined in the Plan), and/or any recovery received from the Creditors Trust. The Plan contemplates a Plan Contribution in an amount no less than \$8,551,435 that is sufficient to cover all necessary Plan payments to be used as indicated below:

Month	Working Capital	ASLD Rent	Admin Expenses	Unsecured Creditor Payments
1	50,100		704,000	400,000
2	50,100		23,800	50,000
3	50,100		23,800	50,000
4	50,100		23,800	50,000
5	50,100		23,800	50,000
6	50,100		23,800	50,000
7	50,100	3,760,600	23,800	50,000
8	50,100		23,800	50,000
9	50,100		23,800	50,000
10	50,100		23,800	50,000
11	50,100		23,800	50,000
12	50,100		23,800	50,000
13	50,100		23,800	50,000
14	50,100		23,800	50,000
15	50,100		23,800	50,000
16	50,100		23,800	50,000
17	50,100		23,800	50,000
18	50,100		23,800	50,000
19	50,100	781,635	23,800	50,000
20	50,100		23,800	50,000
21	50,100		23,800	50,000
22	50,100			50,000
23	50,100			50,000
24	50,100			50,000
				76,800
<b>Total</b>	<b>\$1,202,400</b>	<b>\$4,542,235</b>	<b>\$1,180,000</b>	<b>\$1,626,800</b>

As indicated above, the Plan Contribution sources and uses analysis accounts for payments such as the ASLD Lease Payment to be made by July 7, 2017, and for other such items that may accrue if litigation with CPF lasts beyond July 2017. The Debtors are currently in advanced negotiations with respect to the Plan Contribution and fully anticipate that financing will be in place by Plan Confirmation.

1                   c)       **“Best Interests” Test.** The Bankruptcy Court must find that the Plan in  
2 in the “best interests” of creditors. To satisfy this requirement, the Bankruptcy Court must  
3 determine that each holder of a claim against the Debtors: (i) has accepted the Plan; or (ii) will  
4 receive or retain under the Plan money or other property which, as of the Effective Date, has a  
5 value not less than the amount such holder would receive if the Debtors’ property were  
6 liquidated under Chapter 7 of the Bankruptcy Code. Generally, to determine what Holders of  
7 Allowed Claims and Equity Securities would receive if Debtors were liquidated, the Bankruptcy  
8 Court must determine what funds would be generated from the liquidation of Debtors’ Assets  
9 and properties in the context of a Chapter 7 liquidation case, which for unsecured Creditors  
10 would consist of the proceeds resulting from the disposition of the Assets of Debtors, including  
11 the unencumbered Cash held by Debtors at the time of the commencement of the liquidation  
12 case. Such amounts would be reduced by the costs and expenses of the liquidation and by such  
13 additional Administrative Claims and Priority Claims as may result from the termination of  
14 Debtors’ businesses and the use of Chapter 7 for the purpose of liquidation.

15                   In a Chapter 7 case, the Chapter 7 trustee would be entitled to seek a sliding scale  
16 commission based upon the funds distributed by such trustee to Creditors, even though Debtors  
17 have already incurred some (if not all) of the expenses associated with generating those funds.  
18 Accordingly, there is a reasonable likelihood that Creditors would “pay again” for the funds  
19 accumulated by Debtors because the Chapter 7 trustee would be entitled to receive a commission  
20 in some amount for all funds distributed from the Estate.

21                   The Debtor’s liquidation analysis incorporated herein (the **“Liquidation Analysis”**).  
22 provides a statement of the liquidation value of the Debtors’ assets assuming a Chapter 7  
23 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of  
24 the Debtors’ estate. Underlying the Liquidation Analysis are a number of estimates and  
25 assumptions that, although considered reasonable by the Debtors, are inherently subject to  
26 significant economic and competitive uncertainties and contingencies beyond the control of the  
27 Debtors. The Liquidation Analysis is also based upon assumptions with regard to liquidation  
28

1 decisions that are subject to change. It also does not take into account all the costs and expenses  
 2 of administering such property in a Chapter 7 proceeding. Accordingly, the values reflected may  
 3 not be realized if the Debtors were, in fact, to undergo such liquidation.

4 **Liquidation Analysis**<sup>4</sup>

<b>Current Assets</b>		<b>% Recovery</b>
Real Property <sup>5</sup>		0
Personal Property <sup>6</sup>		0
<b>Payment of Claims</b>	<b><u>Est. Claim</u></b>	
<b>Secured Claims</b>		
Class 1 - ASLD Lease Claim <sup>7</sup>	\$4,149,396.78	unknown
Classes 2, 3 – CPF Secured Claims <sup>8</sup>	<u>\$61,506,685.00</u>	100%
	\$61,506,685.00	
<i>Net Liquidation Value After Distribution of Value of to Secured Claims</i>		\$0.00
<b>Administrative Claims</b>		
Theoretical Chapter 7 Trustee Fees <sup>9</sup>	\$10,000.00	
Theoretical Chapter 7 Professional Fees and Expenses <sup>10</sup>	\$10,000.00	

17 <sup>4</sup> For purposes of this Chapter 7 Liquidation Analysis, it is assumed hypothetically that the  
 18 Chapter 11 Case is converted to a proceeding under Chapter 7 of the Bankruptcy Code (the  
 19 "Chapter 7 Case").

20 <sup>5</sup> The liquidation analysis assumes that a Chapter 7 Trustee would sell the property at auction.  
 21 The analysis also assumes that CPF would receive the property after asserting a credit bid in the  
 22 full amount of its alleged claim.

23 <sup>6</sup> The personal property is comprised of certain leasehold improvements on the real property.  
 24 Because these improvements are allegedly part of the CPF collateral, the personal property  
 25 would be of no value to the remainder of the estate in the event of foreclosure and are therefore  
 26 are not included in the assets that could be distributed in a liquidation.

27 <sup>7</sup> In the event of a liquidation, the payment of the ASLD Lease Claim would ultimately fall on  
 28 the new lessor of the Property. Accordingly, payment of the ASLD Lease Claim in a liquidation  
 scenario is unknown by the Debtor.

<sup>8</sup> This is the amount the Debtors believe CPF would assert in a credit bid for the property in the  
 event of a liquidation.

<sup>9</sup> The Chapter 7 professional fees and expenses are an estimation of the fees and costs expected  
 to be incurred by professionals retained by the theoretical Chapter 7 trustee who would be  
 appointed if the Plan is not confirmed at the Confirmation Hearing and the Chapter 11 Case is  
 converted to the Chapter 7 Case.

<sup>10</sup> See *id.*

1	Chapter 11 Professional Fees and Expenses <sup>11</sup>	\$100,000.00		
2		\$120,000.00		0%
3	<i>Net Liquidation Value After Distribution to Administrative Claims</i>		\$0.00	
4				
5	<b>Priority Claims</b>			
6	Class 4 - Allowed Other Priority Claims <sup>12</sup>	\$86,735.62	\$0.00	0%
7		\$86,735.62		
8	<b>Unsecured Claims</b>			
9	Class 5 - Allowed General Unsecured Claims <sup>13</sup>	\$1,400,000.00	\$0.00	0%
10	Class 6- GDG Litigation Claim <sup>14</sup>	\$5,670,000.00		
11		\$7,070,000.00		
12	<b>Equity Securities</b>			
13	Class 7 - Equity Securities			0%

13 As set forth in the Liquidation Analysis and accompanying notes, Debtors have  
14 determined that Confirmation of the Plan will provide Holders of Claims and Equity Securities  
15 with no less of a recovery than he/she/it would receive if Debtors were liquidated under Chapter  
16 7. Debtors' Plan provides most Creditors with full payment of their Allowed Claims over time.  
17 Furthermore, Holders of Unsecured Claims and Equity Securities would certainly receive less if  
18 Debtors were liquidated under Chapter 7.

19 Thus, as evidenced by the Liquidation Analysis, the value provided under the Plan to the  
20 Holders of Claims and Equity Securities is equal to or better than they would receive under a  
21 Chapter 7 liquidation.

22 <sup>11</sup> The Chapter 11 professional fees and expenses are an estimation of the unpaid fees and costs  
23 expected to be incurred from the Petition Date through the Conversion Date by Debtors' duly-  
24 retained professionals, which fees and expenses exceed the retainers held by such professionals  
25 and are anticipated to be unpaid as of the Conversion Date.  
26 <sup>12</sup> The amounts of the Other Priority Claims have been taken from the Debtors' Schedules.  
27 <sup>13</sup> The amount of the Allowed General Unsecured Claims is an estimate based upon the Debtors'  
28 Schedules and the proofs of claim that have been filed to date and the Debtors' assessment of the  
Disputed General Unsecured Claims.  
<sup>14</sup> The amount of the GDG Litigation Claim has been taken from Proof of Claim No. 16 filed on  
October 20, 2016. The GDG Litigation Claim is Disputed.

1                   d)       **“Cramdown” Provisions.** Pursuant to Section 1129(b) of the  
2 Bankruptcy Code, the Bankruptcy Court may confirm the Plan even though a class of claims has  
3 not voted to accept the Plan, so long as one impaired class of claims has accepted the Plan  
4 (excluding the votes of insiders) and the Plan is “fair and equitable” and “does not discriminate  
5 unfairly” against the non-accepting classes.

6                   **2.       Effect of Confirmation.** Except as otherwise provided in the Plan, entry of the  
7 Confirmation Order, shall vest title to all property of the Debtors’ Estate and of the Debtors, in  
8 the Reorganized Debtors, free and clear of all claims and liens of creditors. Upon entry of the  
9 Confirmation Order, the Plan shall be binding upon the Debtors, all creditors, and other parties-  
10 in-interest, regardless of whether they cast a ballot to accept or reject the Plan.

11 **F.       Voting on the Plan**

12                   **1.       Who May Vote.** Pursuant to Section 1126 of the Bankruptcy Code, only the  
13 holders of claims in classes that are impaired by the Plan may vote on the Plan. Classes of claims  
14 not impaired by the Plan are deemed to accept the Plan and holders of such claims or interests  
15 within such classes do not have the right to vote on the Plan. The holders of claims in any class  
16 that will not receive any payment or distribution or retain any property under the Plan are  
17 impaired, are deemed to reject the Plan, and do not have a right to vote. Administrative Claims  
18 are not classified for purposes of voting or receiving distributions under the Plan. Such claims  
19 are unimpaired and may not vote. All classes of Creditors are impaired under the Plan. Thus,  
20 holders of such claims are entitled to vote on the Plan.

21                   This Disclosure Statement is being distribution for informational purposes to all holders  
22 of claims and parties-in-interest without regard to their right to vote.

23                   **2.       Eligibility.** In order to vote on the Plan, a claimant must have an allowed claim  
24 and such claim must be in an impaired class. A person or entity having a claim in more than one  
25 impaired class may vote in each class in which they hold a separate claim by casting a ballot in  
26 each class.

1           **3.     One Vote Per Holder.** If a holder of a claim holds more than one claim in any one  
2 class, all claims of such holder in such class shall be aggregated and deemed to be one claim for  
3 purposes of determining the number of claims in such class voting on the Plan.

4           The amount of a claim that will be used to determine votes for or against the Plan will be  
5 either (a) the claim amount listed in the Debtor's schedules on file with the Bankruptcy Court, (or as  
6 such schedules are amended prior to approval of this Disclosure Statement in its present form or as it  
7 may be amended), unless such claim is listed in the schedules or on any amendment thereto, as  
8 contingent, unliquidated or disputed or (b) the liquidated amount specified in a proof of claim timely  
9 filed with the Bankruptcy Court that is not the subject of an objection. If the holder of a claim  
10 submits a ballot, but such holder has not timely filed a proof of claim and such holders' claim is not  
11 listed on the Debtor's schedules or is listed on the Debtor's schedules or any amendment thereto, as  
12 contingent, unliquidated or disputed or such holder's claim is the subject of an objection or request  
13 for estimation, the ballot will *not* be counted in accordance with Bankruptcy Rule 3018, unless the  
14 Bankruptcy Court temporarily allows the claim for the purpose of accepting or rejecting the Plan in  
15 accordance with Bankruptcy Rule 3018.

16           In addition, a vote may be disregarded if the Bankruptcy Court determines, after notice  
17 and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in  
18 accordance with the provisions of the Bankruptcy Code.

19 **G.     Has the Securities and Exchange Commission reviewed and approved this**  
20 **Disclosure Statement?**

21           This Disclosure Statement has been prepared in accordance with Section 1125 of the  
22 Bankruptcy Code and Bankruptcy Rule 3016(b) and not necessarily in accordance with federal  
23 or state securities laws or other non-bankruptcy laws.

24           This Disclosure Statement has not been approved or disapproved by the United States  
25 Securities and Exchange Commission (the "SEC"), nor has the SEC passed upon the accuracy or  
26 adequacy of the statements contained herein.

27 **H.     Reliance Upon Statements Made in the Disclosure Statement.**



1 The Debtors make the statements in the Disclosure Statement as of the Date hereof,  
2 unless otherwise specified. Persons revising this Disclosure Statement should not infer that the  
3 facts set forth herein have not changed since the date hereof.

4 This Disclosure Statement, therefore, does not constitute, and may not be construed as, an  
5 admission of fact or liability, a stipulation or a waiver in any proceeding other than the  
6 solicitation of acceptances of the Plan and confirmation of the Plan. For all purposes other than  
7 the solicitation of acceptances of the Plan, this Disclosure Statement should be construed as a  
8 statement made in settlement negotiations related to contested matters, adversary proceedings,  
9 and other pending or threatened litigations or actions.

10 This Disclosure Statement does not constitute legal, business, financial, or tax advice. All  
11 persons desiring such advice or any other advice should consult with their own advisors.

12 **I. Inconsistencies between the Disclosure Statement and the Plan.**

13 This Disclosure Statement summarizes certain provisions of the Plan and certain other  
14 documents governing the use of the Debtors' Property (collectively, the "**Incorporated**  
15 **Documents**"). The summaries contained herein are qualified in their entirety by reference to the  
16 Incorporated Documents. In the event of any inconsistency or discrepancy between a description  
17 in this Disclosure Statement and the actual content of any of the Incorporated Documents, the  
18 Incorporated Documents shall govern for all purposes. Nothing contained herein shall be deemed  
19 to alter or amend the Plan or the documents governing the Debtors' Property.

20 **IV.**

21 **SUMMARY OF THE PLAN TREATMENT OF CREDITORS<sup>15</sup>**

22 Section 1123 of the Bankruptcy Code provides that a plan of reorganization shall classify  
23 the claims of a debtor's creditors and equity interest holders. In compliance therewith, the Plan  
24 divides Claims into various Classes and sets forth the treatment for each Class. The Plan  
25 Proponents are also required under Section 1122 of the Bankruptcy Code to place a Claim into a

26 \_\_\_\_\_  
27 <sup>15</sup> The following summary of the Plan treatment of Creditors is qualified in its entirety by  
28 reference to the Plan itself. For a more detailed description of the Plan, see Article VI and V  
hereof and the Plan.

1 particular Class only if such Claim is substantially similar to other Claims in such Class. The  
2 Plan Proponents believe that the Plan has classified all Claims in compliance with the provisions  
3 of Section 1122 of the Bankruptcy Code, but it is possible that a Holder of a Claim will  
4 challenge the Plan's classifications and that the Bankruptcy Court will find that different  
5 classifications are required in order for the Plan to be confirmed. In such event, the Debtor  
6 reserves the right, to the extent permitted by the Bankruptcy Code, to make reasonable  
7 modifications of the classifications under the Plan to permit confirmation.

8 The following summary of the Plan is qualified in its entirety by reference to the detailed  
9 explanations in this Disclosure Statement and the Plan itself.

10 **A. Non-Classified Claims.**

11 Pursuant to Section 1123(a)(1) of the Bankruptcy Code, the Allowed Priority Tax Claims  
12 and Allowed Administrative Claims are not designated as Classes under the Plan. In general,  
13 these Claims consist of the fees and costs of professionals employed on behalf of the Estate. The  
14 Holders of such unclassified Claims are not entitled to vote on the Plan.

15 On or before the Administrative Claim Bar Date, each holder of an Administrative Claim  
16 shall file with the Bankruptcy Court a request for payment of an Administrative Claim. Any  
17 Administrative Claim that is not filed on or before the Administrative Claim Bar Date will be  
18 forever barred from assertion against the Debtors, the Estate, and the Assets. Unless otherwise  
19 agreed to by the Holders of the Administrative Claims and Plan Proponents, the Plan Proponents  
20 shall pay each holder of an Allowed Administrative Claim the full unpaid amount of such Claim  
21 in Cash on the Closing Date or as soon as practicable thereafter.

22 The amount of Administrative Claims for fees and costs incurred by Debtors' counsel,  
23 but unpaid as of the Confirmation Hearing, is estimated to be less than \$650,000.00.

24 Each Holder of an Allowed Priority Tax Claim will, in full and final satisfaction of such  
25 Claim, be paid in Cash in full (or be treated in compliance with Section 1129(a)(9)(C) of the  
26 Bankruptcy Code) by the Plan Proponent on the Effective Date or as soon as practicable  
27 thereafter.

1 **B. Classified Claims.**

2 The Distributions under the Plan to each Class are summarized in the following table:

3

<u>Class</u>	<u>Description</u>	<u>Treatment</u>
4 Class 1	ASLD Lease Claim	5 Impaired. 6 Solicitation required.
7 Class 2	CPF (Burford) Secured Claim	8 Impaired. 9 Solicitation required.
10 Class 3	CPF (STB) Secured Claim	11 Impaired. 12 Solicitation required.
13 Class 4	Priority Unsecured Claims	14 Unimpaired. 15 No solicitation required.
16 Class 5A	Undisputed General Unsecured Claims	17 Impaired. 18 Solicitation required.
19 Class 5B	Disputed General Unsecured Claims	20 Impaired. 21 Solicitation required.
22 Class 5C	Related Party Unsecured Claims	23 Impaired. 24 Solicitation required.
25 Class 6	GDG Litigation Claim	26 Impaired. 27 Solicitation required.
28 Class 7	Equity Securities	Unimpaired. No solicitation required

20 Bankruptcy Code § 1129(b) provides that, if the Plan is rejected by one or more impaired  
21 Classes of Claims, the Plan nevertheless may be confirmed by the Bankruptcy Court, if: (i) the  
22 Bankruptcy Court determines that the Plan does not discriminate unfairly and is fair and  
23 equitable with respect to the rejecting Class(es) of Claims; and (ii) at least one Class of Impaired  
24 Claims has voted to accept the Plan.

25 The specific treatment of each Class under the Plan is set forth in the Plan and is  
26 summarized below:

27 **1. Class 1 – ASLD Lease Claim.**

1 Class 1 consists of the ASLD Lease Claim. The ASLD Lease Claim shall be an Allowed  
2 Claim. The Holder of the ASLD Lease Claim will be paid, in Cash, all amounts due under the  
3 Settlement Agreement between the Debtors and ASLD when due, or as otherwise extended or  
4 modified by ASLD.

5 The Creditor(s) in Class 1 is Impaired under the Plan and thus, the Holder of the Class 1  
6 Claim is entitled to vote on the Plan.

7 **2. Class 2 – CPF (Burford) Secured Claim.**

8 Class 2 consists of the CPF (Burford) Secured Claim. The CPF (Burford) Secured Claim  
9 is a Disputed Claim which is the subject of Adversary Proceeding No. 2:16-ap-00334-MCW. To  
10 the extent the CPF (Burford) Secured Claim is determined to be an Allowed Secured Claim, CPF  
11 shall elect one of two alternative treatments.

12 a) **Option 1 Treatment (Settlement Option)**

13 In the event each of Class 2 and Class 3 elect Option 1, the CPF (Burford) Secured Claim  
14 shall be treated as follows:<sup>16</sup>

15 Prior to, or in conjunction with the Confirmation Hearing, the Bankruptcy Court will  
16 make a Valuation Determination of the Debtor's Property.

17 In exchange for a release of all claims and causes of actions between the Debtors and  
18 CPF, on the Effective Date, or as soon as practicable thereafter, the Debtors will transfer the CPF  
19 Effective Date Acreage and the Group 2 Parcels, as both may be modified by the Debtors or the  
20 Bankruptcy Court pursuant to the Valuation Determination, to CPF in full satisfaction of the CPF  
21 Secured Claims, subject to approval of the assignment by ASLD.

22 CPF will retain its existing liens against the CPF Acreage pending the transfer of the CPF  
23 Acreage to CPF. CPF shall also retain any existing liens, to the extent that they exist, with  
24 respect to the Master Developer Rights pending the transfer of the CPF Acreage to CPF and  
25 resolution of the Lien Avoidance Adversary.

26 b) **Option 2 Treatment (Litigation Option)**

27 <sup>16</sup> For the avoidance of doubt, an election of Option 1 by Class 2 shall be deemed an  
28 election of Option 1 by Class 3 and vice versa.

1 Prior to, or in conjunction with the Confirmation Hearing, the Bankruptcy Court will  
2 make a Valuation Determination of the Debtor's Property.

3 On the Effective Date, or as soon as practicable thereafter, the Debtors shall transfer the  
4 CPF Effective Date Acreage to CPF to be applied, at CPF's election, in partial satisfaction of (i)  
5 the CPF (Burford) Secured Claim, or (ii) the CPF (Burford) Secured Claim and the CPF (STB)  
6 Secured Claim on a Pro Rata basis. The Debtors will transfer the CPF (Burford) Escrow  
7 Acreage as necessary to provide equivalent value pursuant to the Valuation Determination, into  
8 the CPF Escrow in full satisfaction of the remaining CPF (Burford) Secured Claim (if any),  
9 subject to the outcome of the Adversary Proceeding and the CPF Resolution Date. The CPF  
10 (Burford) Escrow Acreage will be placed into the CPF Escrow on the Confirmation Date.  
11 Subject to approval of the assignment by ASLD, on the CPF Resolution Date, the CPF Acreage  
12 will be delivered to CPF from escrow in full satisfaction of the CPF Secured (Burford) Claim.

13 CPF will retain its existing liens against the CPF Acreage pending the transfer of the CPF  
14 Acreage to CPF. CPF shall also retain any existing liens, to the extent that they exist, with  
15 respect to the Master Developer Rights pending the transfer of the CPF Acreage to CPF and  
16 resolution of the Lien Avoidance Adversary.

17 The Creditor in Class 2 is Impaired under the Plan and thus, the Holder of the Class 2  
18 Claim is entitled to vote on the Plan. CPF will choose between Option 1 and Option 2 in  
19 conjunction with casting its vote. The Debtors reserve the right to seek to designate the Class 2  
20 Claim under Bankruptcy Code § 1127(e).

21 **3. Class 3 – CPF (STB) Secured Claim.**

22 Class 3 consists of the CPF (STB) Secured Claim. The CPF (STB) Secured Claim is a  
23 Disputed Claim which is the subject of Adversary Proceeding No. 2:16-ap-00334-MCW. To the  
24 extent the CPF (STB) Secured Claim is determined to be an Allowed Secured Claim, CPF shall  
25 elect one of two alternative treatments.

26 a) **Option 1 Treatment (Settlement Option)**

1 In the event each of Class 2 and Class 3 elect Option 1, the CPF (STB) Secured Claim  
2 shall be treated as follows:

3 Prior to, or in conjunction with the Confirmation Hearing, the Bankruptcy Court will  
4 make a Valuation Determination of the Debtor's Property.

5 In exchange for a release of all claims and causes of actions between the Debtors and  
6 CPF, on the Effective Date, or as soon as practicable thereafter, the Debtors will transfer the CPF  
7 Effective Date Acreage and the Group 2 Parcels, as both may be modified by the Debtors or the  
8 Bankruptcy Court pursuant to the Valuation Determination, to CPF in full satisfaction of the CPF  
9 Secured Claims, subject to approval of the assignment by ASLD.

