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

In re:		Chapter 11
GF FINANCE, INC.,	<input type="checkbox"/>	Case No. 2:16-bk-10282
STEPHEN T. HANSEN,	<input type="checkbox"/>	Case No. 2:16-bk-10283
Debtors.		(Jointly Administered)

This Filing Applies to:

Both Debtors
 Specified Debtor

**AMENDED DISCLOSURE STATEMENT IN SUPPORT OF AMENDED JOINT
PLAN OF REORGANIZATION**

I.
INTRODUCTION

Pursuant to 11 U.S.C. § 1125, this *Amended Disclosure Statement in Support of Amended Joint Plan of Reorganization* (the “Disclosure Statement”) is submitted by GF Finance, Inc. (“GFF”) and Stephen T. Hansen (“Hansen” and together with GFF, the “Debtors”), debtors and debtors in possession in the above captioned chapter 11 cases (the “Bankruptcy Case”). The purpose of this Disclosure Statement is to provide adequate information to the holders of claims or interests in this matter so that they may make an

1 informed judgment in exercising their right to vote for acceptance or rejection of the
2 *Amended Joint Plan of Reorganization* (the “Plan”), a copy of which is attached as
3 Exhibit “A”. The Plan provides for the reorganization of the Debtors and the satisfaction
4 of all Allowed Claims against the Debtors in accordance with the Bankruptcy Code.

5 THE DEBTORS RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN
6 IN ORDER 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 debtor can solicit acceptances of its
21 plan, however, Section 1125 of the Bankruptcy Code requires the debtor to prepare a
22 disclosure statement containing adequate information of a kind, and in sufficient detail, to
23 enable those parties entitled to vote on the plan to make an informed judgment about the
24 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 the Debtors 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 Debtors, their Creditors, and
19 Equity Security Interests holders and is binding on all Creditors, Equity Security Interests
20 holders and other parties-in-interest in the Debtors' Bankruptcy Cases regardless of
21 whether any particular Creditor or Equity Security Interest holder voted to accept the Plan.

22 **THIS DISCLOSURE STATEMENT IS NOT THE PLAN. FOR THE**
23 **CONVENIENCE OF CREDITORS AND HOLDERS OF EQUITY**
24 **SECURITY INTERESTS, THE PLAN IS SUMMARIZED IN THIS**
25 **DISCLOSURE STATEMENT. ALL SUMMARIES OF THE PLAN**
26 **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. Representations**

2 This Disclosure Statement has not been subjected to a certified audit; however, it
3 has been prepared in part from information compiled by the Debtors from records
4 maintained in the ordinary course of business or from information received by the Debtors
5 from third parties. Every effort has been made to be as accurate as possible in the
6 preparation of this Disclosure Statement. Nevertheless, the inclusion of financial
7 information in this Disclosure Statement and exhibits is subject to adjustment, and the
8 Debtors reserve all rights to object to or challenge any Claims that are filed or asserted in
9 the Case.

10 This is a solicitation by the Debtors only and is not a solicitation by the attorneys,
11 agents, financial advisors, and accountants retained by the Debtors. No statement or
12 information concerning the Debtors or their assets or securities is authorized, other than as
13 set forth in the Disclosure Statement. STATEMENTS MADE IN THIS DISCLOSURE
14 STATEMENT REGARDING THE FINANCIAL PERFORMANCE OF THE DEBTORS
15 AND PREPETITION EVENTS ARE REPRESENTATIONS OF THE DEBTORS
16 ONLY.

17 **III.**
18 **BACKGROUND & EVENTS LEADING TO FILING**

19 **A. The Debtors**

20 Debtor Hansen is a 74 year old resident of the State of Arizona currently residing
21 in Scottsdale with Roberta (aka Bobbi), his loving and devoted wife of 32 years. Hansen
22 operated successful equipment finance and car rental businesses in the State of North
23 Dakota for more than 40 years.