10 CPF will retain its existing liens against the CPF Acreage pending the transfer of the CPF  
11 Acreage to CPF. CPF shall also retain any existing liens, to the extent that they exist, with  
12 respect to the Master Developer Rights pending the transfer of the CPF Acreage to CPF and  
13 resolution of the Lien Avoidance Adversary.

14 b) **Option 2 Treatment (Litigation Option)**

15 Prior to, or in conjunction with the Confirmation Hearing, the Bankruptcy Court will  
16 make a Valuation Determination of the Debtor's Property.

17 On the Effective Date, or as soon as practicable thereafter, the Debtors shall transfer the  
18 CPF Effective Date Acreage to CPF to be applied, at CPF's election, in partial satisfaction of (i)  
19 the CPF (Burford) Secured Claim, or (ii) the CPF (Burford) Secured Claim and the CPF (STB)  
20 Secured Claim on a Pro Rata basis. The Debtors will transfer the CPF (STB) Escrow Acreage as  
21 necessary to provide equivalent value pursuant to the Valuation Determination, into the CPF  
22 Escrow in full satisfaction of the remaining CPF (STB) Secured Claim (if any), subject to the  
23 outcome of the Adversary Proceeding and the CPF Resolution Date. The CPF (STB) Escrow  
24 Acreage will be placed into the CPF Escrow on the Confirmation Date. Subject to approval of  
25 the assignment by ASLD, on the CPF Resolution Date, the CPF Acreage will be delivered to  
26 CPF from escrow in full satisfaction of the CPF Secured (STB) Claim.

1 CPF will retain its existing liens against the CPF Acreage pending the transfer of the CPF  
2 Acreage to CPF. CPF shall also retain any existing liens, to the extent that they exist, with  
3 respect to the Master Developer Rights pending the transfer of the CPF Acreage to CPF and  
4 resolution of the Lien Avoidance Adversary.

5 The Creditor in Class 3 is Impaired under the Plan and thus, the Holder of the Class 2  
6 Claim is entitled to vote on the Plan. CF will choose between Option 1 and Option 2 in  
7 conjunction with casting its vote. The Debtors reserve the right to seek to designate the Class 3  
8 Claim under Bankruptcy Code § 1127(e).

9 **4. Class 4 – Priority Unsecured Claims.**

10 Class 4 consists of Priority Unsecured Claims. The Holders of the Priority Unsecured  
11 Claims shall receive, on the Effective Date or as soon thereafter as practicable, the full amount of  
12 the Allowed Priority Unsecured Claims.

13 Creditors in Class 4 are Unimpaired under the Plan, deemed to have accepted the Plan,  
14 and therefore, not entitled to vote on the Plan.

15 **5. Class 5 - General Unsecured Claims.**

16 A General Unsecured Claim is a Claim, including a Claim arising under Section 502(g)  
17 of the Bankruptcy Code that is not secured by a charge against or interest in property in which  
18 the Estate has an interest and is not an unclassified Claim, Administrative Claim, or Priority  
19 Unsecured Claim. The Class 5 General Unsecured Claims will be divided into three (3)  
20 subclasses, with each subclass being entitled to vote.

21 a) **Class 5A – Undisputed General Unsecured Claims**

22 The Holders of Allowed Undisputed General Unsecured Claims shall receive one-  
23 hundred percent (100%) of their Allowed Claims paid as follows: Holders of Undisputed  
24 General Unsecured Claims will receive a \$400,000 cash payment distributed to such Holders on  
25 a Pro Rata basis on the Effective Date. Beginning thirty (30) days after the Effective Date, the  
26 remaining balance of the Undisputed General Unsecured Claims will be paid through eight  
27 quarterly payments at five percent (5%) simple interest per annum, with additional payments  
28

1 being made from the Creditors Trust Proceeds (if any, and as defined in Section 5.4 below), if  
2 any, as and when received. Any payments (if any) made from the Creditors Trust will first be  
3 applied to accrued interest, and thereafter to reduce the amounts otherwise due to Class 5A  
4 Claims. The source of payments to the Holders of Allowed General Unsecured Claims will be  
5 (1) the Plan Contributions, (2) the Property Development Funds if collected by the Effective  
6 Date, and (3) the Creditors Trust Proceeds, if any. Payments due to Holders of Allowed General  
7 Unsecured Claims will be secured by a first lien on a 0.9 acre parcel of the Property (subject only  
8 to the rights of ASLD under the ASLD Agreement) selected by the Debtors and approved by the  
9 Committee at least one week prior to the deadline for objection to or voting on the Plan,  
10 whichever is earlier.

11 b) **Class 5B – Disputed General Unsecured Claims**

12 No payments will be made on account of the Disputed General Unsecured Claims until  
13 such time that the Disputed General Unsecured Claims become Allowed Claims. If, and when,  
14 the Disputed General Unsecured Claims become Allowed Claims pursuant to a Final Order, the  
15 Disputed General Unsecured Claims will be paid through thirty-six (36) fully amortized monthly  
16 payments at four percent (4%) simple interest per annum beginning on the 15<sup>th</sup> day of the first  
17 month after entry of the Final Order allowing such Claims. The source of payments to the Holder  
18 of the Disputed General Unsecured Claims will be through the sale or refinancing of a portion of  
19 the Retained Acreage.

20 c) **Class 5C – Related Party Unsecured Claims**

21 The Class 5C Related Party Unsecured Claims will receive payment of their Allowed  
22 Class 5C Claims only after all Class 5A Claims and 5B Claims (to the extent Allowed) are paid  
23 in full. The source of payment of Class 5C Claims will be the Plan Contribution and/or post-  
24 confirmation sale or disposition of the Reorganized Debtors Acreage.

25 Creditors in Class 5 are Impaired under the Plan and, therefore, the Holders of Class 5  
26 Claims are entitled to vote on the Plan.

27 **6. Class 6 – GDG Litigation Claim.**



1 Debtors will continue to litigate the GDG Litigation Claim. No payments will be made on  
2 account of the GDG Litigation Claim until such time that the GDG Litigation Claim becomes an  
3 Allowed Claim. If, and when, the GDG Litigation Claim becomes an Allowed Claim pursuant to  
4 a Final Order, the GDG Litigation Claim will be paid through thirty-six (36) fully amortized  
5 monthly payments at four percent (4%) simple interest per annum beginning on the 15<sup>th</sup> day of  
6 the first month after entry of the Final Order allowing such Claim. The source of payments to the  
7 Holder of the GDG Litigation Claim will be through the sale or refinancing of a portion of the  
8 Retained Acreage.

9 Class 6 is Impaired under the Plan and, therefore, the Holder of the Class 6 Claim is  
10 entitled to vote on the Plan.

11 **7. Class 7 - Equity Securities.**

12 On the Effective Date, the Equity Securities existing on the Petition Date shall remain in  
13 Gray/Western Development Company.

14 Equity Securities in Class 7 are Unimpaired under the Plan. The Holders of Equity are  
15 not entitled to vote on the Plan.

16 **V.**

17 **ADDITIONAL PLAN PROVISIONS**

18 In addition to the terms of the Plan described in Section IV above, the Plan contains the  
19 following provisions. The description contained herein is qualified in its entirety by reference to  
20 the remainder of this Disclosure Statement and the Plan itself.

21 **A. Property Rights**

22 **1. ASLD Approval Rights.**

23 The transfers of the Debtors' real property contemplated in the Plan require ASLD  
24 approval pursuant to the ASLD Lease. Prior to the Chapter 11 Case, CPF requested that the  
25 ASLD approve CPF as an "Approved Lender" and "Permitted Mortgagee" pursuant to Article  
26 20.5 of the Master Lease. CPF's request was granted on or about April 18, 2016. Debtors believe  
27 that approval of CPF as an "Approved Lender" and "Permitted Mortgagee" would also constitute  
28

1 approval of CPF as a lessee under the Core Lease and no further ASLD approval would be  
2 necessary to effectuate the transfer of the property contemplated in this Plan.

3 **2. Applicable Property Restrictions.**

4 Under the Plan Treatment detailed in Section I above, the real property transferred to  
5 CPF or any other Holder of an Allowed Claim (the “Real Property Recipients”) shall be subject  
6 to certain restrictions as required by applicable documents governing the Property. Real Property  
7 Recipients shall be subject to the same restrictions with respect to the use and development of  
8 any real property that it may receive under the Plan as any other owners or lessors of property  
9 within the DRSP.

- 10 a) Real Property Recipients may amend the CPSP with respect to any parcel  
11 they lease from ASLD, subject to the Master Developer’s  
12 approval. Pursuant to Section E(2)(a)(1) of the DRSP the Master  
13 Developer shall establish the overall development intensity for the core  
14 and shall indicate the mix of uses in the CPSP by square footage between  
15 retail uses, office uses and other uses.
- 16 b) Real Property Recipients may develop any parcel they lease from ASLD,  
17 subject to compliance with the development regulations as described in  
18 the CPSP, the DRSP, the City of Phoenix Zoning Ordinance and the  
19 Master CC&Rs.
- 20 c) As it pertains to any parcel leased by CPF, the Master Developer does not  
21 have the right to unilaterally make material alterations to CPF’s zoning  
22 entitlements under the CPSP, the DRSP, the zoning, the Commercial  
23 Core Declaration or the Master CC&Rs. As it pertains to any parcel  
24 leased by CPF, any revision to the CPSP, the DRSP, the zoning, the  
25 Commercial Core Declaration or the Core CC&Rs would require CPF’s  
26 consent in addition to all of the other regulatory approvals.

27 **B. Means for Implementation of the Plan.**

1           **1. Substantive Consolidation.**

2           The Plan shall constitute a motion for substantive consolidation of the liabilities and  
3 assets of the Plan Proponents. Confirmation of the Plan will constitute the Bankruptcy Court's  
4 grant of that motion for substantive consolidation. Substantive consolidation of the liabilities and  
5 assets of the Plan Proponents on the Effective Date will: (a) consolidate the property of each  
6 estate for purposes of Plan voting and Distributions to Holders of Allowed Claims under the  
7 Plan; and (b) convert all Claims against each Debtor into Claims against the consolidated Estate  
8 such that any proof of claim filed against one or more Debtors is deemed to be a single claim  
9 filed against the consolidated Estate and all duplicative proofs of claim for the same Claim filed  
10 against more than one Debtor will be deemed expunged. The May Debtors are co-Master  
11 Developers and co-owners of the Property. Accordingly, Holders of Claims against the Debtors  
12 are not prejudiced by the substantive consolidations of the liabilities and assets of the Plan  
13 Proponents.

14           **2. Valuation Determination.**

15           As part of the Plan, the Court will conduct an evidentiary hearing on or before the  
16 Confirmation Date which will result in a fair market valuation of the Property based on its best  
17 use under the DRSP. The Debtors have requested that the Court set the valuation hearing  
18 pursuant to the *Motion to Set Valuation Hearing with Respect to Debtors' Real Property* [Dkt.  
19 No. 191] filed on October 18, 2016.

20           **3. Funding on the Effective Date.**

21           All payments under the Plan which are due on the Effective Date will be funded by : (1)  
22 the Plan Contribution to be contributed by the Plan Sponsor, (2) the Property Development  
23 Funds (funding due to the Debtors in accordance Property Development Agreement dated July 3,  
24 2012), and (3) the Creditors Trust Proceeds if and when they are realized and collected.

25           **4. Plan Contribution Waterfall Payments.**

26  
27  
28

1 The funds from the Plan Contribution will be used in the following order: (1) to pay all  
2 Allowed Administrative Claims; (2) to pay all Allowed Priority Unsecured Claim; (3) to pay the  
3 ASLD Lease Claim, when due; and (4) to fund the Creditors Trust.

4 **5. Creditors Trust.**

5 A payment of \$500,000, made from the Plan Contribution, will be placed into a Creditors  
6 Trust to fund the continued prosecution of the Adversary Proceeding and to prosecute the  
7 Burford Lawsuit on arrangements to be negotiated with Reorganized Debtors' counsel, the  
8 Reorganized Debtors, and the Committee. The Reorganized Debtors will prosecute the  
9 Adversary Proceeding until the CPF Resolution Date, as well as the Burford Claim. In the event  
10 that affirmative money damages are awarded to the plaintiffs in the Adversary Proceeding and/or  
11 the Burford Claim, such proceeds will be used first, to pay any unpaid costs of litigating the  
12 Adversary Proceeding or Burford Claim and, second, to be distributed to Holders of Allowed  
13 General Unsecured Claims that have not otherwise been paid. Any remaining proceeds will be  
14 distributed to the Reorganized Debtors' Equity Interests.

15 **6. Revesting of Estate Assets.**

16 Upon the Effective Date, all Assets of the Debtors will revest in the Reorganized Debtors  
17 (including, but not limited to, the Master Developer Rights), free and clear of all liens, claims,  
18 and encumbrances other than as expressly provided for in the Plan. The Reorganized Debtors  
19 shall continue to run the Debtors' business in the ordinary course after the Effective Date.

20 **7. Post-Confirmation Management of the Reorganization Debtors.**

21 The Debtors are currently managed by Bruce Gray through the affiliated entity  
22 Gray/Western Development Company. Bruce Gray has been a successful real estate developer in  
23 a career that has spanned decades. He developed his first project, Oswago Bay, in Lake Oswago  
24 Oregon in 1993. After that, he became a key figure in Arizona real estate development. Since  
25 1995, Mr. Gray and his affiliated entities have completed nearly thirty (30) projects in Arizona  
26 which, in total, account for nearly 8,000 apartment units:

<u>Name of Property</u>	<u># of Units</u>	<u>Year Built</u>
The Pavilions on Camelback	64	1995

1	The Legacy at Squaw Peak	88	1997
	Canyon Gate Condominiums	72	1997
2	Indigo Creek	408	1998
	Andover Park	155	1998
3	Andover Square	80	1999
	Montevida	276	2000
4	Indigo Springs	240	2000
	The Pavilions on Central	254	2001
	Monterra	258	2001
6	Clarendon Park	138	2002
	Indigo Palms	432	2003
	Camelback Ssquare	367	2004
8	Bacaro on Princess Drive	312	2004
	MonteViejo	480	2004
9	MonteVerde	435	2005
10	Bacara at the Canyons	233	2005
	Montelena at the Canyons	396	2006
11	Arete on Dunlap	205	2006
	Grigio Tempe Town Lake	523	2008
12	Barossa Paradise Ridge	204	2008
13	Barossa at the Park	273	2009
	Barossa at Triana	246	2009
14	Indigo at the Park	306	2009
15	Indigo at Triana	485	2010
	Grigio Metro	408	2010
16	Ninety Degrees	337	2010

17 In addition, Mr. Gray and his affiliated entities have designed six (6) other projects that  
18 account for over 4,400 more apartments units:

	<u>Name of Property</u>	<u># of Units</u>	<u>Year</u>
19			
20	Blue Sky - San Diego	939	2011-2013
21	Blue Sky - Scottsdale	749	2010-2014
	Grigio - Paradise Ridge	572	2007-2009
22	Desert Ridge 2H	820	2006-2009
	(Arete, Bacaro, Pavilions)		
23	Desert Ridge 4HW	882	2005-2008
	(Grigio Phase I & I II and Pavilions)		
24	Biltmore Spectrum	476	2015-2016

25 It is anticipated that Bruce Gray will continue to manage and operate the Debtors'  
26 business post-confirmation.

27 **8. United States Trustee Fees.**

1 Quarterly fees due to the United States Trustee pursuant to 11 U.S.C. 1930(a)(6) will be  
2 paid when due by the Plan Proponents.

3 **9. Limitation of Liability of the Reorganized Debtors.**

4 *No action or claim may be asserted against the Plan Proponents for any matter*  
5 *relating to or arising out of this Chapter 11 Case, the confirmation of the Plan, the*  
6 *consummation of the Plan, or the administration of the Plan or the property to be*  
7 *administered or distributed under the Plan, in any court without first obtaining approval of the*  
8 *Bankruptcy Court, and, in such event, any such action must be prosecuted before the*  
9 *Bankruptcy Court, which shall retain jurisdiction to adjudicate any such actions. The Plan*  
10 *Proponents are acting solely as fiduciaries on behalf of the Estate in implementing this Plan.*  
11 *Neither the Plan Proponents, nor any of their employees, shall have any personal liability for*  
12 *serving in the fiduciary capacity of Plan Proponents, except for willful misconduct or gross*  
13 *negligence.*

14 **10. Terms of Injunctions or Stays.**

15 *Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Case*  
16 *pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and that are in*  
17 *existence on the Effective Date, shall remain in full force and effect until the Chapter 11 Case*  
18 *is closed.*

19 **C. Provisions Governing Distributions.**

20 **1. General Provisions; Undeliverable Distributions.**

21 Distributions to the holders of Allowed Claims shall be made by the Reorganized Debtors  
22 at the address of each holder as set forth in the Schedules, unless superseded by the address set  
23 forth on proofs of Claim filed by such holder. If any Distribution is returned as undeliverable, the  
24 Reorganized Debtors may, without requirement and in their sole discretion, make such efforts to  
25 determine the current address of the holder of the Claim with respect to which the Distribution  
26 was made as the Reorganized Debtors deem appropriate, but no Distribution to any holder shall  
27  
28

1 be made unless and until the Reorganized Debtors have determined the then-current address of  
2 the holder.

3 **2. Unclaimed Property.**

4 Distributions that are not claimed by the expiration of ninety (90) days from the Closing  
5 Date shall be deemed to be unclaimed property and shall vest in the Reorganized Debtors, and  
6 the Claims with respect to which those Distributions are made shall be automatically canceled.  
7 After the expiration of that 90-day period, the Claim of any Entity to those Distributions shall be  
8 discharged and forever barred. Nothing contained in the Plan shall require the Reorganized  
9 Debtors to attempt to locate any holder of an Allowed Claim. All funds or other property that  
10 vests in in the Reorganized Debtors shall then be distributed to the Reorganized Debtors.

11 **3. Time Bar to Cash Payments by Check.**

12 Checks issued by the Reorganized Debtors on account of Allowed Claims shall be null  
13 and void if not negotiated within ninety (90) days after the date of issuance thereof, and shall be  
14 treated as unclaimed property under this Plan, and shall be discharged and forever barred and the  
15 proceeds of those checks shall become the property of the Reorganized Debtors.

16 **4. Compliance with Tax Requirements.**

17 In connection with making Distributions under this Plan, to the extent applicable, the  
18 Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed  
19 on it by any governmental unit, and all Distributions pursuant to this Plan shall be subject to such  
20 withholding and reporting requirements. The Reorganized Debtors may withhold the entire  
21 Distribution due to any holder of an Allowed Claim until such time as such holder provides the  
22 necessary information to comply with any withholding requirements of any governmental unit.  
23 Any property so withheld will then be paid by the Reorganized Debtors to the appropriate  
24 authority. If the holder of an Allowed Claim fails to provide the information necessary to comply  
25 with any withholding requirements of any governmental unit within 90 days from the date of  
26 first notification to the holder of the need for such information or for the Cash necessary to

1 comply with any applicable withholding requirements unclaimed property under this Plan, and  
2 shall be discharged and forever barred.

3 **VI.**

4 **DISPUTED CLAIMS**

5 **A. Resolution of Disputed Claims.**

6 From and after the Effective Date, the Reorganized Debtors shall have all rights of the  
7 Debtors to file, prosecute, compromise, withdraw, or resolve objections to Claims; provided  
8 however that nothing in the Section shall prejudice the right of the Reorganized Debtors to object  
9 to Claims prior to the Effective Date.

10 **B. Payment of Disputed Claims.**

11 No payments or other distributions will be made to holder of disputed claims unless and  
12 until such Claims are Allowed Claims pursuant to a Final Order. If a Claim is not an Allowed  
13 Claim as of the Effective Date or when payment is otherwise due under the Plan, payment of  
14 such Claim will commence if and when such Claim becomes an Allowed Claim pursuant to a  
15 Final Order.

16 As set forth above, the Debtors dispute the CPF Secured Claim. Accordingly, the final  
17 amount of the CPF Secured Claim is in dispute and will need to be resolved.

18 **C. Objections to Administrative Claims.**

19 From and after the Effective Date, the Reorganized Debtors shall have all rights of the  
20 Debtors to object to any Administrative Claims that are asserted. Any objections to  
21 Administrative Claims (other than Professional Fee Claims) will be filed and served by the date  
22 thirty (30) days after the Administrative Claims Bar Date or such other date as may be fixed by  
23 the Bankruptcy Court. All objections will be litigated to Final Order; provided, however, that the  
24 Reorganized Debtors shall have the authority to file, settle, compromise, or withdraw any  
25 objections without Bankruptcy Court Approval.

26 **VII.**

27 **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**



1 **A. Reorganized Debtors and Existing Contracts and Unexpired Leases.**

2 All executory contracts and unexpired leases that exist between the Debtors and any party  
3 that have not been previously assumed pursuant to an order of the Bankruptcy Court or through  
4 the Confirmation Order, shall be deemed rejected as of the Effective Date of the Plan. The ASLD  
5 Lease, however, will be assumed, to be paid in accordance with the provisions of the Plan.

6 **B. Rejection Claims.**

7 All Rejection Claims must be filed with the Bankruptcy Court and served on the Debtors  
8 and other parties in interest no later than thirty (30) days after the rejection of any executory  
9 contract or unexpired lease. Any Rejection Claim for which a proof of Claim is not timely filed  
10 within thirty (30) days of the rejection of an executory contract or unexpired lease will be forever  
11 barred from assertion against the Debtors, the Estate, and the Assets, and shall be subject to the  
12 discharge and permanent injunction set forth below. Unless otherwise ordered by the Bankruptcy  
13 Court, all Rejection Claims that are timely filed as provided herein shall be subject to review by  
14 the Debtors, who shall have 60 days from the Closing Date to review and object to any such  
15 Rejection Claim. To the extent (a) there is no objection following such 60-day period to any  
16 timely filed Rejection Claim or (b) there is a Final Order allowing such timely filed Rejection  
17 Claim, such Rejection Claim (or portion thereof allowed by Final Order) shall be an Allowed  
18 Rejection Claim and paid by the Plan Proponents.

19 **VIII.**

20 **LIMITATIONS AND RISK FACTORS**

21 **A. Risk Factors**

22 In addition to risks discussed elsewhere in this Disclosure Statement, the Plan and the  
23 transactions contemplated by the Plan involve the following limitations and risks, which should  
24 be taken into consideration.

- 25 • Finance Risk: While the Debtors believe that it is unlikely, there is risk that  
26 unforeseen changes in the economy will impact their ability to obtain Plan  
27 Financing or a capital contribution in an amount as determined by the Bankruptcy  
28

1 Court sufficient to make the required distributions under the Plan. The Debtors  
2 are confident in their ability to obtain financing, but such loans are always subject  
3 to certain application and underwriting consideration that could impact the  
4 Debtors' ability to obtain financing.

- 5 • Valuation Risk: The treatment of certain claims under the Plan is premised on the  
6 Property receiving a sufficient valuation determination from the Bankruptcy  
7 Court such that certain creditors may receive land in full satisfaction of their  
8 claims. Although the Debtors are confident in their valuation of the Property,  
9 there is a risk that the Bankruptcy Court may not adopt a sufficient valuation of  
10 the Property for purposes of Plan implementation.

11 **B. Debtors Have No Duty to Update.**

12 The statements in this Disclosure Statement are made by the Debtors as of the date  
13 hereof, unless otherwise specified herein. The delivery of this Disclosure Statement after that  
14 date does not imply that there has been no change in the information set forth herein since that  
15 date. The Debtors have no duty to update this Disclosure Statement unless ordered to do so by  
16 the Bankruptcy Court.

17 **C. No Admissions Made.**

18 Nothing contained herein shall constitute an admission of any fact or liability by the  
19 Debtors or any other party nor shall it be deemed evidence of the tax or other legal effects of the  
20 Plan on Debtors or on Holders of Claims.