24 Debtor GFF is a privately-held North Dakota corporation 100% owned by Hansen.
25 GFF is in the equipment financing and leasing business specializing in over-the-road
26 tractors and trailers, farm equipment, and light-duty construction equipment. GFF has not
originated any new business during the 12 months preceding this Bankruptcy Case and

1 was (and is) in the process of winding down.

2 In addition to GFF, Hansen also owns affiliates Hansen Leasing & Rental, Inc.
3 (“HLR”) and Hansen Leasing & Rental of Fargo, Inc. (“HLRF”). HLR and HLRF are
4 North Dakota corporations owned 100% by Hansen. HLR and HLRF owned and operated
5 successful car rental franchises with multiple locations in North Dakota and Minnesota
6 under a nationally recognized brand. HLR and HLRF are not debtors in these or any other
7 cases.

8 Until March 2016, GFF, HLR, and HLRF all were operated from an office located
9 at 1325 Demers Ave., Grand Forks, ND 5820. In 1995, Hansen and his wife Bobbi
10 purchased a home in Arizona to spend the winter months and later relocated to Arizona
11 permanently.

12 **B. Financial Performance And Events Leading To Chapter 11 Restructuring**

13 Beginning ten to twelve years ago, Hansen slowly began to transition away from
14 the day-to-day business operations of GFF and his related non-debtor entities HLR and
15 HLRF, and toward retirement. Over the past seven years, Hansen gradually relinquished
16 nearly total operational and financial control over the businesses to his trusted long-time
17 employee and family friend Hadley Freng (“Hadley”), with the understanding that Hadley
18 eventually would obtain financing to buy-out Steve. Hadley assumed the role of General
19 Manager for GFF, HLR and HLRF and was given a general power of attorney by Hansen
20 for purposes of operating, safeguarding, and growing the businesses.

21 For whatever reason, Hadley either was unable or unwilling to obtain the financing
22 necessary to purchase the businesses. Instead, unbeknownst to Hansen and Bobbi, the
23 facts indicate that Hadley took advantage of the situation and betrayed Hansen’s trust.
24 For years, through a variety of conduct ranging from gross negligence and
25 mismanagement to breach of fiduciary duty and outright theft Hadley systematically
26 destroyed the successful businesses Hansen had spent the better part of his life creating.

1 When Hansen finally discovered what had happened to the businesses, he retained
2 MCA Financial Group, Ltd. (“MCA”) as an outside Chief Restructuring Officer.

3 By the time MCA was retained on November 29, 2015, GFF, HLR, and HLRF
4 owed more than \$31 million and were in default with every one of their secured lenders,
5 the companies’ books and records were deliberately indecipherable, the GFF loan/lease
6 portfolio hadn’t been properly serviced in years, and Hadley had managed to drain
7 millions of dollars of value from the companies.

8 MCA, with the assistance of Gallagher & Kennedy, P.A. (“G&K”), immediately
9 went to work in an effort to salvage as much of the remaining value in the businesses as
10 possible. Among other things, MCA:

11 a. Undertook a detailed investigation and analysis of the companies’
12 financial position with a focus on identifying amounts due to each of the secured
13 lenders, identifying and reconciling collateral, and evaluating the GFF loan/lease
14 portfolio;

15 b. Communicated directly with the companies’ secured lenders
16 individually and as a group through regular bank group meetings and
17 teleconferences;

18 c. Managed the operations of the companies to preserve value;

19 d. Managed the servicing of the GFF loan/lease portfolio;

20 e. Began reviewing and overseeing the preparation of financial
21 statements;

22 f. Created and maintained a detail cash receipts and disbursements
23 budget, and reviewed and approved all disbursements;

24 g. Reviewed and attempted to account for all assets of the companies;

25 h. Prepared and delivered periodic status reports to all secured lenders;

26 and

1 i. Assisted the companies of formulating an overall restructuring and
2 repayment plan to maximize the value of the companies and satisfy claims owed to
3 creditors through a negotiated sale of the HLR and HLRF car rental businesses and
4 assets, and the servicing and collection of the GFF loan/lease portfolio.

5 Approximately \$24.2 million of the secured debt owed by, all guaranteed by
6 Hansen and GFF, was owed by HLR and HLRF to five (5) secured lenders (together, the
7 “HLR/HLRF Lenders”) under rental car fleet financing arrangements. As of December
8 15, 2015, the approximate loan balances were as follows:

- 9 a. \$4,715,708 was owed to Alerus Bank;
- 10 b. \$5,473,923 was owed to Bremer Bank;
- 11 c. \$1,701,619 was owed to United Valley Bank;
- 12 d. \$899,248 was owed to U.S. Bank; and
- 13 e. \$11,406,146 was owed to 1st Source Bank.

14 With the exception of 1st Source Bank, who properly and expertly administered its loans
15 and managed its collateral, each of the other lenders were undersecured to some degree as
16 a result of “double funding” and “out of trust sales” orchestrated by Hadley and enabled
17 by poor lending and loan administration practices.

18 As of December 15, 2015, GFF owed approximately \$7.3 million to its five (5)
19 secured lenders (together, the “GFF Lenders”) related to its equipment finance business,
20 all of which was guaranteed by Hansen:

- 21 a. \$1,385,303 was owed to Alerus Bank;
- 22 b. \$3,559,966 was owed to Bremer Bank;
- 23 c. \$833,942 was owed to U.S. Bank;
- 24 d. \$374,000 was owed to Frandsen Bank; and
- 25 e. \$1,119,372 was owed to Citizen’s Community Bank.

26 Similar to the HLR and HLRF situation, MCA discovered that Hadley mismanaged the

1 GFF secured loan relationships by double funding and in some case triple funding deals,
2 selling equipment out of trust, and either intentionally or negligently failing to properly
3 service the GFF loan/lease portfolio.

4 From December 2015 thru March 2016, HLR and HRLF, with the assistance of
5 MCA and G&K, successfully negotiated a sale of the rental car franchises and related
6 assets. The sale, which closed on March 15, 2016, together with the aggressive sale of
7 hundreds of rental cars and the resolution of complex litigation, resulted in the reduction
8 of the debt owed to the HLR/HRLF lenders from \$24.2 million to approximately \$1.4
9 million (the "HLR/HRLF Deficiency").¹

10 Following the close of the HLR/HRLF sale in March 2016, GFF terminated its
11 remaining employees and relocated its servers and files from Grand Forks, ND to
12 Phoenix, AZ. GFF currently has one part-time independent contractor assisting with the
13 ongoing servicing of the remaining GFF loan/lease portfolio along with support from
14 MCA professionals.² GFF leases office space at 4909 N. 44th Street, Phoenix, AZ from
15 Three Tortoises Development & Design, LLC, an affiliate of MCA that owns the building,
16 for \$750 per month that includes rent, utilities, internet and phone service, and use of
17 copiers.

18 As of December 31, 2015, GFF was owed outstanding loan/lease receivables from
19 its customers totaling approximately \$10.5 million. Following the close of the
20 HLR/HRLF sale, MCA, on behalf of the companies, continued to communicate regularly
21 with the GFF Lenders and the HLR/HRLF Lenders regarding GFF's ongoing efforts to
22 liquidate the GFF loan/lease portfolio and pay-off the remaining debt. By late July 2016,
23 the debt owed to the GFF Lenders had been reduced from \$7.3 million to approximately

24 _____
25 ¹ MCA and G&K also successfully resolved major litigation between HLR, HRLF,
Hansen and some business partners as part of this sale.

26 ² GFF retained two other contractors, an accountant and a former equipment lender
through July 2016 to assemble records and locate customers.