21 **D. Risks and Considerations.**

22 **1. Projections and Other Forward Looking Statements Are Not Assured and**  
23 **Actual Results Will Vary.**

24 Certain information herein is, by nature, forward looking, and contains estimates and  
25 assumption which might ultimately prove to be incorrect, and the Debtors' projections may differ  
26 materially from actual future results. There are uncertainties associated with assumptions,  
27  
28

1 projections, and estimates and they should not be considered assurances or guarantees of the  
2 amounts of Claims in the various Classes that will be allowed.

3 **2. Confirmation of the Plan is Not Assured.**

4 Although the Debtors believe the Plan will satisfy all requirements for Confirmation, the  
5 Bankruptcy Court may not reach that conclusion. It is also possible that modifications to the  
6 Plan will be required for Confirmation and that such modifications would necessitate a re-  
7 solicitation of votes.

8 **IX.**

9 **PRESERVATION OF CAUSES OF ACTION, INJUNCTION, RELEASE, AND**  
10 **RELATED PROVISIONS**

11 **A. Vesting and Transfers of Causes of Action.**

12 Except as otherwise provided in the Plan or Confirmation Order, in accordance with  
13 section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that the Debtors or the Estate  
14 may hold against any Entity shall vest upon the Effective Date in the Reorganized Debtors.  
15 Upon the Effective Date, the Reorganized Debtors shall have the exclusive right to institute,  
16 prosecute, abandon, settle or compromise any Cause of Action. Causes of Action, and any  
17 recoveries therefrom, shall remain the sole property of the Reorganized Debtors. Each Cause of  
18 Action is expressly reserved for later adjudication by the Reorganized Debtors (including,  
19 without limitation, Causes of Action not specifically identified or described) and, therefore, no  
20 preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral  
21 estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or  
22 laches shall apply to such Causes of Action upon or after the entry of the Confirmation Order. In  
23 addition, the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors are a  
24 defendant or an interested party, against any Entity, including, without limitation, the plaintiffs  
25 or co-defendants in such lawsuits, is expressly reserved.

26 Any Entity to whom the Debtors have incurred an obligation (whether on account of  
27 services, purchase or sale of goods or otherwise), or who has received services from the Debtors  
28

1 or a transfer of money or property of the Debtors, or who has transacted business with the  
2 Debtors, should assume that any such obligation, transfer, or transaction may be reviewed by the  
3 Reorganized Debtors subsequent to the Effective Date and may be the subject of a Cause of  
4 Action after the Effective Date, regardless of whether: (i) such Entity has filed a proof of Claim  
5 against the Debtors in the Chapter 11 Case; (ii) an objection to any such Entity's proof of Claim  
6 has been filed; (iii) any such Entity's Claim was included in the Schedules; (iv) an objection to  
7 any such Entity's scheduled Claim has been filed; or (v) any such Entity's scheduled Claim has  
8 been identified as disputed, contingent or unliquidated.

9 **B. Release and Injunction.**

10 **From and after the Effective Date, all Entities are permanently enjoined from**  
11 **commencing or continuing in any manner against the Reorganized Debtors, the Estate, or**  
12 **the Assets, as the case may be, any suit, action or other proceeding, on account of or**  
13 **respecting any Claim, demand, liability, obligation, debt, right, Cause of Action, interest or**  
14 **remedy that arose before the Effective Date.**

15 **From and after the Effective Date, all Entities shall be precluded from asserting**  
16 **against the Reorganized Debtors, the Estate, or the Assets, any other Claims or Equity**  
17 **Securities based upon any documents, instruments, or any act or omission, transaction or**  
18 **other activity of any kind or nature that occurred prior to the Effective Date.**

19 **The rights afforded in the Plan and the treatment of all Claims and Equity**  
20 **Securities in the Plan shall be in exchange for and in complete satisfaction of Claims and**  
21 **Equity Securities of any nature whatsoever against the Reorganized Debtors, the Estate,**  
22 **and the Assets. On the Effective Date, all such Claims against the Reorganized Debtors**  
23 **shall be satisfied and released in full.**

24 **On and after the Effective Date, all Entities are permanently enjoined, on account of**  
25 **any Claim or Membership Interest, from:**

- 26 (i) **commencing or continuing in any manner any action or other**  
27 **proceeding of any kind against the Reorganized Debtors, the Estate, or the Assets;**  
28

1 (ii) enforcing, attaching, collecting or recovering by any manner or means  
2 any judgment, award, decree or order against the Reorganized Debtors, the Estate,  
3 or the Assets;

4 (iii) creating, perfecting or enforcing any encumbrance of any kind  
5 against the Reorganized Debtors, the Estate, or the Assets;

6 (iv) commencing or continuing in any manner any action or other  
7 proceeding of any kind against the Reorganized Debtors in respect of any Claim,  
8 Membership Interest, or Cause of Action.

9 **C. Payment of Statutory Fees.**

10 All fees payable to the United States Trustee or under section 1930 of Title 28 of the  
11 United States Code shall be paid by the Reorganized Debtors as and when due.

12 **X.**

13 **CERTAIN FEDERAL INCOME TAX CONSEQUENCES**

14 THE FOLLOWING SUMMARY DOES NOT CONSTITUTE EITHER A TAX  
15 OPINION OR TAX ADVICE TO ANY PERSON. NO REPRESENTATIONS REGARDING  
16 THE EFFECT OF IMPLEMENTATION OF THE PLAN ON INDIVIDUAL CREDITORS  
17 ARE MADE HEREIN OR OTHERWISE. RATHER, THE TAX DISCLOSURE IS  
18 PROVIDED FOR INFORMATIONAL PURPOSES ONLY. ALL CREDITORS ARE URGED  
19 TO CONSULT THEIR RESPECTIVE TAX ADVISORS REGARDING THE TAX  
20 CONSEQUENCES OF THE PLAN.

21 Creditors, Holders of Equity Securities, and any Person affiliated with the foregoing are  
22 strongly urged to consult their respective tax advisors regarding the federal, state, local, and  
23 foreign tax consequences which may result from the Confirmation and consummation of the  
24 Plan. This Disclosure Statement shall not in any way be construed as making any representations  
25 regarding the particular tax consequences of the Confirmation and consummation of the Plan to  
26 any Person. This Disclosure Statement is general in nature and is merely a summary discussion  
27 of potential tax consequences and is based upon the Internal Revenue Code of 1986, as amended  
28

1 (the “IRC”), and pertinent regulations, rulings, court decisions, and treasury decisions, all of  
2 which are potentially subject to material and/or retroactive changes. Under the IRC, there may  
3 be federal income tax consequences to Debtors, their Creditors, their Equity Security Holders,  
4 and/or any Person affiliated therewith as a result of Confirmation and consummation of the Plan.

5 Upon the Confirmation and consummation of the Plan, the federal income tax  
6 consequences to Creditors and their affiliates arising from the Plan will vary depending upon,  
7 among other things, the type of consideration received by the Creditor in exchange for its Claim,  
8 whether the Creditor reports income using the cash or accrual method of accounting, whether the  
9 Creditor has taken a “bad debt” deduction with respect to its Claim, whether the Creditor  
10 received consideration in more than one tax year, and whether the Creditor is a resident of the  
11 United States. If a Creditor’s Claim is characterized as a loss resulting from a debt, then the  
12 extent of the deduction will depend on whether the debt is deemed wholly worthless or partially  
13 worthless, and whether the debt is construed to be a business or non-business debt as determined  
14 under the 26 U.S.C. § 166, and/or other applicable provisions of the Internal Revenue Code.

15 CREDITORS SHOULD CONSULT THEIR TAX ADVISOR REGARDING THE TAX  
16 TREATMENT (INCLUDING FEDERAL, STATE, LOCAL, AND FOREIGN TAX  
17 CONSEQUENCES) OF THEIR RESPECTIVE ALLOWED CLAIMS. THIS DISCLOSURE IS  
18 NOT A SUBSTITUTE FOR TAX PLANNING AND SPECIFIC ADVICE FOR PERSONS  
19 AFFECTED BY THE PLAN.

20 **XI.**

21 **CONFIRMATION OF THE PLAN**

22 **A. Confirmation of the Plan.**

23 Pursuant to Section 1128(a) of the Bankruptcy Code, the Bankruptcy Court will hold a  
24 hearing regarding confirmation of the Plan at the United States Bankruptcy Court for the District  
25 of Arizona, 230 North 1st Avenue, Suite 101, Phoenix, AZ 85003, commencing on  
26 \_\_\_\_\_, 2016, at \_\_\_\_\_.m. (MST).

27 **B. Objections to Confirmation of the Plan.**

1 Section 1128(b) provides that any party-in-interest may object to confirmation of a plan.  
2 Any objections to Confirmation of the Plan must be in writing, must state with specificity the  
3 grounds for any such objections, and must be timely filed with the Bankruptcy Court and served  
4 upon counsel for Debtors at the following address:

5 Stinson Leonard Street, LLP  
6 Attn: Anthony P. Cali, Esq.  
7 1850 N. Central Ave., Suite 2100  
8 Phoenix, Arizona 85004  
9 (602) 212-1600 Telephone  
10 (602) 586.5209 Facsimile  
11 Email: Anthony.cali@stinson.com

## 12 XII.

### 13 ALTERNATIVES TO THE PLAN

14 The Debtors believe that the Plan provides Creditors the best and most complete form of  
15 recovery available. As a result, the Debtors believe that the Plan serves the best interests of all  
16 Creditors and parties-in-interest in the Chapter 11 Case. The Debtors believe not only that the  
17 Plan enables the Creditors to realize the greatest sum possible under the circumstances, but also  
18 that rejection of the Plan in favor of some theoretical alternative method of reconciling the  
19 Claims of the various Classes would require, at the very least, an extensive and time-consuming  
20 negotiation process and would not result in a better recovery for any Class.

21 For example, if a plan cannot be confirmed, a Chapter 11 case may be converted to a case  
22 under Chapter 7, in which a Chapter 7 trustee would be elected or appointed to liquidate the  
23 assets of the Debtors for distribution to its creditors and holders of equity security in accordance  
24 with the priorities established by the Bankruptcy Code.

25 As previously stated, the Debtors believe that a liquidation under Chapter 7 would result  
26 in a reduced recovery of funds by Holders of Claims and Equity Securities because of: (i)  
27 additional Administrative Claim expenses involved in the appointment of a Chapter 7 trustee for  
28 Debtors and attorneys and other professionals to assist such Chapter 7 trustee; and (ii) additional  
expenses and Claims, some of which may be entitled to priority, which would be generated  
during the Chapter 7 liquidation.

1 **XIII.**

2 **RECOMMENDATION AND CONCLUSION**

3 The Plan provides the best possible recovery for all parties-in-interest. Accordingly, the  
4 Debtors strongly recommend that all Creditors entitled to a Distribution or other parties-in-  
5 interest that are affected by the Plan not object to the Plan, and that the Bankruptcy Court  
6 confirm the Plan.

7 DATED this 28<sup>th</sup> day of October, 2016.

8 EPICENTER PARTNERS, LLC an Arizona limited  
9 liability company,

10 By: /s/ Bruce Gray  
11 Bruce Gray, Manager

12  
13 GRAY MEYER FANNIN, LLC an Arizona limited  
14 liability company,

15 By: /s/ Bruce Gray  
16 Bruce Gray, Manager

17 **Prepared and Submitted:**

18  
19 **STINSON LEONARD STREET, LLP**

20 By: /s/ Anthony P. Cali  
21 Thomas J. Salerno, Esq.  
22 Alisa C. Lacey, Esq.  
23 Anthony P. Cali, Esq.  
24 1850 North Central Avenue, Suite 2100  
25 Phoenix, Arizona 85004  
26 *Attorneys for Debtors*



# Exhibit 1

Exhibit 1

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12 *Attorneys for Debtors*

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

10 In re:	Chapter 11
11 EPICENTER PARTNERS L.L.C.,	Case No. 2:16-bk-05493-MCW
12 GRAY MEYER FANNIN L.L.C.,	Jointly Administered with:
13 SONORAN DESERT LAND INVESTORS LLC,	Case No. 2:16-bk-05494-MCW
14 EAST OF EPICENTER LLC,	Case No. 2:16-bk-07659-MCW
15 GRAY PHOENIX DESERT RIDGE II, LLC	Case No. 2:16-bk-07660-MCW
16	Case No. 2:16-bk-07661-MCW

17 Debtors.

18 This Filing Applies to:

- 19  All Debtors  
20  Specified Debtors
- 21  EPICENTER PARTNERS L.L.C.,  
22  GRAY MEYER FANNIN L.L.C.,  
23  SONORAN DESERT LAND INVESTORS  
24 LLC,  
25  EAST OF EPICENTER LLC,  
26  GRAY PHOENIX DESERT RIDGE II, LLC

25 **FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION FOR EPICENTER**  
26 **PARTNERS LLC AND GRAY MEYER FANNIN LLC**

## TABLE OF CONTENTS

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

<b>1.</b>	<b>DEFINITIONS, RULES OF INTERPRETATION, AND COMPUTATION OF TIME .....</b>	<b>1</b>
1.1.	Definitions.....	1
1.1.1.	Administrative Claim.....	1
1.1.2.	Administrative Claim Bar Date. ....	1
1.1.3.	Adversary Proceeding.....	1
1.1.4.	Allowed Administrative Claim.....	1
1.1.5.	Allowed Claim.....	2
1.1.6.	ASLD.....	2
1.1.7.	ASLD Lease.....	2
1.1.8.	ASLD Agreement.. ....	2
1.1.9.	Assets.....	2
1.1.10.	Avoidance Actions.....	2
1.1.11.	Ballot.....	2
1.1.12.	Bankruptcy Code. ....	3
1.1.13.	Bankruptcy Court.....	3
1.1.14.	Bankruptcy Rules.....	3
1.1.15.	Bar Date.....	3
1.1.16.	Burford.....	3
1.1.17.	Burford Claim.. ....	3
1.1.18.	Business Day.....	3
1.1.19.	Cash.....	3
1.1.20.	Causes of Action.....	3
1.1.21.	Chapter 11 Case.....	3
1.1.22.	Claim.....	3
1.1.23.	Class.....	4
1.1.24.	Commercial Core Declaration. ....	4
1.1.25.	Committee.....	4
1.1.26.	Confirmation.....	4
1.1.27.	Confirmation Date.....	4
1.1.28.	Confirmation Hearing.....	4
1.1.29.	Confirmation Order.....	4
1.1.30.	Contingent Claim.....	4
1.1.31.	CPF.....	4
1.1.32.	CPF Acreage.....	4
1.1.33.	CPF Effective Date Acreage.....	4
1.1.34.	CPF (Burford) Escrow Acreage.....	5
1.1.35.	CPF (STB) Escrow Acreage.....	5
1.1.36.	CPF (Burford) Secured Claim.. ....	5
1.1.37.	CPF (STB) Secured Claim.....	5
1.1.38.	CPF Resolution Date.....	5
1.1.39.	CPF Secured Claims.. ....	5
1.1.40.	CPSP.....	5
1.1.41.	Creditor.....	5
1.1.42.	Debtors.....	5
1.1.43.	Disclosure Statement.....	6
1.1.44.	Disclosure Statement Order.....	6
1.1.45.	Disputed Claim or Disputed Equity Security.....	6
1.1.46.	Disputed General Unsecured Claims.....	6
1.1.47.	Distribution.....	6
1.1.48.	DRSP.....	6

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1.1.49. Effective Date. ....	6
1.1.50. Entity.....	6
1.1.51. EP.....	6
1.1.52. Equity Interests. ....	6
1.1.53. Estate.....	7
1.1.54. Executory Contract. ....	7
1.1.55. Final Order.....	7
1.1.56. General Unsecured Claim.....	7
1.1.57. GDG Litigation Claim. ....	7
1.1.58. GMF.....	7
1.1.59. Group 1 Parcels.....	7
1.1.60. Group 2 Parcels.....	7
1.1.61. Group 3 Parcels.....	7
1.1.62. GWD.....	8
1.1.63. Holder. ....	8
1.1.64. Impaired.....	8
1.1.65. Insider. ....	8
1.1.66. Lien. ....	8
1.1.67. Lien Avoidance Adversary.. ....	8
1.1.68. Master CC&Rs.....	8
1.1.69. Master Developer.....	8
1.1.70. Master Developer Rights. ....	8
1.1.71. Master Declarant Rights.. ....	8
1.1.72. Other Priority Claim. ....	8
1.1.73. Parcel Map.. ....	8
1.1.74. Person.....	9
1.1.75. Petition Date.....	9
1.1.76. Plan. ....	9
1.1.77. Plan Contribution.....	9
1.1.78. Plan Financing. ....	10
1.1.79. Plan Sponsor. ....	10
1.1.80. Priority Tax Claim. ....	10
1.1.81. Professional Fees. ....	10
1.1.82. Property.....	10
1.1.83. Property Development Agreement. ....	10
1.1.84. Property Development Funds. ....	10
1.1.85. Pro Rata.....	10
1.1.86. Record Date. ....	10
1.1.87. Reorganized Debtors.....	10
1.1.88. Reorganized Debtors Acreage. ....	10
1.1.89. Representative.....	10
1.1.90. Retained Acreage.....	11
1.1.91. Schedules. ....	11
1.1.92. Secured Claim.....	11
1.1.93. STB.....	11
1.1.94. Taxes.....	11
1.1.95. Undisputed General Unsecured Claims.....	11
1.1.96. Unexpired Lease. ....	11
1.1.97. Unimpaired. ....	11
1.1.98. Valuation.....	11
1.1.99. Valuation Determination.....	11
1.2. Computation of Time.....	11
1.3. Rules of Interpretation. ....	11
1.4. Exhibits and Plan Schedules. ....	12

1	<b>2.</b>	<b>TREATMENT OF UNCLASSIFIED CLAIMS .....</b>	<b>12</b>
2	2.1.	General.....	12
3	2.2.	Treatment of Priority Tax Claims and Other Priority Claims.....	12
4	2.3.	Treatment of Administrative Claims. ....	12
5	2.3.1.	Treatment of Professional Fees.....	12
6	2.7.	Treatment of U.S. Trustee Fees. ....	12
7	<b>3.</b>	<b>DESIGNATION OF CLASSES OF CLAIMS AND EQUITY INTERESTS .....</b>	<b>12</b>
8	3.1.	Summary of Classification.....	13
9	3.2.	Specific Qualifications.....	13
10	3.2.1.	Class 1: ASLD Lease Claim. ....	14
11	3.2.2.	Class 2: CPF (Burford) Secured Claim.....	14
12	3.2.3.	Class 3: CPF (STB) Secured Claim.....	14
13	3.2.4.	Class 4: Priority Unsecured Claims. ....	14
14	3.2.5.	Class 5A: Undisputed General Unsecured Claims. ....	14
15	3.2.6.	Class 5B: Disputed General Unsecured Claims.....	14
16	3.2.7.	Class 5C: Related Party Unsecured Claims. ....	14
17	3.2.8.	Class 6: GDG Litigation Claim.....	14
18	3.2.9.	Class 7: Equity Interests.....	14
19	<b>4.</b>	<b>DESIGNATION OF AND PROVISIONS FOR TREATMENT OF</b>	
20		<b>CLASSES OF CLAIMS UNDER THIS PLAN.....</b>	<b>14</b>
21	4.1.	Class 1 – ASLD Lease Claim. ....	14
22	4.1.1.	Treatment. ....	14
23	4.1.2.	Voting. ....	14
24	4.2.	Class 2 – CPF (Burford) Secured Claim.....	14
25	4.2.1.	Option 1 Treatment.....	14
26	4.2.2.	Option 2 Treatment (Litigation Option). ....	15
27	4.2.3.	Applicable Property Restrictions.. ....	15
28	4.2.4.	Voting. ....	16
29	4.3.	Class 3 – CPF (STB) Secured Claim. ....	16
30	4.3.1.	Option 1 Treatment.....	16
31	4.3.2.	Option 2 Treatment (Litigation Option). ....	16
32	4.3.3.	Applicable Property Restrictions.. ....	17
33	4.3.4.	Voting. ....	17
34	4.4.	Class 4 –Priority Unsecured Claims. ....	17
35	4.4.1.	Treatment. ....	17
36	4.4.2.	Voting. ....	18
37	4.5.	Class 5 – General Unsecured Claims.....	18
38	4.5.1.	Class 5A – Undisputed General Unsecured Claims ..... 18	
39	4.5.2.	Class 5B – Disputed General Unsecured Claims..... 18	
40	4.5.3.	Class 5C – Related Party Unsecured Claims. .... 18	
41	4.6.	Class 6 – GDG Litigation Claim..... 19	
42	4.6.1.	Treatment. .... 19	
43	4.6.2.	Voting. .... 19	
44	4.7.	Class 7 – Equity Interests..... 19	
45	4.7.1.	Treatment. .... 19	
46	4.7.2.	Voting. .... 19	
47	<b>5.</b>	<b>MEANS FOR IMPLEMENTATION OF PLAN.....</b>	<b>19</b>
48	5.1.	Substantive Consolidation. ....	19

1	5.2.	Funding On and After the Effective Date. ....	19
	5.3.	Plan Contribution Waterfall Payments. ....	19
2	5.4.	Creditors Trust. ....	19
	5.5.	Revesting Of Estate Assets. ....	20
3	5.6.	United States Trustee Fees. ....	20
	5.7.	Limitation of Liability of the Plan Proponents. ....	20
4	<b>6.</b>	<b>PROVISIONS GOVERNING DISTRIBUTIONS.....</b>	<b>20</b>
5	6.1.	General Provisions; Undeliverable Distributions. ....	20
	6.2.	Unclaimed Property. ....	20
6	6.3.	Time Bar to Cash Payments by Check. ....	21
	6.4.	Compliance with Tax Requirements.....	21
7	6.5.	No Payments of Fractional Dollars.....	21
8	<b>7.</b>	<b>DISPUTED CLAIMS .....</b>	<b>21</b>
9	7.1.	Resolution of Disputed Claims. ....	21
	7.1.1.	CPF Secured Claims. ....	21
10	7.2.	Payment of Disputed Claims. ....	21
	7.3.	Disallowance of Late Claims.....	21
11	<b>8.</b>	<b>TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED</b>	
12		<b>LEASES .....</b>	<b>22</b>
13	8.1.	Assumption or Rejection of Executory Contracts and Unexpired Leases. ....	22
14	8.2.	Rejection Claims.....	22
15	<b>9.</b>	<b>PRESERVATION OF CAUSES OF ACTION, INJUNCTION,</b>	
		<b>RELEASE, AND RELATED PROVISIONS .....</b>	<b>22</b>
16	9.1.	Term of Injunctions or Stays.....	22
17	9.2.	Discharge. ....	22
	9.3.	Preservation of Setoff Rights.....	22
18	9.4.	Preservation of Rights of Action.....	23
	9.4.1.	Vesting and Transfers of Causes of Action. ....	23
19	9.5.	Release and Injunction.....	23
20	<b>10.</b>	<b>RETENTION OF JURISDICTION.....</b>	<b>24</b>
21	10.1.	Jurisdiction.....	24
22	<b>11.</b>	<b>MISCELLANEOUS .....</b>	<b>25</b>
23	11.1.	Payment of Statutory Fees. ....	25
	11.2.	Modification of the Plan. ....	25
24	11.3.	Revocation of the Plan. ....	25
	11.4.	Successors and Assigns.....	26
25	11.5.	Governing Law. ....	26
	11.6.	Severability. ....	26
26	11.7.	Reservation of Rights.....	26
	11.8.	Section 1146 Exemption. ....	26
27	11.9.	Section 1125(e) Good Faith Compliance.....	27
	11.10.	Filing of Additional Documents. ....	27
28	11.11.	Notices. ....	27



1 Pursuant to title 11 of the United States Code, Epicenter Partners, LLC and Gray Meyer  
2 Fannin, LLC (the “Debtors” or “Plan Proponents”), through their counsel, Stinson Leonard  
3 Street, LLP, respectfully submits the following Chapter 11 Plan of Liquidation (the “Plan”). All  
4 Creditors, Equity Security Holders (as both terms are defined herein), and other parties-in-  
5 interest should refer to the Disclosure Statement (as this term is defined herein) for a discussion  
6 of Debtors’ history, assets, historical financial data, and for a summary and analysis of this Plan  
7 and certain related matters. All Holders of Claims against and Equity Securities in the Debtors  
8 are encouraged to read this Plan, the Disclosure Statement, and the related solicitation materials  
9 in their entirety before voting to accept or reject this Plan.