1 \$5.1 million. At that time, GFF delivered a detailed budget and forecast to the GFF
2 Lenders and the HLR/HLRF Lenders, prepared by MCA, projecting that by June 30,
3 2017, GFF would collect approximately \$8.3 million from the GFF loan/lease portfolio,
4 an amount sufficient to pay the GFF Lenders (\$5.1 million) and the HLR/HLRF Lenders
5 (\$1.4 million) in full. GFF and Hansen proposed a 1-year forbearance to allow GFF
6 sufficient time to liquidate its lease/loan portfolio. As an additional incentive to the
7 lenders, Hansen agreed: (i) to continue to pay all professional fees incurred in the process,
8 and (ii) to contribute an additional \$600,000 over 12 months to guarantee the lenders
9 minimum monthly debt service payments (in addition to the lenders receiving the
10 proceeds of their collateral – through collateral liquidation and regular borrower payments
11 – on a monthly basis). Two lenders formally rejected the proposal, demanding that
12 Hansen immediately pay the full amount of the HLR/HLRF Deficiency, continue to fund
13 all professional fees incurred by GFF, pay all of the lenders’ attorneys’ fees and costs, and
14 release each of the lenders from any claims GFF and Hansen may have as a result of the
15 lenders’ acts and omissions in relation to the origination and administration of the GFF
16 secured debt. The lenders also assert competing lien priorities on various loans and
17 equipment making it near impossible for GFF to deliver titles and collateral back to its
18 borrowers even after receiving payment in full from a borrower.

19 Based on the ongoing investigation into the operations of the company under
20 Hadley’s watch, and the facts discovered to date, the Debtors believe that they may have
21 substantial set-off claims against certain of the GFF Lenders. In addition, since December
22 2015, Hansen already has contributed in excess of \$2.5 million of his personal assets to
23 fund the restructuring efforts, settle creditor claims, and pay attorneys’ fees to the lenders.
24 For these and other reasons, the Debtors refused the lenders’ forbearance demands.

25 In late July 2016, the day after the Debtors delivered their restructure forecast to
26 the lenders, and despite the fact that it continued to receive periodic payments on the debt,

1 United Valley Bank elected to move forward with collection litigation against GFF, HLR,
2 HLRF, and Hansen in North Dakota state court. On August 16, 2016, U.S. Bank filed suit
3 against Hansen in the U.S. District Court for the District of North Dakota seeking to
4 enforce his guaranties of the GFF debt and the HLR/HLRF Deficiency. The Debtors
5 believe that, absent the bankruptcy filings, the other lenders would have followed suit and
6 filed collection actions of their own in the near future. The Debtors filed the bankruptcy
7 cases to take advantage of the breathing room afforded by the Bankruptcy Code, to obtain
8 a single forum for the resolution of the competing claims by and between the Debtors and
9 their lenders, to preserve the value of their assets, and to maximize the recoveries to all
10 creditors and parties in interest.

11 **C. Potential Litigation Claims.**

12 The Debtors, with the assistance of their counsel and financial advisors, currently
13 are investigating the prepetition acts and omissions of former GFF employees, including
14 Hadley Freng, John Dvorak, Daren Leiter, and Phil Medina to determine if claims and
15 causes of action exist, and if so, whether or not pursuit of the claims is likely to generate
16 recoveries to offset damages suffered by GFF and Hansen. At this point, the Debtors'
17 investigation is incomplete, and therefore, it is impossible to determine with certainty
18 exactly what claims the Debtors may have, the likelihood of success on the merits, or the
19 likely recoveries from such claims. Subject to the foregoing, the Debtors believe they
20 may have claims against the former employees identified above for breach of fiduciary
21 duty, fraud, negligent misrepresentation, aiding and abetting fraud, and aiding and
22 abetting breach of fiduciary duty. To the extent that GFF's secured lenders, accountants,
23 and other persons or entities committed acts or admissions that knowingly or unknowingly
24 contributed to, facilitated, or aided and abetted the acts and omissions by the former
25 employees or the resulting damages, or otherwise caused damages to the Debtors, the
26 Debtors will investigate, and if appropriate, pursue such claims. It is important to note

1 that although proceeds from litigation recoveries ultimately could either reduce the
2 amounts owed by the Debtors or supplement the amounts being paid to Creditors and
3 Equity Security Interest holders under the Plan, the Debtors are not relying on any such
4 recoveries to fund the Plan. The Debtors reserve all claims, rights and remedies with
5 respect to the foregoing matters.