10 Subject to the restrictions on modifications set forth in Section 1127 of the Bankruptcy  
11 Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in Article 11 to  
12 this Plan, the Plan Proponents expressly reserve the right to alter, amend, strike, withdraw, or  
13 modify this Plan one or more times before its substantial consummation.

14 **1. DEFINITIONS, RULES OF INTERPRETATION, AND COMPUTATION OF**  
15 **TIME**

16 **1.1. Definitions.** For purposes of this Plan, except as expressly provided or unless the  
17 context otherwise requires, all capitalized terms not otherwise defined shall have the meanings  
18 ascribed to them in this Article 1. Any term used in this Plan that is not defined herein, but is  
19 defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that  
20 term in the Bankruptcy Code or the Bankruptcy Rules, in that order of priority. Whenever the  
21 context requires, such terms shall include the plural as well as the singular, the masculine gender  
22 shall include the feminine, and the feminine gender shall include the masculine. As used in this  
23 Plan, the following terms shall have the meanings specified below:

24 **1.1.1. Administrative Claim.** A Claim that has been timely filed before the  
25 Administrative Claim Bar Date for any cost or expense of administration of the Chapter 11 Case  
26 allowed under Sections 503(b) or 507(b) of the Bankruptcy Code and entitled to priority under  
27 Section 507(a)(1) of the Bankruptcy Code, including, but not limited to: (i) the actual and  
28 necessary costs and expenses incurred after the Petition Date of preserving the Estate, including  
wages, salaries, or commissions for services rendered after the commencement of the Chapter 11  
Case; and (ii) all Professional Fees approved by the Bankruptcy Court pursuant to interim and  
final allowances. To the extent that a Claim is allowed pursuant to Sections 365(d)(3) and (d)(5)  
of the Bankruptcy Code, such Claim shall also be deemed an “Administrative Claim” under this  
paragraph.

**1.1.2. Administrative Claim Bar Date.** The end of the first Business Day  
occurring on or after the thirtieth (30<sup>th</sup>) calendar day after the Effective Date.

**1.1.3. Adversary Proceeding.** Means collectively: (a) Adversary Proceeding  
No. 2:16-ap-00334-MCW entitled *Epicenter Partners, LLC and Gray Meyer Fannin, LLC v.*  
*CPF Vaseo Associates, LLC*; and (b) any other or further adversary proceedings that are pending  
as of the Confirmation Hearing involving the validity, amount, priority and/or extent of the CPF  
Secured Claim.

**1.1.4. Allowed Administrative Claim.** An Administrative Claim:



1 (i) As to which no objection has been filed or, if an objection has been  
2 filed, has been resolved by the allowance of such Administrative Claim by Order of the  
3 Bankruptcy Court; or

4 (ii) Which requires payment in the ordinary course and as to which there is  
5 no Final Order of the Bankruptcy Court in effect which prohibits any such payment.

6 **1.1.5. Allowed Claim.** A Claim or any portion thereof that is not a Disputed  
7 Claim: (i) that is allowed pursuant: (w) to this Plan or Final Order of the Bankruptcy Court, (x)  
8 to any stipulation executed prior to the Confirmation Date and approved by the Bankruptcy  
9 Court, (y) to any stipulation with the Plan Proponents, executed on or after the Confirmation  
10 Date, or (z) to any contract, instrument, or other agreement entered into or assumed in  
11 connection herewith; (ii) proof of which, requests for payment of which, or application for  
12 allowance of which, was filed or deemed to be filed on or before the Bar Date for filing proofs of  
13 Claim or requests for payment of Claims of such type against Debtors; or (iii) if no proof of  
14 Claim is filed, which has been or hereafter is listed by Debtors in the Schedules as liquidated in  
15 amount and not disputed or contingent; and in the case of (ii) or (iii), no objection to the  
16 allowance thereof has been interposed within the applicable period of limitation fixed by this  
17 Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or the Bankruptcy  
18 Court has entered a Final Order Allowing all or a portion of such Claim.

19 **1.1.6. ASLD.** The Arizona State Land Department.

20 **1.1.7. ASLD Lease.** The Arizona State Land Department Commercial Lease  
21 between EP, GMF, and ASLD, as modified and extended, covering the Property, and includes  
22 obligations owed under the ASLD Agreement.

23 **1.1.8. ASLD Agreement.** The Settlement Agreement between the Debtors and  
24 ASLD under which the deferred rent due on the ASLD leases is payable on July 7, 2017.

25 **1.1.9. Assets.** All of the property of the Debtors and the Estate of any kind or  
26 nature, and includes, without limitation, all of the Debtors' and the Estate's real property,  
27 personal property, tangible property, intangible property, accounts, accounts receivable, goods,  
28 equipment, furniture, inventory, chattel paper, documents, instruments, Cash, money, fixtures,  
improvements, easements, contract rights, general intangibles, rents, insurance proceeds, tax  
refunds, Causes of Action, internet websites, intellectual property, trademarks, trade names,  
copyrights, patents, claims and rights of any kind, wherever situated, together with the proceeds  
thereof.

**1.1.10. Avoidance Actions.** All avoidance, recovery, subordination, and other  
similar actions (including but not limited to the Adversary Proceeding) preserved for the Estate  
under the Bankruptcy Code, including but not limited to those set forth in Sections 510, 541,  
542, 543, 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code,  
regardless of whether or not such action has been commenced prior to the Effective Date.

**1.1.11. Ballot.** The form of ballot or ballots that will be distributed with the  
Disclosure Statement to Holders of Claims entitled to vote under this Plan in connection with the  
solicitation of acceptances of this Plan.

1                   **1.1.12. Bankruptcy Code.** The Bankruptcy Reform Act of 1978, Title 11, United  
2 States Code, as applicable to the Chapter 11 Case, as now in effect or hereafter amended, 11  
3 U.S.C. §§ 101, *et seq.*

4                   **1.1.13. Bankruptcy Court.** The United States Bankruptcy Court for the District  
5 of Arizona having jurisdiction over the Chapter 11 Case and, to the extent of the withdrawal of  
6 any reference under Section 157 of Title 28 of the United States Code and/or the General Order  
7 of the United States District Court for the District of Arizona pursuant to Section 151 of Title 28  
8 of the United States Code, the United States District Court for the District of Arizona.

9                   **1.1.14. Bankruptcy Rules.** Collectively, the Federal Rules of Bankruptcy  
10 Procedure, as applicable to the Chapter 11 Case, promulgated under 28 U.S.C. § 2075 and the  
11 general, local, and chamber rules of the Bankruptcy Court as applicable to the Chapter 11 Case,  
12 as now in effect or hereinafter amended.

13                   **1.1.15. Bar Date.** Means October 20, 2016, being the date established by the  
14 Bankruptcy Court for the filing of proofs of Claim for all Creditors, excepting therefrom, (a)  
15 Administrative Claims where the applicable “bar date” shall be the Administrative Claims Bar  
16 Date as provided herein, and (b) as to Governmental Units, where the applicable “bar date” shall  
17 be -----, 2016.

18                   **1.1.16. Burford.** Burford Capital Limited and its predecessors, successors and  
19 assigns.

20                   **1.1.17. Burford Claim.** The claims, collectively, against Burford and STB which  
21 constitute an asset of the Debtors’ estates.

22                   **1.1.18. Business Day.** Means any day, other than a Saturday, Sunday, or “legal  
23 holiday” (as defined in Bankruptcy Rule 9006(a)) and with regard to Bankruptcy Rule 9006(c) in  
24 Arizona.

25                   **1.1.19. Cash.** The legal tender of the United States of America or the equivalent  
26 thereof, including bank deposits, checks, negotiable instruments, wire transfers of immediately  
27 available funds, or other cash equivalents.

28                   **1.1.20. Causes of Action.** Any and all actions, causes of action, suits, accounts,  
controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights  
to payment and claims, rights of indemnification or contribution, whether known, unknown,  
reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent,  
matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or  
assertable directly or derivatively, in law, equity or otherwise, of the Debtors or the Estate,  
including Avoidance Actions, the Burford Claim and the Adversary Proceeding.

**1.1.21. Chapter 11 Case.** The jointly administered case under Chapter 11 of the  
Bankruptcy Code involving Debtors, having case number 2:16-bk-05493-MCW, including all  
adversary proceedings pending in connection therewith.

**1.1.22. Claim.** Any right to payment from Debtors, whether or not such right is  
reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed,

1 undisputed, legal, equitable, secured, or unsecured arising at any time before the Effective Date  
2 or relating to any event that occurred before the Effective Date, or any right to an equitable  
3 remedy for breach of performance if such breach gives rise to a right of payment from Debtors,  
4 whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent,  
5 matured, unmatured, disputed, undisputed, secured, or unsecured.

6 **1.1.23. Class.** A category of Holders of Claims or Equity Securities as classified  
7 in this Plan.

8 **1.1.24. Commercial Core Declaration.** The Declaration of Covenants,  
9 Conditions, Restrictions and Easements for Desert Ridge Commercial Core dated July 20, 2000,  
10 and recorded on July 21, 2000 in the Official Records of Maricopa County, Arizona as  
11 Instrument No. 2000-0555236.

12 **1.1.25. Committee.** The Official Committee of Unsecured Creditors appointed in  
13 this Chapter 11 Case.

14 **1.1.26. Confirmation.** The entry by the Bankruptcy Court of the Confirmation  
15 Order on the docket of the Chapter 11 Case.

16 **1.1.27. Confirmation Date.** Such date as the Court enters the order confirming  
17 the Plan.

18 **1.1.28. Confirmation Hearing.** The duly-noticed initial hearing held by the  
19 Bankruptcy Court to confirm this Plan pursuant to Section 1128 of the Bankruptcy Code, and  
20 any subsequent hearing held by the Bankruptcy Court from time to time to which the initial  
21 hearing is adjourned without further notice other than the announcement of the adjourned dates  
22 at the Confirmation Hearing or by a subsequent order of the Bankruptcy Court.

23 **1.1.29. Confirmation Order.** The order entered by the Bankruptcy Court  
24 confirming this Plan pursuant to Section 1129 of the Bankruptcy Code, in form and substance  
25 acceptable in all respects to the Plan Proponents.

26 **1.1.30. Contingent Claim.** A Claim that is contingent, unmatured, or  
27 unliquidated on or immediately before the Confirmation Date.

28 **1.1.31. CPF.** CPF Vaseo Associates, LLC and its successors and assigns.

**1.1.32. CPF Acreage.** The acreage of the Debtors' Property to be transferred to  
CPF pursuant to the Plan.

**1.1.33. CPF Effective Date Acreage.** The Group 1 Parcels, as may be modified  
to achieve a value of no less than \$35 million, that will be transferred to CPF on the Effective  
Date. The value of the CPF Effective Date Acreage, as ultimately may be determined by the  
Court pursuant to the Valuation Determination, will be applied, at CPF's election, to either (i) the  
CPF (Burford) Secured Claim exclusively, or (ii) the CPF (Burford) Secured Claim and the CPF  
(STB) Secured Claim on a Pro Rata basis.

1                   **1.1.34. CPF (Burford) Escrow Acreage.** Such portions of the Group 2 Parcels  
2 and Group 3 Parcels as the Court determines is necessary, pursuant to the Valuation  
3 Determination, to cover: (i) any remaining amount allegedly due to CPF on account of the CPF  
4 (Burford) Secured Claim after application of the CPF Effective Date Acreage, at the default rate  
5 of interest, accruing as of the Petition Date, until the Confirmation Date; and (ii) from the  
6 Confirmation Date until the CPF Claim Resolution Date, interest on the CPF (Burford) Secured  
7 Claim accruing at the rate of 6.0% per annum, simple interest. The escrow is to be established at  
8 a recognized title company into which the CPF (Burford) Escrow Acreage will be escrowed  
9 pending the CPF Claim Resolution Date.

10                   **1.1.35. CPF (STB) Escrow Acreage.** Such portions of the Group 2 Parcels and  
11 Group 3 Parcels as the Court determines is necessary, pursuant to the Valuation Determination,  
12 to cover: (i) any remaining amount allegedly due to CPF on account of the CPF (STB) Secured  
13 Claim after application of the CPF Effective Date Acreage, at the default rate of interest,  
14 accruing as of the Petition Date, until the Confirmation Date; and (ii) from the Confirmation  
15 Date until the CPF Claim Resolution Date, interest on the CPF (STB) Secured Claim accruing at  
16 the rate of 6.0% per annum, simple interest. The escrow is to be established at a recognized title  
17 company into which the CPF (STB) Escrow Acreage will be escrowed pending the CPF Claim  
18 Resolution Date.

19                   **1.1.36. CPF (Burford) Secured Claim.** The alleged secured claim of CPF  
20 resulting from the acquisition by CPF of the claim of Burford. The CPF (Burford) Secured Claim  
21 is a Disputed Claim.

22                   **1.1.37. CPF (STB) Secured Claim.** The alleged secured claim of CPF resulting  
23 from the acquisition by CPF of the claim of STB. The CPF (STB) Secured Claim is a Disputed  
24 Claim.

25                   **1.1.38. CPF Resolution Date.** The date on which the Adversary Proceeding is  
26 fully and finally adjudicated, which adjudication will establish the amount of allowed CPF  
27 Secured Claim for purposes of distribution of the CPF Acreage under the Plan. The Plan  
28 estimates the CPF Resolution Date will be two (2) years after entry of the Confirmation Order.

**1.1.39. CPF Secured Claims.** The combined claims of CPF resulting from the  
acquisition by CPF of the claims of: (a) Burford and (b) STB. The CPF Secured Claims are  
Disputed Claims.

**1.1.40. CPSP.** The conceptual parcel site plan for the Property consistent with the  
DRSP. Any further amendments or revisions to the CPSP will be subject to the approval of the  
Master Developer in accordance with the DRSP.

**1.1.41. Creditor.** Any Holder of a Claim, whether or not such Claim is an  
Allowed Claim.

**1.1.42. Debtors.** Gray Meyer Fannin, LLC and Epicenter Partners, LLC, the  
debtors and debtors-in-possession in the Chapter 11 Case pursuant to Section 1108 of the  
Bankruptcy Code.

1                   **1.1.43. Disclosure Statement.** The disclosure statement that relates to this Plan,  
2 as amended, supplemented, or modified from time to time, describing this Plan that is prepared  
3 and distributed in accordance with, among others, Sections 1125, 1126(b), and 1145 of the  
4 Bankruptcy Code, Bankruptcy Rule 3018, and other applicable law.

5                   **1.1.44. Disclosure Statement Order.** An order to be entered by the Bankruptcy  
6 Court (i) approving the Disclosure Statement for disclosure and solicitation purposes; (ii) setting  
7 deadlines for balloting and opposing confirmation of the Plan; (iii) approving form of ballots;  
8 (iv) setting a hearing and establishing notice and objection procedures for confirmation; and (v)  
9 granting any related relief.

10                   **1.1.45. Disputed Claim or Disputed Equity Security.** A Claim or Equity  
11 Security which is: (i) subject to timely objection interposed by the Plan Proponent or any party-  
12 in-interest entitled to file and prosecute such objection in the Chapter 11 Case, if at such time  
13 such objection remains unresolved; or (ii) a Claim that is listed by Debtors as disputed,  
14 unliquidated, or contingent in the Schedules; provided, however, that the Bankruptcy Court may  
15 estimate a Disputed Claim for purposes of allowance pursuant to Section 502(c) of the  
16 Bankruptcy Code. The term “Disputed,” when used to modify a reference in this Plan to any  
17 Claim or Class of Claims or Equity Security, shall mean a Claim or Equity Security (or any  
18 Claim or Equity Security in such Class) that is a Disputed Claim or Disputed Equity Security as  
19 defined herein. In the event there is a dispute as to classification or priority of a Claim or Equity  
20 Security, it shall be considered a Disputed Claim or Disputed Equity Security in its entirety.  
21 Until such time as a Contingent Claim becomes fixed and absolute, such Claim shall be treated  
22 as a Disputed Claim and not an Allowed Claim for purposes related to allocations and  
23 distributions under this Plan. The CPF Claim is a Disputed Claim.

24                   **1.1.46. Disputed General Unsecured Claims.** The disputed unsecured claim of  
25 Lewis Roca Rothgerber Christie LLP in the amount of \$731,814.49 (Case No. 2:16-bk-05494-  
26 MCW, Claim No. 3) and any other disputed general unsecured claim that may be the subject of a  
27 claim objection prior to the Confirmation Hearing.

28                   **1.1.47. Distribution.** A distribution of Cash or transfer of the CPF Acreage into  
the CPF Escrow to be made in accordance with the Plan.

**1.1.48. DRSP.** The Desert Ridge Specific Plan currently in effect with respect to  
the Property, as the same may be amended in accordance with applicable State law.

**1.1.49. Effective Date.** The date that is ten (10) days after the entry of the  
Confirmation Order and on which no stay of the Confirmation Order is in effect.

**1.1.50. Entity.** This term shall have the meaning set forth in Section 101(15) of  
the Bankruptcy Code.

**1.1.51. EP.** Epicenter Partners, LLC.

**1.1.52. Equity Interests.** The equity interests (whether represented by an equity  
security or otherwise) in the Debtors as the term is defined in Section 101(16) of the Bankruptcy  
Code and includes the membership interests in Debtors and any warrants, options, redemption

1 rights, dividend rights, liquidation preferences, rights to purchase any such Equity Security, or  
2 any other rights related thereto.

3 **1.1.53. Estate.** The estate created for Debtors in the Chapter 11 Case pursuant to  
4 Section 541 of the Bankruptcy Code.

5 **1.1.54. Executory Contract.** A contract to which the Debtors are a party that is  
6 subject to assumption or rejection under Section 365 of the Bankruptcy Code.

7 **1.1.55. Final Order.** An order, judgment, or other decree of the Bankruptcy  
8 Court, or other court of competent jurisdiction, entered on the docket of such court, that has not  
9 been reversed, reconsidered, stayed, modified, or amended, that is in full force and effect, and as  
10 to which order or judgment: (i) the time to appeal, seek review or rehearing, or petition for  
11 certiorari has expired and no timely filled appeal or petition for review, rehearing, remand, or  
12 certiorari is pending; (ii) any appeal taken or petition for certiorari or request for reconsideration  
13 or further review or rehearing filed: (a) has been resolved by the highest court to which the order  
14 or judgment was appealed or from which review, rehearing, or certiorari was sought; or (b) has  
15 not yet been resolved by such highest court, but such order has not been stayed pending appeal.  
16 Notwithstanding the foregoing, the Confirmation Order shall specifically become a Final Order  
17 on the first Business Day that is fourteen (14) days after the entry of such Confirmation Order  
18 unless any appeal of such Confirmation Order was accompanied by a stay pending appeal.

19 **1.1.56. General Unsecured Claim.** A Claim that is not secured by a charge  
20 against or interest in property in which the Estate has an interest and is not an unclassified Claim,  
21 Administrative Claim, or Other Priority Unsecured Claims. General Unsecured Claims shall also  
22 include all Claims arising under Section 502(g) of the Bankruptcy Code.

23 **1.1.57. GDG Litigation Claim.** The alleged Claim of Constantino Flores, as  
24 Chapter 7 Trustee for the estate of GDG Partners, LLC, Case No. 2:12-bk-09825-BKM related to  
25 the claims asserted in Adversary Proceeding No. 2:14-ap-00293-BKM currently pending before  
26 the United States Bankruptcy Court for District of Arizona in which the May Debtors are  
27 defendants. The GDG Litigation Claim is a Disputed Claim.

28 **1.1.58. GMF.** Gray Meyer Fannin, LLC.

**1.1.59. Group 1 Parcels.** The parcels of the Debtors' Property listed a "Group 1"  
on the Parcel Map, which include parcels H1, MF4, MF6a, MF6b, CLUB, and OFF3d, and  
which the Debtors assert have a collective value of \$38,250,000. The composition of the Group 1  
Parcels may be amended or modified by the Debtors with approval of the Bankruptcy Court  
pursuant to the Valuation Determination so as to effectuate the terms of the Plan.

**1.1.60. Group 2 Parcels.** The parcels of the Debtors' Property listed a "Group 2"  
on the Parcel Map, which include parcels H2, MF5, and MU6, and which the Debtors assert have  
a collective value of \$22,050,000. The composition of the Group 2 Parcels may be amended or  
modified by the Debtors with approval of the Bankruptcy Court pursuant to the Valuation  
Determination so as to effectuate the terms of the Plan.

**1.1.61. Group 3 Parcels.** The parcels of the Debtors' Property listed a "Group 3"  
on the Parcel Map, which include parcels OFF3a, OFF3b, and OFF3c, and which the Debtors

1 assert have a collective value of \$16,725,000. The composition of the Group 3 Parcels may be  
2 amended or modified by the Debtors with approval of the Bankruptcy Court pursuant to the  
3 Valuation Determination so as to effectuate the terms of the Plan.

4 **1.1.62. GWD.** Gray/Western Development Company.

5 **1.1.63. Holder.** An entity holding an Equity Security or Claim.

6 **1.1.64. Impaired.** This term shall have the meaning set forth in Section 1124 of  
7 the Bankruptcy Code.

8 **1.1.65. Insider.** This term shall have the meaning set forth in Section 101(31) of  
9 the Bankruptcy Code.

10 **1.1.66. Lien.** This term shall have the meaning set forth in Section 101(37) of the  
11 Bankruptcy Code.

12 **1.1.67. Lien Avoidance Adversary.** Adversary No. 2:16-ap-00395-MCW, which  
13 seeks a determination that CPF does not have a valid or effective assignment of the Master  
14 Developer Rights with respect to the Property or that such right has not been perfected and is  
15 avoidable under 11 U.S.C. §§ 506(d) and 544.

16 **1.1.68. Master CC&Rs.** The Declaration of Covenants, Conditions, Restrictions,  
17 and Easements for Desert Ridge, Phoenix, Arizona, recorded at Maricopa County Recorder's No.  
18 94-0106341 on February 7, 1994.

19 **1.1.69. Master Developer.** Collectively GMF and EP, as the approved holders of  
20 the Master Developer Rights and the Master Declarant Rights.

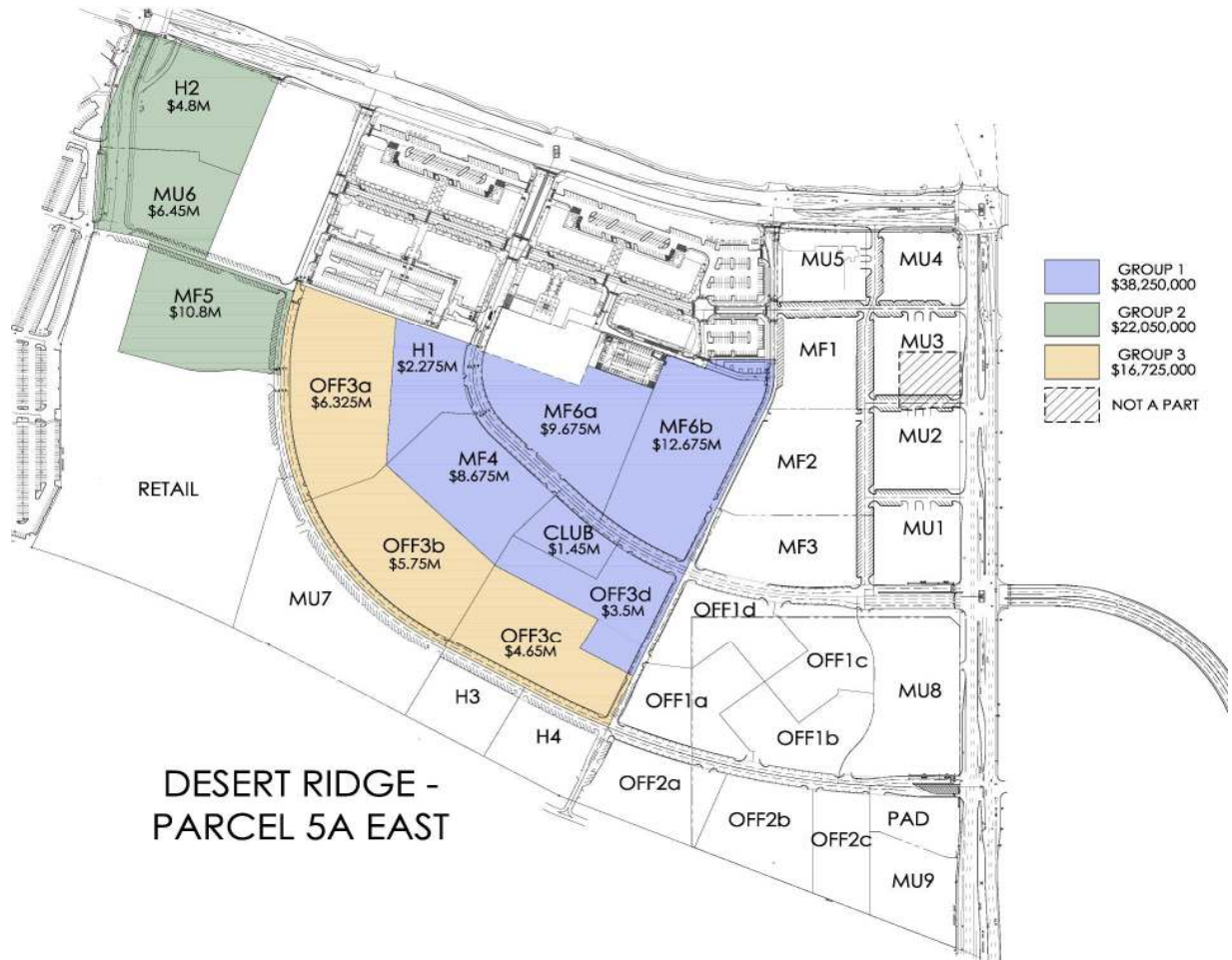
21 **1.1.70. Master Developer Rights.** Those rights held by GMF and EP under the  
22 ASLD Lease as well as the recorded covenants, conditions and restrictions with respect to the  
23 Property and otherwise under the DRSP.

24 **1.1.71. Master Declarant Rights.** The rights of Declarant under the Commercial  
25 Core Declaration, as assigned to the Debtors pursuant to the Assignment and Assumption in the  
26 Official Records of Maricopa County, Arizona as Instrument No. 2012-584404 and re-recorded  
27 as Instrument No. 2012-629410.

28 **1.1.72. Other Priority Claim.** A Claim entitled to priority in right of payment  
under Section 507(a) of the Bankruptcy Code other than a Priority Tax Claim an Administrative  
Claim.

**1.1.73. Parcel Map.** The map of the parcels that make up the Debtors' property as  
depicted below and consisting of three (3) specially identified groups of parcels as further  
defined herein.

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**1.1.74. Person.** An individual, corporation, limited liability company, partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization or government, governmental unit, or any subdivision thereof or any other entity.

**1.1.75. Petition Date.** May 16, 2016, the date on which the Debtors filed voluntary Chapter 11 petitions with the Clerk of the Bankruptcy Court, thereby commencing the Chapter 11 Case.

**1.1.76. Plan.** This plan of reorganization, either in its present form or as it may be amended, supplemented, or modified from time to time, including all exhibits and schedules annexed hereto or referenced herein.

**1.1.77. Plan Contribution.** The Plan Financing and/or a capital contribution by the Plan Sponsor in the amount no less than \$8,551,435, or an amount determined by the Bankruptcy Court sufficient to make required distributions under the Plan, including Effective Date payments.



1                   **1.1.78. Plan Financing.** The commitment from a lender or lenders to be identified  
2                   at confirmation for a loan or loans: (a) secured by some of the Property or other assets of the  
3                   Estate other than the CPF Acreage; (b) in an amount needed (in conjunction with the other Plan  
4                   Contributions) to make Distributions provided for in the Plan, all as determined by the  
5                   Bankruptcy Court.

6                   **1.1.79. Plan Sponsor.** GWD or its designee.

7                   **1.1.80. Priority Tax Claim.** Any and all Claims of governmental units accorded  
8                   priority in right of payment under Section 507(a)(8) of the Bankruptcy Code.

9                   **1.1.81. Professional Fees.** The Administrative Claims for compensation and  
10                  reimbursement allowed pursuant to Sections 328, 330, 331, or 503(b) of the Bankruptcy Code of  
11                  Persons: (i) employed pursuant to an order of the Bankruptcy Court under Section 327 or 328 of  
12                  the Bankruptcy Code; or (ii) for whom compensation and reimbursement has been allowed by  
13                  the Bankruptcy Court pursuant to Section 503(b) of the Bankruptcy Code or by other Final  
14                  Order.

15                  **1.1.82. Property.** The approximately 96.5 acres of entitled property leased by  
16                  Debtors from ASLD under the ASLD Lease located in the DRSP plan area in Phoenix, Arizona  
17                  within Parcel 5A.

18                  **1.1.83. Property Development Agreement.** The Property Development  
19                  Agreement dated July 3, 2012 between EP, GMF, Bruce Gray, and City North HH, Inc., under  
20                  which the Debtors will obtain the Property Development Funds.

21                  **1.1.84. Property Development Funds.** The amounts due to the Debtors in the  
22                  approximate amount of between \$1.3 million to \$1.6 million resulting from the Property  
23                  Development Agreement.

24                  **1.1.85. Pro Rata.** The ratio of an Allowed Claim in a particular class to the  
25                  aggregate amount of all such Allowed Claims in any such Class.

26                  **1.1.86. Record Date.** The date established by the Bankruptcy Court as the record  
27                  date for purposes of serving notice of the time fixed for filing objections to the Plan and the  
28                  hearing on Confirmation under Bankruptcy Rule 3017(d).

29                  **1.1.87. Reorganized Debtors.** This term will refer to and mean the Debtors, from  
30                  and after the Effective Date. For purposes of the Plan, any written agreement made by the  
31                  Debtors as part of the Plan before the Effective Date will survive the Confirmation Date and the  
32                  Effective Date and will bind both the Reorganized Debtors and every other party to such  
33                  agreement (including, but not limited to, the provisions of the Plan as confirmed).

34                  **1.1.88. Reorganized Debtors Acreage.** The acreage of the Property remaining  
35                  after the designation of the CPF Acreage, as may be adjusted upward by any additional acreage  
36                  which is not needed to satisfy the CPF Claim as determined after the CPF Resolution Date.

37                  **1.1.89. Representative.** With regard to an Entity, its officers, directors,  
38                  managers, shareholders, employees, advisors, attorneys, professionals, accountants, investment  
39                  bankers, financial advisors, consultants, agents, servicers, and other representatives (including  
40                  their respective officers, directors, employees, members and professionals).

1                   **1.1.90. Retained Acreage.** The acres of the Property retained by the Debtors after  
any transfer of the CPF Effective Date Acreage and any transfer of the CPF Escrow Acreage to  
CPF.

2  
3                   **1.1.91. Schedules.** The schedules of assets and liabilities and any amendments  
thereto filed by Debtors with the Bankruptcy Court in accordance with Section 521(1) of the  
4 Bankruptcy Code.

5                   **1.1.92. Secured Claim.** A Claim that is secured by a Lien against property of the  
Estate to the extent of the value of any interest in such property of the Estate securing such  
6 Claim, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of  
a Bankruptcy Court order, or to the extent of the amount of such Claim subject to setoff in  
7 accordance with Section 553 of the Bankruptcy Code, in either case as determined pursuant to  
Section 506(a) of the Bankruptcy Code.

8  
9                   **1.1.93. STB.** The law firm of Simpson Thatcher & Bartlett LLP.

10                   **1.1.94. Taxes.** All income, franchise, excise, sales, use, employment,  
withholding, property, payroll, or other taxes, assessments of governmental charges, together  
11 with any interest penalties, additions to tax, fines, and similar amounts relating thereto, whether  
or not yet assessed or imposed, collected by, or due to any federal, state, local or foreign  
12 governmental authority.

13                   **1.1.95. Undisputed General Unsecured Claims.** All unsecured claims that have  
14 been scheduled as undisputed in the Debtors' Schedules or for which a proof of claim has been  
filed and that are not otherwise defined herein as Disputed General Unsecured Claims. Debtors  
15 estimate the total amount of Undisputed General Unsecured Claims to be approximately  
\$1,350,000.

16  
17                   **1.1.96. Unexpired Lease.** A lease of non-residential real property to which  
Debtors are a party that is subject to assumption or rejection under Section 365 of the  
18 Bankruptcy Code.

19                   **1.1.97. Unimpaired.** Unimpaired shall have the meaning set forth in Section  
1124 of the Bankruptcy Code.

20                   **1.1.98. Valuation.** The fair market valuation of the Property based on its best use  
21 under the DRSP as determined by the Bankruptcy Court pursuant to the Valuation  
Determination.

22  
23                   **1.1.99. Valuation Determination.** The evidentiary hearing which will result in a  
Valuation of the Property by the Bankruptcy Court.

24                   **1.2. Computation of Time.** In computing any period of time prescribed or allowed  
25 by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a)  
shall apply.

26  
27                   **1.3. Rules of Interpretation.** For purposes of this Plan only: (i) any reference in this  
Plan to a contract, instrument, release, or other agreement or documents being in particular form  
28

1 or on particular terms and conditions means that such document shall be substantially in such  
2 form or substantially on such terms and conditions; (ii) any reference in this Plan to an existing  
3 document or exhibit filed or to be filed means such document or exhibit as it may have been or  
4 may be amended, modified, or supplemented; (iii) unless otherwise specified, all references in  
5 this Plan to Sections, Articles, Schedules and Exhibits are references to Sections, Articles,  
6 Schedules and Exhibits of or to this Plan; (iv) the words “herein,” “hereof,” “hereto,” and  
7 “hereunder” refer to this Plan in its entirety rather than to a particular portion of this Plan; (v)  
8 captions and headings to Articles and Sections are inserted for convenience of reference only and  
9 are not intended to be a part of or to affect the interpretation of this Plan; and (vi) the rules of  
10 construction and definitions set forth in Sections 101 and 102 of the Bankruptcy Code and in the  
11 Bankruptcy Rules shall apply unless otherwise expressly provided.

12 **1.4. Exhibits and Plan Schedules.** All exhibits and schedules attached to this Plan  
13 are incorporated into and are a part of this Plan as if set forth in full herein.

## 14 **2. TREATMENT OF UNCLASSIFIED CLAIMS**

15 **2.1. General.** Pursuant to Section 1123(a)(1) of the Bankruptcy Code, the Claims  
16 against Debtors set forth in this Article 2 are not classified within any Classes. The Holders of  
17 such Claims are not entitled to vote on this Plan. The treatment of the Claims set forth below is  
18 consistent with the requirements of Section 1129(a)(9)(A) of the Bankruptcy Code.

19 **2.2. Treatment of Priority Tax Claims and Other Priority Claims.** The Plan  
20 Proponents shall pay each holder of an Allowed Priority Tax Claim the full unpaid amount of  
21 such Allowed Priority Tax Claim in Cash on the Effective Date or as soon as practicable  
22 thereafter.

23 **2.3. Treatment of Administrative Claims.** On or before the Administrative Claim  
24 Bar Date, each Holder of an Administrative Claim shall file with the Bankruptcy Court a request  
25 for payment of an Administrative Claim. Any Administrative Claim that is not filed on or before  
26 the Administrative Claim Bar Date will be forever barred from assertion against the Debtors, the  
27 Estate, and the Assets. Unless otherwise agreed to by the Holders of the Administrative Claims  
28 and Plan Proponents, the Plan Proponents shall pay each holder of an Allowed Administrative  
29 Claim the full unpaid amount of such Claim in Cash on the later of the Effective Date or when  
30 such Claim is Allowed by a final order.

31 **2.3.1. Treatment of Professional Fees.** No payments of Professional Fees may  
32 be made without prior order of the Bankruptcy Court. On or before the Administrative Claim  
33 Bar Date, each Professional shall file an application for the final allowance of compensation and  
34 reimbursement of expenses that each such Professional has already received. Such claims will  
35 be paid upon entry of a final Order allowing such claims.

36 **2.7. Treatment of U.S. Trustee Fees.** U.S. Trustee fees shall be allowed in  
37 accordance with 28 U.S.C. § 1930. The Plan Proponent shall pay to the U.S. Trustee all fees due  
38 and owing under 28 U.S.C. § 1930 in Cash on the Effective Date or as soon as practicable  
39 thereafter.

## 40 **3. DESIGNATION OF CLASSES OF CLAIMS AND EQUITY INTERESTS**

41 Pursuant to this Plan and in accordance with Section 1123(a)(1) of the Bankruptcy Code,

1 the Plan Proponents have not classified Administrative Claims and Priority Tax Claims as  
 2 described in Article 2. The following table classifies Claims and Equity Securities for all  
 3 purposes under this Plan, including voting, confirmation and Distribution pursuant hereto and  
 4 pursuant to Section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Security is  
 5 included within a particular Class only to the extent that the Claim or Equity Security qualifies  
 6 within that description of that Class and shall be deemed classified in a different Class to the  
 7 extent that any remainder of such Claim or Equity Security qualifies within the description of  
 8 such different Class.

9 If this Plan is not confirmed, the proposed classifications, treatments, and priorities of  
 10 claims, interests, and liens set forth in this Plan shall not be construed as an admission, waiver, or  
 11 estoppel by or against the Plan Proponents as to the legally required or permissible  
 12 classifications, treatments, or priorities under the Bankruptcy Code or other applicable law.

13 **3.1. Summary of Classification.**

<u>Class</u>	<u>Description</u>	<u>Treatment</u>
Class 1	ASLD Lease Claim	Impaired. Solicitation required.
Class 2	CPF (Burford) Secured Claim	Impaired. Solicitation required.
Class 3	CPF (STB) Secured Claim	Impaired. Solicitation required.
Class 4	Priority Unsecured Claims	Unimpaired. No solicitation required.
Class 5A	Undisputed General Unsecured Claims	Impaired. Solicitation required.
Class 5B	Disputed General Unsecured Claims	Impaired. Solicitation required.
Class 5C	Related Party Unsecured Claims	Impaired. Solicitation required.
Class 6	GDG Litigation Claim	Impaired. Solicitation required.
Class 7	Equity Securities	Unimpaired. No solicitation required

14 **3.2. Specific Qualifications.**

1                   **3.2.1. Class 1: ASLD Lease Claim.** Class 1 provides for the treatment of the  
ASLD Lease Claim.

2                   **3.2.2. Class 2: CPF (Burford) Secured Claim.** Class 2 provides for the  
3 treatment of the Disputed CPF (Burford) Secured Claim.

4                   **3.2.3. Class 3: CPF (STB) Secured Claim.** Class 3 provides for the treatment  
5 of the Disputed CPF (STB) Secured Claim.

6                   **3.2.4. Class 4: Priority Unsecured Claims.** Class 4 provides for the treatment  
of the Priority Unsecured Claims.

7                   **3.2.5. Class 5A: Undisputed General Unsecured Claims.** Class 5A provides  
8 for the treatment of the General Unsecured Claims.

9                   **3.2.6. Class 5B: Disputed General Unsecured Claims.** Class 5B provides for  
10 the treatment of the General Unsecured Claims.

11                   **3.2.7. Class 5C: Related Party Unsecured Claims.** Class 5C provides for the  
treatment of Related Party Unsecured Claims.

12                   **3.2.8. Class 6: GDG Litigation Claim.** Class 6 provides for the treatment of  
13 the GDG Litigation Claim.

14                   **3.2.9. Class 7: Equity Interests.** Class 7 consists of Debtors' Equity Interests  
15 held as of the Effective Date.

16 **4. DESIGNATION OF AND PROVISIONS FOR TREATMENT OF CLASSES OF  
CLAIMS UNDER THIS PLAN**

17 **4.1. Class 1 – ASLD Lease Claim.** The ASLD Lease Claim shall be an Allowed  
18 Claim and shall be treated as follows:

19                   **4.1.1. Treatment.** The Holder of the ASLD Lease Claim will be paid, in Cash,  
pursuant to the ASLD Agreement when due, or as otherwise extended or modified by ASLD.

20                   **4.1.2. Voting.** Class 1 is Impaired under this Plan. The Holder of the ASLD  
21 Lease Claim is entitled to vote on this Plan.

22 **4.2. Class 2 – CPF (Burford) Secured Claim.** The Disputed CPF (Burford) Secured  
23 Claim, to the extent it is determined to be an Allowed Secured Claim, shall elect one of two  
alternative treatments.

24                   **4.2.1. Option 1 Treatment (Settlement Option).** In the event each of Class 2  
25 and Class 3 elect Option 1, the CPF (Burford) Secured Claim shall be treated as  
follows:<sup>1</sup>

26                   (a) **Valuation Determination.** The Bankruptcy Court will make the

27 <sup>1</sup> For the avoidance of doubt, an election of Option 1 by Class 2 shall be deemed an  
28 election of Option 1 by Class 3 and vice versa.

1 Valuation Determination of the Property prior to, or in conjunction with, the  
2 Confirmation Hearing.

3 (b) **Effective Date Transfer.** In exchange for a release of all claims  
4 and causes of actions between the Debtors and CPF, on the Effective Date, or as  
5 soon as practicable thereafter, the Debtors will transfer the CPF Effective Date  
6 Acreage and the Group 2 Parcels, as both may be modified by the Debtors upon  
7 approval of the Bankruptcy Court as necessary to provide equivalent value  
8 pursuant to the Valuation Determination, to CPF in full satisfaction of the CPF  
9 Secured Claims, subject to approval of the assignment by ASLD.

10 (c) **Lien Rights.** CPF will retain its existing liens against the CPF  
11 Acreage pending the transfer of the CPF Acreage to CPF. CPF shall also retain  
12 any existing liens, to the extent that they exist, with respect to the Master  
13 Developer Rights and Master Declarant Rights pending the transfer of the CPF  
14 Acreage to CPF and dismissal of the Lien Avoidance Adversary.

#### 15 **4.2.2. Option 2 Treatment (Litigation Option).**

16 (a) **Valuation Determination.** The Bankruptcy Court will make the  
17 Valuation Determination of the Property prior to, or in conjunction with, the  
18 Confirmation Hearing.

19 (b) **CPF Effective Date Acreage.** On the Effective Date, or as soon as  
20 practicable thereafter, the Debtors shall transfer the CPF Effective Date Acreage  
21 to CPF to be applied, at CPF's election, in partial satisfaction of (i) the CPF  
22 (Burford) Secured Claim, or (ii) the CPF (Burford) Secured Claim and the CPF  
23 (STB) Secured Claim on a Pro Rata basis.

24 (c) **CPF (Burford) Escrow Acreage.** The Debtors will transfer the  
25 CPF (Burford) Escrow Acreage as necessary to provide equivalent value  
26 pursuant to the Valuation Determination, into the CPF Escrow in full satisfaction  
27 of the remaining CPF (Burford) Secured Claim (if any), subject to the outcome of  
28 the Adversary Proceeding and the CPF Resolution Date. The CPF (Burford)  
Escrow Acreage will be placed into the CPF Escrow on the Confirmation Date.  
Subject to approval of the assignment by ASLD, on the CPF Resolution Date, the  
CPF Acreage will be delivered to CPF from escrow in full satisfaction of the CPF  
Secured (Burford) Claim. While the CPF (Burford) Escrow Acreage remains in  
escrow it shall not be apportioned into a separate lease, but rather remain within  
the ASLD Lease, and the Debtors shall be obligated to make all required lease  
payments and satisfy all real and personal property tax claims when due.

(d) **Lien Rights.** CPF will retain its existing liens against the CPF  
Acreage pending the transfer of the CPF Acreage to CPF. CPF shall also retain  
any existing liens, to the extent that they exist, with respect to the Master  
Developer Rights and Master Declarant Rights pending the transfer of the CPF  
Acreage to CPF and resolution of the Lien Avoidance Adversary.

**4.2.3. Applicable Property Restrictions.** CPF shall be subject to the same  
restrictions with respect to the use and development of any real property that it may receive  
under the Plan as any other owners or lessors of property within the DRSP.

(a) CPF may amend the CPSP with respect to any parcel it leases from  
ASLD, subject to the Master Developer's approval. Pursuant to Section  
E(2)(a)(1) of the DRSP the Master Developer shall establish the overall

development intensity for the core and shall indicate the mix of uses in the CPSP by square footage between retail uses, office uses and other uses.

(b) CPF may develop any parcel it leases from ASLD, subject to compliance with the development regulations as described in the CPSP, the DRSP, the City of Phoenix Zoning Ordinance, the Commercial Core Declaration, and the Master CC&Rs.

(c) As it pertains to any parcel leased by CPF from ASLD, the Master Developer does not have the right to unilaterally make material alterations to CPF's zoning entitlements under the CPSP, the DRSP, the zoning, the Commercial Core Declaration or the Master CC&Rs. As it pertains to any parcel leased by CPF, any revision to the CPSP, the DRSP, the zoning, the Commercial Core Declaration or the Core CC&Rs would require CPF's consent in addition to all of the other regulatory approvals.

**4.2.4. Voting.** Class 2 is Impaired under this Plan. The Holder of the CPF (Burford) Secured Claim is entitled to vote on this Plan. CPF will choose between Option 1 and Option 2 in conjunction with casting its vote.

**4.3. Class 3 – CPF (STB) Secured Claim.** The Disputed CPF (STB) Secured Claim, to the extent it is determined to be an Allowed Secured Claim shall be treated as follows.

**4.3.1. Option 1 Treatment (Settlement Option).** In the event each of Class 2 and Class 3 elect Option 1, the CPF (STB) Secured Claim shall be treated as follows:

(a) **Valuation Determination.** The Bankruptcy Court will make the Valuation Determination of the Property prior to, or in conjunction with, the Confirmation Hearing.

(b) **Effective Date Transfer.** In exchange for a release of all claims and causes of actions between the Debtors and CPF, on the Effective Date, or as soon as practicable thereafter, the Debtors will transfer the CPF Effective Date Acreage and the Group 2 Parcels, as both may be modified by the Debtors upon approval of the Bankruptcy Court as necessary to provide equivalent value pursuant to the Valuation Determination, to CPF in full satisfaction of the CPF Secured Claims, subject to approval of the assignment by ASLD.

(c) **Lien Rights.** CPF will retain its existing liens against the CPF Acreage pending the transfer of the CPF Acreage to CPF. CPF shall also retain any existing liens, to the extent that they exist, with respect to the Master Developer Rights and Master Declarant Rights pending the transfer of the CPF Acreage to CPF and dismissal of the Lien Avoidance Adversary.

**4.3.2. Option 2 Treatment (Litigation Option).**

(a) **Valuation Determination.** The Bankruptcy Court will make the Valuation Determination of the Property prior to, or in conjunction with, the Confirmation Hearing.

(b) **CPF Effective Date Acreage.** On the Effective Date, or as soon as practicable thereafter, the Debtors shall transfer the CPF Effective Date Acreage to CPF to be applied, at CPF's election, in partial satisfaction of (i) the CPF (Burford) Secured Claim, or (ii) the CPF (Burford) Secured Claim and the CPF (STB) Secured Claim on a Pro Rata basis.