6 **IV.**
7 **POSTPETITION PROCEEDINGS AND EVENTS**

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

9 While more detailed information related to the events in the Bankruptcy Case can
10 be obtained by assessing the Bankruptcy Court’s CM/ECF filing system and reviewing the
11 pleadings filed in the jointly administered cases, the following is a summary of certain key
12 bankruptcy-related proceedings and events associated with this Bankruptcy Case.

13 **1. The Commencement of the Cases.**

14 On September 7, 2016, the Debtors each filed voluntary petitions for relief under
15 chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the
16 “Bankruptcy Code”). The Debtors continue in possession of their property and the
17 management of their businesses as debtors-in-possession pursuant to §§ 1107 and 1108 of
18 the Bankruptcy Code. No trustee or examiner has been appointed.

19 **2. First Day Motions.**

20 In order to efficiently administer the Chapter 11 case and accomplish a
21 reorganization of the Debtors that will result in the payment in full of all creditors, the
22 Debtors requested various types of relief in “first day” motions filed with the Court,
23 including:

- 24 a. An order providing for the joint administration of the Debtors’
25 Chapter 11 cases [Dkt. #3];
26 b. Authorization to retain G&K as the Debtors’ general bankruptcy and
restructuring counsel [Dkt. #5];

1 c. Authorization to retain MCA as the Debtors' financial advisor [Dkt.
2 #7];

3 d. An order establishing interim compensation procedures for
4 professionals employed by the Debtors' bankruptcy estates [Dkt. #9];

5 e. An order establishing November 7, 2016 as the last day for all
6 creditors and parties-in-interests to file Proofs of Claim in the Bankruptcy Case
7 [Dkt. #8]; and

8 f. Authorization to hire Ritchie Bros. Auctioneers ("Ritchie Bros.") and
9 Steffes Group ("Steffes") as equipment auctioneers, approving GFF's sale of
10 certain equipment by auction, free and clear of liens, claims, and interests, with all
11 existing liens to attach to the net proceeds to the same extent, validity, and priority
12 as the liens encumbered the equipment as of the Petition Date [Dkt. #18].

13 Limited objections to the first day motions were filed by Bremer Bank, Citizens, and U.S.
14 Bank. A hearing on the first day motions was held before the Court on September 14,
15 2016 [Dkt. #43]. The Court approved the first day motions as set forth in the orders [Dkt.
16 #44, #45, #46, #47, and #48].

17 In addition to the first day motions, the Debtors also filed a motion (the "Berger
18 Motion") seeking authority to (i) assume the *Agreement*, dated August 26, 2016 (the
19 "Berger Agreement") executed by GFF and Lavern Berger, Elizabeth Berger, Berger
20 Enterprises, Berger Enterprises, LLC, and EB Consulting, LLC (the "Berger Parties"); (ii)
21 authorizing the sale of the Berger Equipment (described below) free and clear of all liens,
22 claims and interests; (iii) approving the compromise of competing claims alleged by GFF
23 and the Berger Parties; and (iv) authorizing the distribution of all proceeds of the sale
24 [Dkt. #21]. The Berger Parties are borrowers to GFF that owe at least \$1,300,000, (the
25 "Berger Debt") under various secured loan or lease transactions. The Berger Debt is
26 secured by certain equipment (the "Berger Equipment"). The Berger Agreement provides

1 for a settlement of the Berger Debt through the sale of the Berger Equipment to Berger in
2 exchange for a payment of \$1,100,000 to GFF, less a set-off of \$35,000 for services
3 provided by Berger to GFF prepetition. As of the date of this Disclosure Statement, the
4 Berger Motion remains pending before the Bankruptcy Court.