1 (c) **CPF (STB) Escrow Acreage.** The Debtors will transfer the CPF  
2 (STB) Escrow Acreage as necessary to provide equivalent value pursuant to the  
3 Valuation Determination, into the CPF Escrow in full satisfaction of the  
4 remaining CPF (STB) Secured Claim (if any), subject to the outcome of the  
5 Adversary Proceeding and the CPF Resolution Date. The CPF (STB) Escrow  
6 Acreage will be placed into the CPF Escrow on the Confirmation Date. Subject to  
7 approval of the assignment by ASLD, on the CPF Resolution Date, the CPF  
8 Acreage will be delivered to CPF from escrow in full satisfaction of the CPF  
9 Secured (STB) Claim. While the CPF (STB) Escrow Acreage remains in escrow  
10 it shall not be apportioned into a separate lease, but rather remain within the  
11 ASLD Lease, and the Debtors shall be obligated to make all required lease  
12 payments and satisfy all real and personal property tax claims when due.

13 (d) **Lien Rights.** CPF will retain its existing liens against the CPF  
14 Acreage pending the transfer of the CPF Acreage to CPF. CPF shall also retain  
15 any existing liens, to the extent that they exist, with respect to the Master  
16 Developer Rights and Master Declarant Rights pending the transfer of the CPF  
17 Acreage to CPF and resolution of the Lien Avoidance Adversary.

18 **4.3.3. Applicable Property Restrictions.** CPF shall be subject to the same  
19 restrictions with respect to the use and development of any real property that it may receive  
20 under the Plan as any other owners or lessors of property within the DRSP.

21 (a) CPF may amend the CPSP with respect to any parcel it leases from  
22 ASLD, subject to the Master Developer's approval. Pursuant to Section  
23 E(2)(a)(1) of the DRSP the Master Developer shall establish the overall  
24 development intensity for the core and shall indicate the mix of uses in the CPSP  
25 by square footage between retail uses, office uses and other uses.

26 (b) CPF may develop any parcel it leases from ASLD, subject to  
27 compliance with the development regulations as described in the CPSP, the  
28 DRSP, the City of Phoenix Zoning Ordinance, the Commercial Core Declaration,  
29 and the Master CC&Rs.

30 (c) As it pertains to any parcel leased by CPF, the Master Developer  
31 does not have the right to unilaterally make material alterations to CPF's zoning  
32 entitlements under the CPSP, the DRSP, the zoning, the Commercial Core  
33 Declaration or the Master CC&Rs. As it pertains to any parcel leased by CPF,  
34 any revision to the CPSP, the DRSP, the zoning, the Commercial Core  
35 Declaration or the Core CC&Rs would require CPF's consent in addition to all of  
36 the other regulatory approvals.

37 **4.3.4. Voting.** Class 3 is Impaired under this Plan. The Holder of the CPF (STB)  
38 Secured Claim is entitled to vote on this Plan. CPF will choose between Option 1 and Option 2  
39 in conjunction with casting its vote.

40 **4.4. Class 4 –Priority Unsecured Claims.** The Priority Unsecured Claims, if any,  
41 shall be treated as follows:

42 **4.4.1. Treatment.** The Holders of the Priority Unsecured Claims shall receive,  
43 on the Effective Date, or as soon thereafter as practicable, the full amount of the Allowed  
44 Priority Unsecured Claims in Cash funds from the Plan Contribution or as otherwise agreed to  
45 between the holders of such Claims and the Reorganized Debtors.



1                   **4.4.2. Voting.** Class 4 is Unimpaired under this Plan. The Holders of the  
2 Allowed Priority Unsecured Claims are deemed to accept the Plan, and therefore, not entitled to  
3 vote on this Plan.

4                   **4.5. Class 5 – General Unsecured Claims.** The Class 5 Claims will be divided into  
5 three (3) subclasses, with each subclass being entitled to vote:

6                   **4.5.1. Class 5A – Undisputed General Unsecured Claims**

7                   **(a) Treatment.** The Holders of Allowed Undisputed General  
8 Unsecured Claims shall receive one-hundred percent (100%) of their Allowed  
9 Claims paid as follows: Holders of Undisputed General Unsecured Claims will  
10 receive a \$400,000 cash payment distributed to such Holders on a Pro Rata basis  
11 on the Effective Date. Beginning thirty (30) days after the Effective Date, the  
12 remaining balance of the Undisputed General Unsecured Claims will be paid  
13 through eight quarterly payments at five percent (5%) simple interest per annum,  
14 with additional payments being made from the Creditors Trust Proceeds (if any,  
15 and as defined in Section 5.4 below), if any, as and when received. Any payments  
16 (if any) made from the Creditors Trust will first be applied to accrued interest, and  
17 thereafter to reduce the amounts otherwise due to Class 5A Claims. The source of  
18 payments to the Holders of Allowed General Unsecured Claims will be (1) the  
19 Plan Contributions, (2) the Property Development Funds if collected by the  
20 Effective Date, and (3) the Creditors Trust Proceeds, if any. Payments due to  
21 Holders of Allowed General Unsecured Claims will be secured by a first lien on a  
22 0.9 acre parcel of the Property (subject only to the rights of ASLD under the  
23 ASLD Agreement) selected by the Debtors and approved by the Committee at  
24 least one week prior to the deadline for objection to or voting on the Plan,  
25 whichever is earlier.

26                   **(b) Voting.** Class 5A is Impaired under this Plan. The Holders of  
27 Allowed Undisputed General Unsecured Claims are entitled to vote on this Plan.

28                   **4.5.2. Class 5B – Disputed General Unsecured Claims.**

1                   **(a) Treatment.** No payments will be made on account of the Disputed  
2 General Unsecured Claims until such time that the Disputed General Unsecured  
3 Claims become Allowed Claims. If, and when, the Disputed General Unsecured  
4 Claims become Allowed Claims pursuant to a Final Order, the Disputed General  
5 Unsecured Claims will be paid through thirty-six (36) fully amortized monthly  
6 payments at four percent (4%) simple interest per annum beginning on the 15<sup>th</sup>  
7 day of the first month after entry of the Final Order allowing such Claims. The  
8 source of payments to the Holders of the Disputed General Unsecured Claims will  
9 be through the sale or refinancing of a portion of the Retained Acreage

10                   **(b) Voting.** Class 5B is Impaired under this Plan. The Holders of  
11 Allowed Disputed General Unsecured Claims are entitled to vote on this Plan.

12                   **4.5.3. Class 5C – Related Party Unsecured Claims.**

13                   **(a) Treatment.** The Class 5C Related Party Unsecured Claims will  
14 receive payment of their Allowed Class 5C Claims only after all Class 5A Claims  
15 and 5B Claims (to the extent Allowed) are paid in full. The source of payment of  
16 Class 5C Claims will be the Plan Contribution and/or post-confirmation sale or  
17 disposition of the Reorganized Debtors Acreage

1 (b) **Voting.** Class 5C is Impaired under this Plan. The Holders of  
Allowed General Unsecured Claims are entitled to vote on this Plan.

2 **4.6. Class 6 – GDG Litigation Claim.** The Holder of the GDG Litigation Claim shall  
3 be treated as follows:

4 **4.6.1. Treatment.** Debtors will continue to litigate the GDG Litigation Claim.  
No payments will be made on account of the GDG Litigation Claim until such time that the  
5 GDG Litigation Claim becomes an Allowed Claim. If, and when, the GDG Litigation Claim  
6 becomes an Allowed Claim pursuant to a Final Order, the GDG Litigation Claim will be paid  
through thirty-six (36) fully amortized monthly payments at four percent (4%) simple interest per  
7 annum beginning on the 15<sup>th</sup> day of the first month after entry of the Final Order allowing such  
Claim. The source of payments to the Holder of the GDG Litigation Claim will be through the  
sale or refinancing of a portion of the Retained Acreage.

8 **4.6.2. Voting.** Class 6 is Impaired under this Plan. The Holder of the GDG  
9 Litigation Claim is entitled to vote on this Plan.

10 **4.7. Class 7 – Equity Interests.** The Holders of the Equity Interests in Class 7 shall  
be treated as follows:

11 **4.7.1. Treatment.** The Equity Interests shall remain in GWD.

12 **4.7.2. Voting.** Class 7 is unimpaired under this Plan. The Holders of Equity  
13 Interests are not entitled to vote on this Plan.

14 **5. MEANS FOR IMPLEMENTATION OF PLAN**

15 **5.1. Substantive Consolidation.** The Plan constitutes a motion for substantive  
consolidation of the liabilities and assets of the Plan Proponents. Confirmation of this Plan will  
16 constitute the Bankruptcy Court's granting of that motion for substantive consolidation.  
Substantive consolidation of the liabilities and assets of the Plan Proponents on the Effective  
17 Date: (a) consolidates the property of each estate for purposes of Plan voting and Distributions to  
Holders of Allowed Claims under the Plan; and (b) converts all Claims against each Debtor into  
18 Claims against the consolidated Estate such that any proof of claim filed against one or more  
Debtors is deemed to be a single claim filed against the consolidated Estate and all duplicative  
19 proofs of claim for the same Claim filed against more than one Debtor are deemed expunged.

20 **5.2. Funding On and After the Effective Date.** All payments under the Plan which  
are due on and after the Effective Date will be funded by: (1) the Plan Contribution to be  
21 contributed by the Plan Sponsor, (2) the Property Development Funds, and (3) the Creditors  
Trust Proceeds if and when they are realized and collected.

22 **5.3. Plan Contribution Waterfall Payments.** The funds from the Plan Contribution  
will be used in the following order: (1) to pay all allowed Administrative Claims; (2) to pay all  
23 Allowed Priority Unsecured Claims; (3) to pay the ASLD Lease Claim, when due; and (4) to  
fund the Creditors Trust as detailed in Section 5.4 below.

24 **5.4. Creditors Trust.** In the event, CPF does not choose Option 1 with respect to its  
Class 2 and Class 3 Claims, a payment of \$500,000, made from the Plan Contribution, will be  
25 placed into a Creditors Trust to fund the continued prosecution of the Adversary Proceeding and  
to prosecute the Burford Lawsuit on arrangements to be negotiated with Reorganized Debtors'  
26 counsel, the Reorganized Debtors, and the Committee. The Reorganized Debtors will prosecute  
27

1 the Adversary Proceeding until the CPF Resolution Date, as well as the Burford Claim. In the  
2 event that affirmative money damages are awarded to the plaintiffs in the Adversary Proceeding  
3 and/or the Burford Claim (the “**Creditors Trust Proceeds**”), such proceeds will be used first, to  
4 pay any unpaid costs of litigating the Adversary Proceeding or Burford Claim and, second, to be  
5 distributed to Holders of Allowed General Unsecured Claims that have not otherwise been paid.  
6 Any remaining proceeds will be distributed to the Reorganized Debtors’ Equity Interests. The  
7 Creditors Trust funding will be paid: (a) \$25,000.00 on the Effective Date; and (b) \$25,000.00  
8 per month every month thereafter until the full amount of \$500,000.00 is fully funded.

9  
10 **5.5. Revesting Of Estate Assets.** Upon the Effective Date, all Assets of the Debtors  
11 will revest in the Reorganized Debtors (including but not limited to the Master Developer  
12 Rights), free and clear of all liens, claims and encumbrances other than as expressly provided for  
13 in the Plan. The Reorganized Debtors shall continue to run the Debtors’ business in the ordinary  
14 course after the Effective Date. After the Effective Date, the Reorganized Debtors shall be  
15 further responsible for (a) making all payments contemplated under the Plan, (b) making all  
16 reporting and other filings as required by the United States Trustee, and (c) closing the Chapter  
17 11 Case.

18 **5.6. United States Trustee Fees.** Quarterly fees due to the United States Trustee  
19 pursuant to 11 U.S.C. 1930(a)(6) will be paid when due by the Plan Proponents.

20 **5.7. Limitation of Liability of the Plan Proponents.** *No action or claim may be  
21 asserted against the Plan Proponents for any matter relating to or arising out of this Chapter  
22 11 Case, the confirmation of the Plan, the consummation of the Plan, or the administration of  
23 the Plan or the property to be administered or distributed under the Plan, in any court without  
24 first obtaining approval of the Bankruptcy Court, and, in such event, any such action must be  
25 prosecuted before the Bankruptcy Court, which shall retain jurisdiction to adjudicate any such  
26 actions. The Plan Proponents are acting solely as fiduciaries on behalf of the Estate in  
27 implementing this Plan. Neither the Plan Proponents, nor any of their employees, shall have  
28 any personal liability for serving in the fiduciary capacity of Plan Proponents, except for  
willful misconduct or gross negligence.*

## 18 **6. PROVISIONS GOVERNING DISTRIBUTIONS**

19 **6.1. General Provisions; Undeliverable Distributions.** Distributions to the holders  
20 of Allowed Claims shall be made by the Plan Proponents at the address of each holder as set  
21 forth in the Schedules, unless superseded by the address set forth on proofs of Claim filed by  
22 such holder. If any Distribution is returned as undeliverable, the Plan Proponents may, without  
23 requirement and in its sole discretion, make such efforts to determine the current address of the  
24 holder of the Claim with respect to which the Distribution was made as the Plan Proponents  
25 deems appropriate, but no Distribution to any holder shall be made unless and until the Plan  
26 Proponents has determined the then-current address of the holder.

27 **6.2. Unclaimed Property.** Distributions that are not claimed by the expiration of  
28 ninety (90) days from the Effective Date shall be deemed to be unclaimed property and shall vest  
in the Plan Proponents, and the Claims with respect to which those Distributions are made shall  
be automatically canceled. After the expiration of that 90-day period, the Claim of any Entity to  
those Distributions shall be discharged and forever barred. Nothing contained in the Plan shall  
require the Plan Proponents to attempt to locate any holder of an Allowed Claim. All funds or

1 other property that vest in the Plan Proponents shall then be distributed to the Plan Proponents.

2 **6.3. Time Bar to Cash Payments by Check.** Checks issued by the Plan Proponents  
3 on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days  
4 after the date of issuance thereof, and shall be treated as unclaimed property under this Plan, and  
5 shall be discharged and forever barred and the proceeds of those checks shall become the  
6 property of the Plan Proponents.

7 **6.4. Compliance with Tax Requirements.** In connection with making Distributions  
8 under this Plan, to the extent applicable, the Plan Proponents shall comply with all tax  
9 withholding and reporting requirements imposed on it by any governmental unit, and all  
10 Distributions pursuant to this Plan shall be subject to such withholding and reporting  
11 requirements. The Plan Proponents may withhold the entire Distribution due to any holder of an  
12 Allowed Claim until such time as such holder provides the necessary information to comply with  
13 any withholding requirements of any governmental unit. Any property so withheld will then be  
14 paid by the Plan Proponents to the appropriate authority. If the holder of an Allowed Claim fails  
15 to provide the information necessary to comply with any withholding requirements of any  
16 governmental unit within 90 days from the date of first notification to the holder of the need for  
17 such information or for the Cash necessary to comply with any applicable withholding  
18 requirements unclaimed property under this Plan, and shall be discharged and forever barred.

19 **6.5. No Payments of Fractional Dollars.** Notwithstanding any other provision of the  
20 Plan to the contrary, no payment of fractional dollars shall be made pursuant to the Plan.  
21 Whenever any payment of a fraction of a dollar under the Plan would otherwise be required, the  
22 actual Distribution made shall reflect a rounding down of such fraction to the nearest whole  
23 dollar.

## 24 **7. DISPUTED CLAIMS**

25 **7.1. Resolution of Disputed Claims.** From and after the Effective Date, the  
26 Reorganized Debtors shall have all rights of the Debtors to file, prosecute, compromise,  
27 withdraw, or resolve objections to Claims; provide however that nothing in the Section shall  
28 prejudice the right of the Plan Proponents to object to Claims prior to the Effective Date.

**7.1.1. CPF Secured Claims.** The Debtors dispute the CPF Secured Claims as set  
forth in the Adversary Proceeding. Accordingly, the final amount of the CPF Secured Claims  
are in dispute and will need to be resolved.

**7.2. Payment of Disputed Claims.** No payments or other distributions will be made  
to holders of Disputed Claims unless and until such Claims are Allowed Claims pursuant to a  
Final Order. If a Claim is not an Allowed Claim as of the Effective Date or when payment is  
otherwise due under the Plan, payment of such Claim will commence if and when such Claim  
becomes an Allowed Claim pursuant to a Final Order.

**7.3. Disallowance of Late Claims.** Any and all applications for Claims or proofs of  
Claim filed after the applicable Bar Date shall be deemed disallowed and expunged as of the  
Effective Date without any further notice, action, order or approval of the Bankruptcy Court, and  
holders of such Claims may not receive any Distributions on account of such Claims, unless the  
Bankruptcy Court enters an order deeming any such Claim to be timely filed.

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**8. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**8.1. Assumption or Rejection of Executory Contracts and Unexpired Leases.** Pursuant to §§ 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtor and any party that have not been previously assumed pursuant to an order of the Bankruptcy Court or through the Confirmation Order, shall be deemed rejected as of the Effective Date. The ASLD Lease will be assumed, to be paid in accordance with the provisions of Section 4.1 hereof.

**8.2. Rejection Claims.** All Rejection Claims must be filed with the Bankruptcy Court and served on the Plan Proponents and other parties in interest no later than thirty (30) days after the rejection of any executory contract or unexpired lease. Any Rejection Claim for which a proof of Claim is not timely filed within thirty (30) days of the rejection of an executory contract or unexpired lease will be forever barred from assertion against the Plan Proponents, the Estate, and the Assets, and shall be subject to the discharge and permanent injunction set forth below. Unless otherwise ordered by the Bankruptcy Court, all Rejection Claims that are timely filed as provided herein shall be subject to review by the Plan Proponents, who shall each have 60 days from the Effective Date to review and object to any such Rejection Claim. To the extent (a) there is no objection following such 60-day period to any timely filed Rejection Claim or (b) there is a Final Order allowing such timely filed Rejection Claim, such Rejection Claim (or portion thereof allowed by Final Order) shall be an Allowed Rejection Claim and paid by the Plan Proponent.

**9. PRESERVATION OF CAUSES OF ACTION, INJUNCTION, RELEASE, AND RELATED PROVISIONS**

**9.1. Term of Injunctions or Stays.** Unless otherwise provided, all injunctions or stays provided for in the Chapter 11 Case pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and that are in existence on the Effective Date, shall remain in full force until the earliest of the time this Bankruptcy Case is closed or dismissed.

**9.2. Discharge.** Except as otherwise provided herein, and irrespective of any prior orders of the Bankruptcy Court or any other court of competent jurisdiction, effective as of the Confirmation Date: (1) the rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge and release of all Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, or any of its assets, property or its Estate; (2) the Plan shall bind all Holders of Claims and Equity Interests, regardless of whether any such Holders failed to vote to accept or to reject the Plan or voted to reject the Plan; and (3) all Claims against and Equity Interests in the Debtors, and the Debtors in their capacity as debtors-in-possession, shall be satisfied, discharged and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including, without limitation, any liability of the kind specified under § 502(g) of the Bankruptcy Code; provided, however, that nothing in this Plan shall discharge any liabilities of the Debtor arising after the Confirmation Date or that is not otherwise a Claim within the meaning of § 101(5) of the Bankruptcy Code.

**9.3. Preservation of Setoff Rights.** On or after the Effective Date, rights of setoff pursuant to Bankruptcy Code § 553 shall be preserved. After the Effective Date, such setoff may be exercised pursuant to agreement of the Reorganized Debtors and the affected Holder of a Claim. Any disputes regarding the right of setoff shall be determined upon motion before the Bankruptcy Court.

1           **9.4. Preservation of Rights of Action.** Upon entry of the Confirmation Order (in  
2 form and substance reasonably acceptable to the Plan Proponents):

3           **9.4.1. Vesting and Transfers of Causes of Action.**

4           (a) Except as otherwise provided in the Plan or Confirmation Order, in  
5 accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of  
6 Action that the Debtors or the Estate may hold against any Entity shall vest upon  
7 the Effective Date in the Reorganized Debtors. Upon the Effective Date, the  
8 Reorganized Debtors shall have the exclusive right to institute, prosecute,  
9 abandon, settle or compromise any Cause of Action. Causes of Action, and any  
10 recoveries therefrom, shall remain the sole property of the Reorganized Debtors.  
11 Each Cause of Action is expressly reserved for later adjudication by the Plan  
12 Proponents (including, without limitation, Causes of Action not specifically  
13 identified or described) and, therefore, no preclusion doctrine, including, without  
14 limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim  
15 preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply  
16 to such Causes of Action upon or after the entry of the Confirmation Order. In  
17 addition, the right to pursue or adopt any claims alleged in any lawsuit in which  
18 the Debtors are defendants or an interested parties, against any Entity, including,  
19 without limitation, the plaintiffs or co-defendants in such lawsuits, is expressly  
20 reserved.

21           (b) Any Entity to whom the Debtors have incurred an obligation  
22 (whether on account of services, purchase or sale of goods or otherwise), or who  
23 has received services from the Debtors or a transfer of money or property of the  
24 Debtors, or who has transacted business with the Debtors, should assume that any  
25 such obligation, transfer, or transaction may be reviewed by the Reorganized  
26 Debtors subsequent to the Effective Date and may be the subject of a Cause of  
27 Action after the Effective Date, regardless of whether: (i) such Entity has filed a  
28 proof of Claim against the Debtor in the Chapter 11 Case; (ii) an objection to any  
such Entity's proof of Claim has been filed; (iii) any such Entity's Claim was  
included in the Schedules; (iv) an objection to any such Entity's scheduled Claim  
has been filed; or (v) any such Entity's scheduled Claim has been identified as  
disputed, contingent or unliquidated.

19           **9.5. Release and Injunction.**

20           (a) From and after the Effective Date, all Entities are permanently  
21 enjoined from commencing or continuing in any manner against the Plan  
22 Proponents, the Estate, or the Assets, as the case may be, any suit, action or  
23 other proceeding, on account of or respecting any Claim, demand, liability,  
24 obligation, debt, right, Cause of Action, interest or remedy that arose before the  
25 Petition Date.

26           (b) From and after the Effective Date, all Entities shall be precluded  
27 from asserting against the Plan Proponents, the Estate, or the Assets, any other  
28 Claims or Equity Securities based upon any documents, instruments, or any act  
or omission, transaction or other activity of any kind or nature that occurred  
prior to the Petition Date.

          (c) The rights afforded in the Plan and the treatment of all Claims

1 and Equity Securities in the Plan shall be in exchange for and in complete  
2 satisfaction of Claims and Equity Securities of any nature whatsoever against  
3 the Plan Proponents, the Estate, and the Assets. On the Effective Date, all such  
4 Claims against the Plan Proponents shall be satisfied and released in full.

5 (d) On and after the Effective Date, all Entities are permanently  
6 enjoined, on account of any Claim or Membership Interest, from:

7 (i) commencing or continuing in any manner any action or  
8 other proceeding of any kind against the Plan Proponents, the Plan  
9 Sponsor, the Estate, or the Assets;

10 (ii) enforcing, attaching, collecting or recovering by any  
11 manner or means any judgment, award, decree or order against the Plan  
12 Proponents, the Estate, or the Assets;

13 (iii) creating, perfecting or enforcing any encumbrance of any  
14 kind against the Plan Proponents, the Estate, or the Assets;

15 (iv) commencing or continuing in any manner any action or  
16 other proceeding of any kind against the Plan Proponents in respect of  
17 any Claim, Membership Interest, or Cause of Action.

## 18 **10. RETENTION OF JURISDICTION**

19 **10.1. Jurisdiction.** Notwithstanding the entry of the Confirmation Order and the  
20 occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the  
21 Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the  
22 Debtors, and the Plan, as is legally permissible, including, without limitation, jurisdiction to:

23 (a) allow, disallow, determine, liquidate, classify, estimate or establish  
24 the priority or secured or unsecured status of any Claim or Equity Security,  
25 including the resolution of any request for payment of any Administrative Claim  
26 and the resolution of any and all objections to the allowance or priority of Claims  
27 or Equity Securities;

28 (b) grant or deny any applications for allowance of compensation or  
reimbursement of expenses;

(c) resolve any matters related to the assumption, assignment or  
rejection of any executory contract or unexpired lease to which the Debtor is party  
or with respect to which the Debtors may be liable and to hear, determine and, if  
necessary, liquidate, any Claims arising therefrom, including those matters related  
to any amendment to the Plan after the Effective Date;

(d) ensure that Distributions to holders of Allowed Claims are  
accomplished pursuant to the provisions of the Plan;

(e) decide or resolve any motions, adversary proceedings, contested or  
litigated matters and any other matters and grant or deny any applications  
involving the Debtors that may be pending on the Effective Date or instituted by

1 the Plan Proponents after the Effective Date, provided, however, that the Plan  
2 Proponents shall reserve the right to commence actions in all appropriate  
jurisdictions;

3 (f) enter such orders as may be necessary or appropriate to implement  
4 or consummate the provisions of the Plan and all other contracts, instruments,  
releases, indentures and other agreements or documents adopted in connection  
with the Plan;

5 (g) resolve any cases, controversies, suits or disputes that may arise in  
6 connection with the Effective Date, Sale, interpretation or enforcement of the Plan  
or any Entity's obligations incurred in connection with the Plan;

7 (h) issue injunctions, enforce them, enter and implement other orders  
8 or take such other actions as may be necessary or appropriate to restrain  
interference by any Entity with the Effective Date or enforcement of the Plan;

9 (i) enforce Article 9.1 and Article 9.2;

10 (j) enforce the Injunction set forth in Article 9.2;

11 (k) resolve any cases, controversies, suits or disputes with respect to  
12 the releases, injunction and other provisions contained in Article 9, and enter such  
orders as may be necessary or appropriate to implement or enforce all such  
13 releases, injunctions and other provisions;

14 (l) enter and implement such orders as necessary or appropriate if the  
Confirmation Order is modified, stayed, reversed, revoked or vacated;

15 (m) resolve any other matters that may arise in connection with or  
16 relate to the Plan, the Confirmation Order or any contract, instrument, release,  
indenture or other agreement or document adopted in connection with the Plan;  
17 and

18 (n) enter an order and/or the decree contemplated in Federal Rule of  
Bankruptcy Procedure 3022 concluding the Chapter 11 Case.

19 **11. MISCELLANEOUS**

20 **11.1. Payment of Statutory Fees.** All fees payable to the United States Trustee or  
21 under section 1930 of title 28 of the United States Code shall be paid by the Plan Proponents as  
and when due.

22 **11.2. Modification of the Plan.** Subject to the limitations contained in the Plan: (1) the  
23 Plan Proponents reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy  
Rules, to amend or modify the Plan prior to the entry of the Confirmation Order, including  
24 amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (2) after  
the entry of the Confirmation Order, the Plan Proponents may, upon order of the Bankruptcy  
25 Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or  
remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may  
26 be necessary to carry out the purpose and intent of the Plan.

27 **11.3. Revocation of the Plan.** The Plan Proponents reserve the right to revoke or  
28



1 withdraw the Plan prior to the entry of the Confirmation Order, and to file subsequent Chapter 11  
2 plans. If the Plan Proponents revoke or withdraw the Plan or if entry of the Confirmation Order  
3 or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2)  
4 any settlement or compromise embodied in the Plan, assumption or rejection of executory  
5 contracts or leases effected by the Plan, and any document or agreement executed pursuant  
6 hereto shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a  
7 waiver or release of any claims by the Plan Proponents; (b) prejudice in any manner the rights of  
8 the Plan Proponent; or (c) constitute an admission of any sort by the Plan Proponents.

9 **11.4. Successors and Assigns.** The rights, benefits and obligations of any Entity  
10 named or referred to herein shall be binding on, and shall inure to the benefit of, any heir,  
11 executor, administrator, successor or assign of such Entity.

12 **11.5. Governing Law.** Except to the extent that the Bankruptcy Code or Bankruptcy  
13 Rules apply, and subject to the provisions of any contract, instrument, release, indenture or other  
14 agreement or document entered into in connection herewith, the rights and obligations arising  
15 hereunder shall be governed by, and construed and enforced in accordance with, the laws of the  
16 State of Arizona, without giving effect to the principles of conflict of laws thereof.

17 **11.6. Severability.** If, prior to the entry of the Confirmation Order, any term or  
18 provision of this Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the  
19 Bankruptcy Court shall have the power to alter or interpret such term or provision to make it  
20 valid and enforceable to the maximum extent practicable, consistent with the original purpose of  
21 the term or provision held to be invalid, void, or unenforceable, and such term or provision shall  
22 then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or  
23 interpretation, the remainder of the terms and provisions of this Plan will remain in full force and  
24 effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or  
25 interpretation. The Confirmation Order shall constitute a judicial determination that each term  
26 and provision of the Plan, as it may have been altered or interpreted in accordance with the  
27 foregoing, is valid and enforceable pursuant to its terms.

28 **11.7. Reservation of Rights.** Except as expressly set forth herein, the Plan shall have  
no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. Neither  
the filing of the Plan, any statement or provision contained herein, nor the taking of any action  
by the Plan Proponents or any Entity with respect to the Plan shall be or shall be deemed to be an  
admission or waiver of any rights of: (1) the Plan Proponents with respect to the Debtors or the  
holders of Claims or Equity Securities or other parties-in-interest; (2) the Debtor with respect to  
the holders of Claims or Equity Securities or other parties-in-interest; or (3) any holder of a  
Claim or other party-in-interest prior to the Effective Date.

**11.8. Section 1146 Exemption.** Pursuant to section 1146(a) of the Bankruptcy Code,  
any transfers of property pursuant hereto (including, without limitation, the Sale) shall not be  
subject to any stamp tax or other similar tax or governmental assessment in the United States,  
and the Confirmation Order shall direct the appropriate state or local governmental officials or  
agents to forego the collection of any such tax or governmental assessment and to accept for  
filing and recordation instruments or other documents pursuant to such transfers of property  
without the payment of any such tax or governmental assessment.



1 **Prepared and Submitted:**

2 **STINSON LEONARD STREET, LLP**

3 By: /s/ Anthony P. Cali  
4 Thomas J. Salerno, Esq.  
5 Alisa C. Lacey, Esq.  
6 Anthony P. Cali, Esq.  
7 1850 North Central Avenue, Suite 2100  
8 Phoenix, Arizona 85004  
9 *Attorneys for Debtors*

Gallagher & Kennedy, P.A.  
2575 East Camelback Road  
Phoenix, Arizona 85016-9225  
(602) 530-8000

**EXHIBIT C**  
**(EP Claims Register)**

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# District of Arizona Claims Register

[2:16-bk-05493-MCW EPICENTER PARTNERS L.L.C.](#)

**Judge:** Madeleine C. Wanslee

**Chapter:** 11

**Office:** Phoenix

**Last Date to file claims:** 10/20/2016

**Trustee:**

**Last Date to file (Govt):**

<b>Creditor:</b> (14148629) Maricopa County Treasurer c/o Lori A. Lewis 222 North Central Avenue, Suite 1100 Phoenix, AZ 85004-2206	<b>Claim No: 1</b> Original Filed Date: 07/11/2016 Original Entered Date: 07/11/2016 Last Amendment Filed: 09/15/2016 Last Amendment Entered: 09/15/2016	<b>Status:</b> Filed by: CR Entered by: LORI A LEWIS Modified:												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$122234.52</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td><u>Secured</u></td> <td>claimed:</td> <td>\$122234.52</td> <td></td> <td></td> <td></td> </tr> </table>			<u>Amount</u>	claimed:	\$122234.52				<u>Secured</u>	claimed:	\$122234.52			
<u>Amount</u>	claimed:	\$122234.52												
<u>Secured</u>	claimed:	\$122234.52												
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 10%;"><a href="#">1-1</a></td> <td style="width: 15%;">07/11/2016</td> <td style="width: 60%;">Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$116324.98 (LEWIS, LORI )</td> </tr> <tr> <td><a href="#">Details</a></td> <td></td> <td><a href="#">1-2</a></td> <td>09/15/2016</td> <td>Amended Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$122234.52 (LEWIS, LORI )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">1-1</a>	07/11/2016	Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$116324.98 (LEWIS, LORI )	<a href="#">Details</a>		<a href="#">1-2</a>	09/15/2016	Amended Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$122234.52 (LEWIS, LORI )		
<a href="#">Details</a>		<a href="#">1-1</a>	07/11/2016	Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$116324.98 (LEWIS, LORI )										
<a href="#">Details</a>		<a href="#">1-2</a>	09/15/2016	Amended Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$122234.52 (LEWIS, LORI )										
<b>Description:</b> (1-1) 2013-2015 and Estimated 2016 Property Taxes (1-2) 2013-2016 Property Taxes														
<b>Remarks:</b>														

<b>Creditor:</b> (14074304) Hilgart Wilson, LLC 2141 E. Highland Ave. Ste. 250 Phoenix AZ 85016	<b>Claim No: 2</b> Original Filed Date: 07/21/2016 Original Entered Date: 07/21/2016	<b>Status:</b> Filed by: CR Entered by: claimuser Modified:						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$219149.16</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>			<u>Amount</u>	claimed:	\$219149.16			
<u>Amount</u>	claimed:	\$219149.16						
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 10%;"><a href="#">2-1</a></td> <td style="width: 15%;">07/21/2016</td> <td style="width: 60%;">Claim #2 filed by Hilgart Wilson, LLC, Amount claimed: \$219149.16 (claimuser)</td> </tr> </table>			<a href="#">Details</a>		<a href="#">2-1</a>	07/21/2016	Claim #2 filed by Hilgart Wilson, LLC, Amount claimed: \$219149.16 (claimuser)	
<a href="#">Details</a>		<a href="#">2-1</a>	07/21/2016	Claim #2 filed by Hilgart Wilson, LLC, Amount claimed: \$219149.16 (claimuser)				
<b>Description:</b>								
<b>Remarks:</b>								

<b>Creditor:</b> (14074296) <a href="#">History</a> CITY OF PHOENIX-WATER 251 W WASHINGTON ST 3RD FLOOR PHOENIX AZ 85003	<b>Claim No: 3</b> Original Filed Date: 07/25/2016 Original Entered Date: 07/25/2016	<b>Status:</b> Filed by: CR Entered by: JULIE L. COLLINS Modified:						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$54618.11</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>			<u>Amount</u>	claimed:	\$54618.11			
<u>Amount</u>	claimed:	\$54618.11						
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 10%;"><a href="#">3-1</a></td> <td style="width: 15%;">07/25/2016</td> <td style="width: 60%;">Claim #3 filed by CITY OF PHOENIX-WATER, Amount claimed: \$54618.11 (COLLINS, JULIE )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">3-1</a>	07/25/2016	Claim #3 filed by CITY OF PHOENIX-WATER, Amount claimed: \$54618.11 (COLLINS, JULIE )	
<a href="#">Details</a>		<a href="#">3-1</a>	07/25/2016	Claim #3 filed by CITY OF PHOENIX-WATER, Amount claimed: \$54618.11 (COLLINS, JULIE )				
<b>Description:</b> (3-1) MUNICIPAL CHARGES								
<b>Remarks:</b> (3-1) UNPAID BILLS								

<b>Creditor:</b> (14074296) <a href="#">History</a> CITY OF PHOENIX-WATER	<b>Claim No: 4</b> Original Filed Date: 07/25/2016	<b>Status:</b> Filed by: CR
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251 W WASHINGTON ST 3RD FLOOR PHOENIX AZ 85003	Original Entered Date: 07/25/2016	Entered by: JULIE L. COLLINS Modified:
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Amount	claimed:	\$48.17		
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History:

<a href="#">Details</a>		<a href="#">4-1</a>	07/25/2016	Claim #4 filed by CITY OF PHOENIX-WATER, Amount claimed: \$48.17 (COLLINS, JULIE )
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Description: (4-1) MUNICIPAL CLAIMS

Remarks: (4-1) OUTSTANDING CHARGES

Creditor: (14185025) CivTech Inc. 10605 N. Hayden Road, Suite 140 Scottsdale, AZ 85260	<b>Claim No: 5</b> Original Filed Date: 08/05/2016 Original Entered Date: 08/05/2016	Status: Filed by: CR Entered by: claimuser Modified:
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Amount	claimed:	\$45743.46		
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History:

<a href="#">Details</a>		<a href="#">5-1</a>	08/05/2016	Claim #5 filed by CivTech Inc., Amount claimed: \$45743.46 (claimuser)
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Description:

Remarks: (5-1) Account Number (last 4 digits):0780

Creditor: (14074302) <a href="#">History</a> David Evans & Associates 2100 SW River Parkway Portland, Oregon 97201	<b>Claim No: 6</b> Original Filed Date: 08/29/2016 Original Entered Date: 08/30/2016	Status: Filed by: CR Entered by: Ann Marie Ventura Modified:
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Amount	claimed:	\$40867.85		
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History:

<a href="#">Details</a>		<a href="#">6-1</a>	08/29/2016	Claim #6 filed by David Evans & Associates, Amount claimed: \$40867.85 (Ventura, Ann Marie )
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Description:

Remarks:

Creditor: (14230001) Wilson & Company Inc. 4900 Lang Ave NE Albuquerque, NM 87109	<b>Claim No: 7</b> Original Filed Date: 09/10/2016 Original Entered Date: 09/10/2016	Status: Filed by: CR Entered by: claimuser Modified:
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Amount	claimed:	\$5716.08		
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History:

<a href="#">Details</a>		<a href="#">7-1</a>	09/10/2016	Claim #7 filed by Wilson & Company Inc., Amount claimed: \$5716.08 (claimuser)
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Description:

Remarks:

Creditor: (14074315) Wilson & Company 5694 Mission Center Rd. Ste. 602-147 San Diego CA 92108	<b>Claim No: 8</b> Original Filed Date: 09/10/2016 Original Entered Date: 09/10/2016	Status: Filed by: CR Entered by: claimuser Modified:
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Amount	claimed:	\$5716.08		
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History:

<a href="#">Details</a>	<a href="#">8-1</a>	09/10/2016	Claim #8 filed by Wilson & Company, Amount claimed: \$5716.08 (claimuser)
<i>Description:</i>			
<i>Remarks:</i>			

<i>Creditor:</i> (14110926) Desert Ridge Community Association c/o Jeffrey Gross/Michael Zimmerman Berry Riddell LLC 6750 East Camelback Rd., Suite 100 Scottsdale, AZ 85251	<b>Claim No: 9</b> <i>Original Filed Date:</i> 09/14/2016 <i>Original Entered Date:</i> 09/14/2016 <i>Last Amendment Filed:</i> 10/28/2016 <i>Last Amendment Entered:</i> 10/28/2016	<i>Status:</i> <i>Filed by:</i> CR <i>Entered by:</i> MICHAEL W. ZIMMERMAN <i>Modified:</i>
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Amount claimed: \$299047.86

<i>History:</i>			
<a href="#">Details</a>	<a href="#">9-1</a>	09/14/2016	Claim #9 filed by Desert Ridge Community Association, Amount claimed: \$328302.60 (ZIMMERMAN, MICHAEL )
<a href="#">Details</a>	<a href="#">9-2</a>	10/28/2016	Amended Claim #9 filed by Desert Ridge Community Association, Amount claimed: \$299047.86 (ZIMMERMAN, MICHAEL )

<i>Description:</i>			
<i>Remarks:</i>			

<i>Creditor:</i> (14256551) CPF Vaseo Associates, LLC c/o Gallagher & Kennedy 2575 E. Camelback Rd, Suite 1100 Phoenix, AZ 85016	<b>Claim No: 10</b> <i>Original Filed Date:</i> 09/30/2016 <i>Original Entered Date:</i> 09/30/2016	<i>Status:</i> <i>Filed by:</i> CR <i>Entered by:</i> LINDSI M. WEBER <i>Modified:</i>
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Amount claimed: \$58527469.03  
Secured claimed: \$54009500.00

<i>History:</i>			
<a href="#">Details</a>	<a href="#">10-1</a>	09/30/2016	Claim #10 filed by CPF Vaseo Associates, LLC, Amount claimed: \$58527469.03 (WEBER, LINDSI )

<i>Description:</i> (10-1) See Attached Addendum			
<i>Remarks:</i>			

<i>Creditor:</i> (14272515) Kutak Rock LLP 1650 Farnam Street Omaha NE 68102	<b>Claim No: 11</b> <i>Original Filed Date:</i> 10/11/2016 <i>Original Entered Date:</i> 10/13/2016	<i>Status:</i> <i>Filed by:</i> CR <i>Entered by:</i> LaTosha Tripp <i>Modified:</i>
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Amount claimed: \$53138.66

<i>History:</i>			
<a href="#">Details</a>	<a href="#">11-1</a>	10/11/2016	Claim #11 filed by Kutak Rock LLP, Amount claimed: \$53138.66 (Tripp, LaTosha )

<i>Description:</i>			
<i>Remarks:</i>			

<i>Creditor:</i> (14074311) <a href="#">History</a> Spray Systems Environmental Alan R. Costello 2999 N. 44th Street, Suite 600 Phoenix AZ 85018	<b>Claim No: 12</b> <i>Original Filed Date:</i> 10/17/2016 <i>Original Entered Date:</i> 10/17/2016 <i>Last Amendment Filed:</i> 10/17/2016 <i>Last Amendment Entered:</i> 10/17/2016	<i>Status:</i> <i>Filed by:</i> CR <i>Entered by:</i> ALAN R. COSTELLO <i>Modified:</i>
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Amount claimed: \$2546.00

History:

<a href="#">Details</a>	<a href="#">12-1</a>	10/17/2016	Claim #12 filed by Spray Systems Environmental, Amount claimed: \$2546.00 (COSTELLO, ALAN )
<a href="#">Details</a>	<a href="#">12-2</a>	10/17/2016	Amended Claim #12 filed by Spray Systems Environmental, Amount claimed: \$2546.00 (COSTELLO, ALAN )

Description: (12-1) Services Performed

Remarks: (12-2) Amended to add POC

<b>Creditor:</b> (14074294) Beus Gilbert PLLC 701 N 44th St. Phoenix AZ 85008	<b>Claim No: 13</b> Original Filed Date: 10/19/2016 Original Entered Date: 10/19/2016	<b>Status:</b> Filed by: CR Entered by: claimuser Modified:
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Amount claimed: \$801413.99

History:

<a href="#">Details</a>	<a href="#">13-1</a>	10/19/2016	Claim #13 filed by Beus Gilbert PLLC, Amount claimed: \$801413.99 (claimuser)
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Description:

Remarks:

<b>Creditor:</b> (14247820) Emerald Equities, LLC c/o David D. Cleary Greenberg Traurig, LLP 2375 E. Camelback Road, Ste. 700 Phoenix AZ 85016	<b>Claim No: 14</b> Original Filed Date: 10/20/2016 Original Entered Date: 10/20/2016	<b>Status:</b> Filed by: CR Entered by: DAVID D. CLEARY Modified:
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No amounts claimed

History:

<a href="#">Details</a>	<a href="#">14-1</a>	10/20/2016	Claim #14 filed by Emerald Equities, LLC, Amount claimed: (CLEARY, DAVID )
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Description:

Remarks:

<b>Creditor:</b> (14281733) State of Arizona, through Arizona State Land Dept c/o Dean C. Waldt, Esq. Ballard Spahr LLP 1 E. Washington Street, Suite 2300 Phoenix, AZ 85004	<b>Claim No: 15</b> Original Filed Date: 10/20/2016 Original Entered Date: 10/20/2016	<b>Status:</b> Filed by: AT Entered by: DEAN C WALDT Modified:
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No amounts claimed

History:

<a href="#">Details</a>	<a href="#">15-1</a>	10/20/2016	Claim #15 filed by State of Arizona, through Arizona State Land Dept, Amount claimed: (WALDT, DEAN )
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Description: (15-1) Lease

Remarks:

<b>Creditor:</b> (14281940) Constantino Flores, Ch. 7 Trustee for the estate of GDG Partners, LLC Case 2:12-bk-09825-BKM P.O. Box 511 Phoenix, AZ 85001	<b>Claim No: 16</b> Original Filed Date: 10/20/2016 Original Entered Date: 10/20/2016	<b>Status:</b> Filed by: CR Entered by: DAWN M. MAGUIRE Modified:
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Amount claimed: \$567000.00



<b>History:</b>			
<a href="#">Details</a>	<a href="#">16-1</a>	10/20/2016	Claim #16 filed by Constantino Flores, Ch. 7 Trustee, Amount claimed: \$5670000.00 (MAGUIRE, DAWN )
<b>Description:</b> (16-1) Pending Litigation - 2:14-ap-00293-BKM			
<b>Remarks:</b>			

### Claims Register Summary

**Case Name:** EPICENTER PARTNERS L.L.C.  
**Case Number:** 2:16-bk-05493-MCW  
**Chapter:** 11  
**Date Filed:** 05/16/2016  
**Total Number Of Claims:** 16

<b>Total Amount Claimed*</b>	\$65847708.97
<b>Total Amount Allowed*</b>	

\*Includes general unsecured claims

The values are reflective of the data entered. Always refer to claim documents for actual amounts.

	Claimed	Allowed
<b>Secured</b>	\$54131734.52	
<b>Priority</b>		
<b>Administrative</b>		

<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
02/06/2017 15:39:17			
<b>PACER Login:</b>	gk0012:2555224:0	<b>Client Code:</b>	27539-0001 taburgess
<b>Description:</b>	Claims Register	<b>Search Criteria:</b>	2:16-bk-05493-MCW Filed or Entered From: 1/1/1977 Filed or Entered To: 2/6/2017
<b>Billable Pages:</b>	2	<b>Cost:</b>	0.20

**EXHIBIT D**  
**(GMF Claims Register)**

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# District of Arizona Claims Register

[2:16-bk-05494-MCW GRAY MEYER FANNIN LLC](#)

**Judge:** Madeleine C. Wanslee

**Chapter:** 11

**Office:** Phoenix

**Last Date to file claims:**

**Trustee:**

**Last Date to file (Govt):**

<b>Creditor:</b> (14256575) CPF Vaseo Associates, LLC c/o Gallagher & Kennedy 2575 E. Camelback Rd, Suite 1100 Phoenix, AZ 85016	<b>Claim No: 1</b> <i>Original Filed</i> Date: 09/30/2016 <i>Original Entered</i> Date: 09/30/2016	<b>Status:</b> Filed by: CR Entered by: LINDSI M. WEBER Modified:												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$58527469.03</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td><u>Secured</u></td> <td>claimed:</td> <td>\$54009500.00</td> <td></td> <td></td> <td></td> </tr> </table>			<u>Amount</u>	claimed:	\$58527469.03				<u>Secured</u>	claimed:	\$54009500.00			
<u>Amount</u>	claimed:	\$58527469.03												
<u>Secured</u>	claimed:	\$54009500.00												
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<a href="#">Details</a>		<a href="#">1-1</a>	09/30/2016	Claim #1 filed by CPF Vaseo Associates, LLC, Amount claimed: \$58527469.03 (WEBER, LINDSI )										
<b>Description:</b> (1-1) See Attached Addendum														
<b>Remarks:</b>														

<b>Creditor:</b> (14272516) Kutak Rock LLP 1650 Farnam Street Omaha NE 68102	<b>Claim No: 2</b> <i>Original Filed</i> Date: 10/11/2016 <i>Original Entered</i> Date: 10/13/2016	<b>Status:</b> Filed by: CR Entered by: LaTosha Tripp Modified:						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$53138.66</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>			<u>Amount</u>	claimed:	\$53138.66			
<u>Amount</u>	claimed:	\$53138.66						
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 5%;"><a href="#">2-1</a></td> <td style="width: 10%;">10/11/2016</td> <td style="width: 70%;">Claim #2 filed by Kutak Rock LLP, Amount claimed: \$53138.66 (Tripp, LaTosha )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">2-1</a>	10/11/2016	Claim #2 filed by Kutak Rock LLP, Amount claimed: \$53138.66 (Tripp, LaTosha )	
<a href="#">Details</a>		<a href="#">2-1</a>	10/11/2016	Claim #2 filed by Kutak Rock LLP, Amount claimed: \$53138.66 (Tripp, LaTosha )				
<b>Description:</b>								
<b>Remarks:</b>								

<b>Creditor:</b> (14282929) Lewis Roca Rothgerber Christie LLP 201 E. Washington Street, Suite 1200 Phoenix, AZ 85004	<b>Claim No: 3</b> <i>Original Filed</i> Date: 10/21/2016 <i>Original Entered</i> Date: 10/21/2016	<b>Status:</b> Filed by: CR Entered by: SCOTT K BROWN Modified:						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$731814.49</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>			<u>Amount</u>	claimed:	\$731814.49			
<u>Amount</u>	claimed:	\$731814.49						
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 5%;"><a href="#">3-1</a></td> <td style="width: 10%;">10/21/2016</td> <td style="width: 70%;">Claim #3 filed by Lewis Roca Rothgerber Christie LLP, Amount claimed: \$731814.49 (BROWN, SCOTT )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">3-1</a>	10/21/2016	Claim #3 filed by Lewis Roca Rothgerber Christie LLP, Amount claimed: \$731814.49 (BROWN, SCOTT )	
<a href="#">Details</a>		<a href="#">3-1</a>	10/21/2016	Claim #3 filed by Lewis Roca Rothgerber Christie LLP, Amount claimed: \$731814.49 (BROWN, SCOTT )				
<b>Description:</b> (3-1) Legal Representation								
<b>Remarks:</b>								

### Claims Register Summary

**Case Name:** GRAY MEYER FANNIN LLC  
**Case Number:** 2:16-bk-05494-MCW  
**Chapter:** 11  
**Date Filed:** 05/16/2016  
**Total Number Of Claims:** 3

<b>Total Amount Claimed*</b>	\$59312422.18
<b>Total Amount Allowed*</b>	

\*Includes general unsecured claims

The values are reflective of the data entered. Always refer to claim documents for actual amounts.

	Claimed	Allowed
<b>Secured</b>	\$54009500.00	
<b>Priority</b>		
<b>Administrative</b>		

<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
02/06/2017 15:40:11			
<b>PACER Login:</b>	gk0012:2555224:0	<b>Client Code:</b>	27539-0001 taburgess
<b>Description:</b>	Claims Register	<b>Search Criteria:</b>	2:16-bk-05494-MCW Filed or Entered From: 1/1/1977 Filed or Entered To: 2/6/2017
<b>Billable Pages:</b>	1	<b>Cost:</b>	0.10

Gallagher & Kennedy, P.A.  
2575 East Camelback Road  
Phoenix, Arizona 85016-9225  
(602) 530-8000

**EXHIBIT E**  
**(SDLI Claims Register)**

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# District of Arizona Claims Register

[2:16-bk-07659-MCW SONORAN DESERT LAND INVESTORS LLC](#)

**Judge:** Madeleine C. Wanslee      **Chapter:** 11  
**Office:** Phoenix      **Last Date to file claims:**  
**Trustee:**      **Last Date to file (Govt):**

<b>Creditor:</b> (14159892) Maricopa County Treasurer c/o Lori A. Lewis 222 North Central Avenue, Suite 1100 Phoenix, AZ 85004-2206	<b>Claim No: 1</b> <i>Original Filed Date:</i> 07/19/2016 <i>Original Entered Date:</i> 07/19/2016 <i>Last Amendment Filed:</i> 09/07/2016 <i>Last Amendment Entered:</i> 09/07/2016	<b>Status:</b> Filed by: CR Entered by: LORI A LEWIS Modified:												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black;">Amount</td> <td style="border: 1px solid black;">claimed:</td> <td style="border: 1px solid black;">\$127557.52</td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black;">Secured</td> <td style="border: 1px solid black;">claimed:</td> <td style="border: 1px solid black;">\$127557.52</td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> </tr> </table>			Amount	claimed:	\$127557.52				Secured	claimed:	\$127557.52			
Amount	claimed:	\$127557.52												
Secured	claimed:	\$127557.52												
<b>History:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black;"><a href="#">Details</a></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"><a href="#">1-1</a></td> <td style="border: 1px solid black;">07/19/2016</td> <td style="border: 1px solid black;">Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$96367.47 (LEWIS, LORI )</td> </tr> <tr> <td style="border: 1px solid black;"><a href="#">Details</a></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"><a href="#">1-2</a></td> <td style="border: 1px solid black;">09/07/2016</td> <td style="border: 1px solid black;">Amended Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$127557.52 (LEWIS, LORI )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">1-1</a>	07/19/2016	Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$96367.47 (LEWIS, LORI )	<a href="#">Details</a>		<a href="#">1-2</a>	09/07/2016	Amended Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$127557.52 (LEWIS, LORI )		
<a href="#">Details</a>		<a href="#">1-1</a>	07/19/2016	Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$96367.47 (LEWIS, LORI )										
<a href="#">Details</a>		<a href="#">1-2</a>	09/07/2016	Amended Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$127557.52 (LEWIS, LORI )										
<b>Description:</b> (1-1) 2015 and Estimated 2016 Real Property Taxes (1-2) 2015 and 2016 Real Property Taxes														
<b>Remarks:</b>														

<b>Creditor:</b> (14244475) <a href="#">History</a> COHEN DOWD QUIGLEY PC C/O DANIEL G. DOWD 2425 EAST CAMELBACK ROAD, SUITE 1100 PHOENIX, ARIZONA 85016	<b>Claim No: 2</b> <i>Original Filed Date:</i> 09/29/2016 <i>Original Entered Date:</i> 09/29/2016 <i>Last Amendment Filed:</i> 09/30/2016 <i>Last Amendment Entered:</i> 09/30/2016	<b>Status:</b> Filed by: CR Entered by: DANIEL GARFIELD DOWD Modified:															
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black;">Amount</td> <td style="border: 1px solid black;">claimed:</td> <td style="border: 1px solid black;">\$406625.55</td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> </tr> </table>			Amount	claimed:	\$406625.55												
Amount	claimed:	\$406625.55															
<b>History:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black;"><a href="#">Details</a></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"><a href="#">2-1</a></td> <td style="border: 1px solid black;">09/29/2016</td> <td style="border: 1px solid black;">Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )</td> </tr> <tr> <td style="border: 1px solid black;"><a href="#">Details</a></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"><a href="#">2-2</a></td> <td style="border: 1px solid black;">09/30/2016</td> <td style="border: 1px solid black;">Amended Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )</td> </tr> <tr> <td style="border: 1px solid black;"><a href="#">Details</a></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"><a href="#">2-3</a></td> <td style="border: 1px solid black;">09/30/2016</td> <td style="border: 1px solid black;">Amended Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">2-1</a>	09/29/2016	Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )	<a href="#">Details</a>		<a href="#">2-2</a>	09/30/2016	Amended Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )	<a href="#">Details</a>		<a href="#">2-3</a>	09/30/2016	Amended Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )
<a href="#">Details</a>		<a href="#">2-1</a>	09/29/2016	Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )													
<a href="#">Details</a>		<a href="#">2-2</a>	09/30/2016	Amended Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )													
<a href="#">Details</a>		<a href="#">2-3</a>	09/30/2016	Amended Claim #2 filed by COHEN DOWD QUIGLEY PC, Amount claimed: \$406625.55 (DOWD, DANIEL )													
<b>Description:</b> (2-1) Legal Services Rendered (2-2) Legal Services Rendered (2-3) Legal Services Rendered																	
<b>Remarks:</b>																	

<b>Creditor:</b> (14272521) KUTAK ROCK LLP 1650 FARNAM STREET OMAHA, NE 68102	<b>Claim No: 3</b> <i>Original Filed Date:</i> 10/11/2016 <i>Original Entered Date:</i> 10/13/2016	<b>Status:</b> Filed by: CR Entered by: Sharon Leary Modified:						
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black;">Amount</td> <td style="border: 1px solid black;">claimed:</td> <td style="border: 1px solid black;">\$79044.82</td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"></td> </tr> </table>			Amount	claimed:	\$79044.82			
Amount	claimed:	\$79044.82						
<b>History:</b> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black;"><a href="#">Details</a></td> <td style="border: 1px solid black;"></td> <td style="border: 1px solid black;"><a href="#">3-1</a></td> <td style="border: 1px solid black;">10/11/2016</td> <td style="border: 1px solid black;">Claim #3 filed by KUTAK ROCK LLP, Amount claimed: \$79044.82 (Leary, Sharon )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">3-1</a>	10/11/2016	Claim #3 filed by KUTAK ROCK LLP, Amount claimed: \$79044.82 (Leary, Sharon )	
<a href="#">Details</a>		<a href="#">3-1</a>	10/11/2016	Claim #3 filed by KUTAK ROCK LLP, Amount claimed: \$79044.82 (Leary, Sharon )				

<i>Description:</i>
<i>Remarks:</i>

<i>Creditor:</i> (14279683) Emerald Equities, LLC c/o Greenberg Traurig, LLP Attn: Nicole M. Goodwin 2375 E. Camelback Road, Ste. 700 Phoenix AZ 85016	<b>Claim No: 4</b> <i>Original Filed Date:</i> 10/20/2016 <i>Original Entered Date:</i> 10/20/2016	<i>Status:</i> Filed by: CR Entered by: DAVID D. CLEARY Modified:
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No amounts claimed

*History:*

<a href="#">Details</a>	<a href="#">4-1</a>	10/20/2016	Claim #4 filed by Emerald Equities, LLC, Amount claimed: (CLEARY, DAVID )
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<i>Description:</i>
<i>Remarks:</i>

<i>Creditor:</i> (14281778) CPF Vaseo Associates, LLC c/o Gallagher & Kennedy 2575 E. Camelback, Suite 1100 Phoenix, AZ 85016	<b>Claim No: 5</b> <i>Original Filed Date:</i> 10/20/2016 <i>Original Entered Date:</i> 10/20/2016	<i>Status:</i> Filed by: CR Entered by: LINDSI M. WEBER Modified:
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Amount	claimed:	\$30572496.22		
Secured	claimed:	\$30572496.22		

*History:*

<a href="#">Details</a>	<a href="#">5-1</a>	10/20/2016	Claim #5 filed by CPF Vaseo Associates, LLC, Amount claimed: \$30572496.22 (WEBER, LINDSI )
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<i>Description:</i>
<i>Remarks:</i>

### Claims Register Summary

**Case Name:** SONORAN DESERT LAND INVESTORS LLC

**Case Number:** 2:16-bk-07659-MCW

**Chapter:** 11

**Date Filed:** 07/06/2016

**Total Number Of Claims:** 5

<b>Total Amount Claimed*</b>	\$31185724.11
<b>Total Amount Allowed*</b>	

\*Includes general unsecured claims

**The values are reflective of the data entered. Always refer to claim documents for actual amounts.**

	Claimed	Allowed
<b>Secured</b>	\$30700053.74	
<b>Priority</b>		
<b>Administrative</b>		

<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
02/06/2017 15:40:44			
<b>PACER Login:</b>	gk0012:2555224:0	<b>Client Code:</b>	27539-0001 taburgess
<b>Description:</b>	Claims Register	<b>Search Criteria:</b>	2:16-bk-07659-MCW Filed or Entered From: 1/1/1977 Filed or Entered To: 2/6/2017
<b>Billable Pages:</b>	1	<b>Cost:</b>	0.10



**EXHIBIT E**  
**(EoE Claims Register)**

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# District of Arizona Claims Register

[2:16-bk-07660-MCW EAST OF EPICENTER LLC](#)

**Judge:** Madeleine C. Wanslee      **Chapter:** 11  
**Office:** Phoenix      **Last Date to file claims:**  
**Trustee:**      **Last Date to file (Govt):**

<b>Creditor:</b> (14225948) Maricopa County Treasurer c/o Lori A. Lewis 222 North Central Avenue, Suite 1100 Phoenix, AZ 85004	<b>Claim No: 1</b> Original Filed Date: 09/07/2016 Original Entered Date: 09/07/2016	<b>Status:</b> Filed by: CR Entered by: LORI A LEWIS Modified:												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$144312.13</td> <td style="width: 10%;"></td> <td style="width: 5%;"></td> <td style="width: 5%;"></td> </tr> <tr> <td><u>Secured</u></td> <td>claimed:</td> <td>\$144312.13</td> <td></td> <td></td> <td></td> </tr> </table>			<u>Amount</u>	claimed:	\$144312.13				<u>Secured</u>	claimed:	\$144312.13			
<u>Amount</u>	claimed:	\$144312.13												
<u>Secured</u>	claimed:	\$144312.13												
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 5%;"><a href="#">1-1</a></td> <td style="width: 10%;">09/07/2016</td> <td style="width: 70%;">Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$144312.13 (LEWIS, LORI )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">1-1</a>	09/07/2016	Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$144312.13 (LEWIS, LORI )							
<a href="#">Details</a>		<a href="#">1-1</a>	09/07/2016	Claim #1 filed by Maricopa County Treasurer, Amount claimed: \$144312.13 (LEWIS, LORI )										
<b>Description:</b> (1-1) 2014, 2015 and 2016 Real Property Taxes														
<b>Remarks:</b>														

<b>Creditor:</b> (14142295) Desert Ridge Community Association Acct No 302022-0001-00 9000 E. Pima Center Pkwy Ste. 300 Scottsdale AZ 85258	<b>Claim No: 2</b> Original Filed Date: 09/14/2016 Original Entered Date: 09/14/2016 Last Amendment Filed: 10/28/2016 Last Amendment Entered: 10/28/2016	<b>Status:</b> Filed by: CR Entered by: MICHAEL W. ZIMMERMAN Modified:												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$46167.40</td> <td style="width: 10%;"></td> <td style="width: 5%;"></td> <td style="width: 5%;"></td> </tr> <tr> <td><u>Secured</u></td> <td>claimed:</td> <td>\$46167.40</td> <td></td> <td></td> <td></td> </tr> </table>			<u>Amount</u>	claimed:	\$46167.40				<u>Secured</u>	claimed:	\$46167.40			
<u>Amount</u>	claimed:	\$46167.40												
<u>Secured</u>	claimed:	\$46167.40												
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 5%;"><a href="#">2-1</a></td> <td style="width: 10%;">09/14/2016</td> <td style="width: 70%;">Claim #2 filed by Desert Ridge Community Association, Amount claimed: \$21660.36 (ZIMMERMAN, MICHAEL )</td> </tr> <tr> <td><a href="#">Details</a></td> <td></td> <td><a href="#">2-2</a></td> <td>10/28/2016</td> <td>Amended Claim #2 filed by Desert Ridge Community Association, Amount claimed: \$46167.40 (ZIMMERMAN, MICHAEL )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">2-1</a>	09/14/2016	Claim #2 filed by Desert Ridge Community Association, Amount claimed: \$21660.36 (ZIMMERMAN, MICHAEL )	<a href="#">Details</a>		<a href="#">2-2</a>	10/28/2016	Amended Claim #2 filed by Desert Ridge Community Association, Amount claimed: \$46167.40 (ZIMMERMAN, MICHAEL )		
<a href="#">Details</a>		<a href="#">2-1</a>	09/14/2016	Claim #2 filed by Desert Ridge Community Association, Amount claimed: \$21660.36 (ZIMMERMAN, MICHAEL )										
<a href="#">Details</a>		<a href="#">2-2</a>	10/28/2016	Amended Claim #2 filed by Desert Ridge Community Association, Amount claimed: \$46167.40 (ZIMMERMAN, MICHAEL )										
<b>Description:</b>														
<b>Remarks:</b>														

<b>Creditor:</b> (14269208) KUTAK ROCK LLP 1650 FARNAM STREET OMAHA NE 68102	<b>Claim No: 3</b> Original Filed Date: 10/11/2016 Original Entered Date: 10/12/2016	<b>Status:</b> Filed by: CR Entered by: Sharon Leary Modified:						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Amount</u></td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$15047.50</td> <td style="width: 10%;"></td> <td style="width: 5%;"></td> <td style="width: 5%;"></td> </tr> </table>			<u>Amount</u>	claimed:	\$15047.50			
<u>Amount</u>	claimed:	\$15047.50						
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 5%;"><a href="#">3-1</a></td> <td style="width: 10%;">10/11/2016</td> <td style="width: 70%;">Claim #3 filed by KUTAK ROCK LLP, Amount claimed: \$15047.50 (Leary, Sharon )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">3-1</a>	10/11/2016	Claim #3 filed by KUTAK ROCK LLP, Amount claimed: \$15047.50 (Leary, Sharon )	
<a href="#">Details</a>		<a href="#">3-1</a>	10/11/2016	Claim #3 filed by KUTAK ROCK LLP, Amount claimed: \$15047.50 (Leary, Sharon )				
<b>Description:</b>								
<b>Remarks:</b>								

State of Arizona, through Arizona State Land Dept c/o Dean C. Waldt, Esq. Ballard Spahr LLP 1 E. Washington Street, Suite 2300 Phoenix, AZ 85004	Original Filed Date: 10/20/2016 Original Entered Date: 10/20/2016	Filed by: CR Entered by: DEAN C WALDT Modified:
No amounts claimed		
History:		
<a href="#">Details</a>	<a href="#">4-1</a>	10/20/2016 Claim #4 filed by State of Arizona, through Arizona State Land Dept, Amount claimed: (WALDT, DEAN )
Description: (4-1) Certificate of Purchase		
Remarks:		

Creditor: (14281883) CPF Vaseo Associates, LLC c/o Gallagher & Kennedy 2575 E. Camelback, Suite 1100 Phoenix, AZ 85016	Claim No: 5 Original Filed Date: 10/20/2016 Original Entered Date: 10/20/2016	Status: Filed by: CR Entered by: LINDSI M. WEBER Modified:
Amount claimed: \$4364146.17		
Secured claimed: \$4364146.17		
History:		
<a href="#">Details</a>	<a href="#">5-1</a>	10/20/2016 Claim #5 filed by CPF Vaseo Associates, LLC, Amount claimed: \$4364146.17 (WEBER, LINDSI )
Description:		
Remarks:		

### Claims Register Summary

**Case Name:** EAST OF EPICENTER LLC  
**Case Number:** 2:16-bk-07660-MCW  
**Chapter:** 11  
**Date Filed:** 07/06/2016  
**Total Number Of Claims:** 5

<b>Total Amount Claimed*</b>	\$4569673.20
<b>Total Amount Allowed*</b>	

\*Includes general unsecured claims

The values are reflective of the data entered. Always refer to claim documents for actual amounts.

	Claimed	Allowed
Secured	\$4554625.70	
Priority		
Administrative		

**PACER Service Center**

<b>Transaction Receipt</b>			
02/06/2017 15:41:15			
<b>PACER Login:</b>	gk0012:2555224:0	<b>Client Code:</b>	27539-0001 taburgess
<b>Description:</b>	Claims Register	<b>Search Criteria:</b>	2:16-bk-07660-MCW Filed or Entered From: 1/1/1977 Filed or Entered To: 2/6/2017
<b>Billable Pages:</b>	1	<b>Cost:</b>	0.10

Gallagher & Kennedy, P.A.  
2575 East Camelback Road  
Phoenix, Arizona 85016-9225  
(602) 530-8000

**EXHIBIT G**  
**(GPDR II Claims Register)**

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5835884v1/27539-0001  
02/06/17

# District of Arizona Claims Register

[2:16-bk-07661-MCW GRAY PHOENIX DESERT RIDGE II LLC](#)

**Judge:** Madeleine C. Wanslee      **Chapter:** 11  
**Office:** Phoenix      **Last Date to file claims:**  
**Trustee:**      **Last Date to file (Govt):**

<b>Creditor:</b> (14281686) <a href="#">History</a> State of Arizona, through Arizona State Land Dept c/o Dean C. Waldt, Esq. Ballard Spahr LLP 1 E. Washington Street, Suite 2300 Phoenix, AZ 85004	<b>Claim No: 1</b> Original Filed Date: 10/20/2016 Original Entered Date: 10/20/2016	<b>Status:</b> Filed by: CR Entered by: DEAN C WALDT Modified:					
No amounts claimed <input type="checkbox"/>							
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 10%;"><a href="#">1-1</a></td> <td style="width: 15%;">10/20/2016</td> <td>Claim #1 filed by State of Arizona, through Arizona State Land Dept, Amount claimed: (WALDT, DEAN )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">1-1</a>	10/20/2016	Claim #1 filed by State of Arizona, through Arizona State Land Dept, Amount claimed: (WALDT, DEAN )
<a href="#">Details</a>		<a href="#">1-1</a>	10/20/2016	Claim #1 filed by State of Arizona, through Arizona State Land Dept, Amount claimed: (WALDT, DEAN )			
<b>Description:</b> (1-1) Lease							
<b>Remarks:</b>							

<b>Creditor:</b> (14281884) CPF Vaseo Associates, LLC c/o Gallagher & Kennedy 2575 E. Camelback, Suite 1100 Phoenix, AZ 85016	<b>Claim No: 2</b> Original Filed Date: 10/20/2016 Original Entered Date: 10/20/2016	<b>Status:</b> Filed by: CR Entered by: LINDSI M. WEBER Modified:												
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Amount	claimed:	\$30572496.22												
Secured	claimed:	\$30572496.22												
<b>History:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><a href="#">Details</a></td> <td style="width: 5%;"></td> <td style="width: 10%;"><a href="#">2-1</a></td> <td style="width: 15%;">10/20/2016</td> <td>Claim #2 filed by CPF Vaseo Associates, LLC, Amount claimed: \$30572496.22 (WEBER, LINDSI )</td> </tr> </table>			<a href="#">Details</a>		<a href="#">2-1</a>	10/20/2016	Claim #2 filed by CPF Vaseo Associates, LLC, Amount claimed: \$30572496.22 (WEBER, LINDSI )							
<a href="#">Details</a>		<a href="#">2-1</a>	10/20/2016	Claim #2 filed by CPF Vaseo Associates, LLC, Amount claimed: \$30572496.22 (WEBER, LINDSI )										
<b>Description:</b>														
<b>Remarks:</b>														

<b>Creditor:</b> (14341976) Internal Revenue Service P.O. Box 7346 Philadelphia, PA 19101-7346	<b>Claim No: 3</b> Original Filed Date: 12/13/2016 Original Entered Date: 12/13/2016	<b>Status:</b> Filed by: CR Entered by: PAUL A LOPEZ Modified:																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">Amount</td> <td style="width: 10%;">claimed:</td> <td style="width: 15%;">\$300.00</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td>Secured</td> <td>claimed:</td> <td>\$0.00</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Priority</td> <td>claimed:</td> <td>\$0.00</td> <td></td> <td></td> <td></td> </tr> </table>	Amount	claimed:	\$300.00				Secured	claimed:	\$0.00				Priority	claimed:	\$0.00					
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<b>Remarks:</b>																				

### Claims Register Summary

**Case Name:** GRAY PHOENIX DESERT RIDGE II LLC  
**Case Number:** 2:16-bk-07661-MCW  
**Chapter:** 11  
**Date Filed:** 07/06/2016  
**Total Number Of Claims:** 3

<b>Total Amount Claimed*</b>	\$30572796.22
<b>Total Amount Allowed*</b>	

\*Includes general unsecured claims

**The values are reflective of the data entered. Always refer to claim documents for actual amounts.**

	<b>Claimed</b>	<b>Allowed</b>
<b>Secured</b>	\$30572496.22	
<b>Priority</b>	\$0.00	
<b>Administrative</b>		

<b>PACER Service Center</b>			
<b>Transaction Receipt</b>			
02/06/2017 15:41:43			
<b>PACER Login:</b>	gk0012:2555224:0	<b>Client Code:</b>	27539-0001 taburgess
<b>Description:</b>	Claims Register	<b>Search Criteria:</b>	2:16-bk-07661-MCW Filed or Entered From: 1/1/1977 Filed or Entered To: 2/6/2017
<b>Billable Pages:</b>	1	<b>Cost:</b>	0.10