5 MORE DETAILED AND UPDATED INFORMATION REGARDING POST-
6 PETITION EVENTS IN THE BANKRUPTCY CASE CAN BE OBTAINED BY
7 ACCESSING THE DOCKET IN THE BANKRUPTCY CASE ON PACER:
8 https://ecf.azb.uscourts.gov/cgi-bin/DktRpt.pl?122083397291529-L_1_0-1.

9
10 **V.**
SOURCES OF INFORMATION

11 The financial information contained in this Disclosure Statement is derived the
12 books and records of the Debtors. The information contained in this Disclosure Statement
13 represents the Debtors' best estimate in light of current market conditions and past
14 experience. All the information provided is subject to change and represents the best
15 information available at the time, the actual results may differ. The accounting and
16 financial information provided by the Debtors is based on Generally Accepted Accounting
17 Principles ("GAAP") and the calculations were prepared by the Debtors' accountants and
18 professionals.

19
20 **VI.**
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 and other parties-in-interest.

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

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

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

13 a. Class 1 (Priority Non-Tax Claims). Class 1 consists of any Priority
14 Non-Tax Claims against the Debtors existing as of the Confirmation Date.

15 b. Class 2 (Secured Tax Claims). Class 2 consists of any Secured Tax
16 Claims against the Debtors for prepetition real or personal property taxes existing
17 as of the Confirmation Date. Each Secured Tax Claim will be placed in a separate
18 subclass of Class 2 for all purposes under the Plan.

19 c. Class 3 (Alerus Secured Claims). Class 3 consists of any Secured
20 Claims of Alerus against GFF existing as of the Confirmation Date.

21 d. Class 4 (Bremer Secured Claims). Class 4 consists of any Secured
22 Claims of Bremer against GFF existing as of the Confirmation Date.

23 e. Class 5 (Citizens Secured Claims). Class 5 consists of any Secured
24 Claims of Citizens against GFF existing as of the Confirmation Date.

25 f. Class 6 (U.S. Bank Secured Claims). Class 6 consists of any Secured
26 Claims of U.S. Bank against GFF existing as of the Confirmation Date.

1 g. Class 7 (Other Secured Claims). Class 7 consists of any Secured
2 Claims against the Debtors existing as of the Confirmation Date other than Secured
3 Tax Claims and any Secured Claims asserted by Alerus, Bremer, Citizens, and U.S.
4 Bank against GFF. Each Other Secured Claim will be placed in a separate subclass
5 of Class 7 for all purposes under the Plan.

6 h. Class 8 (GFF Unsecured Claims). Class 8 consists of any Unsecured
7 Claims against GFF existing as of the Confirmation Date.

8 i. Class 9 (Hansen Unsecured Claims). Class 9 consists of any
9 Unsecured Claims against Hansen existing as of the Confirmation Date.

10 j. Class 10 (GFF Equity Security Interests). Class 10 consists of 100%
11 of the Equity Security Interests in GFF.

12 k. Class 11 (Affiliate Unsecured Claims). Class 11 consists of any
13 Unsecured Claims of Affiliates against the Debtors existing as of the Confirmation
14 Date.

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

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

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

12 3. Professional Fee Claims. The Bankruptcy Court must approve all requests
13 for the payment of professional compensation and expenses to the extent incurred on or
14 before the Effective Date. Each Professional Person requesting compensation or
15 reimbursement of expenses in the Cases pursuant to Sections 327, 328, 330, 331, 503(b)
16 or 1103 of the Bankruptcy Code shall file an application for allowance of final
17 compensation and reimbursement of expenses not later than thirty (30) days after the
18 Effective Date. Nothing herein shall prohibit each Professional Person from requesting
19 interim compensation during the course of the Case pending Confirmation of the Plan.
20 All fees, costs and disbursements of Professional Persons not heretofore paid through the
21 Effective Date of the Plan, shall be paid fully and in Cash on the later of the Effective
22 Date or within ten (10) Business Days after the entry of a Final Order allowing the Claim.

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

1 and the Local Rules of Bankruptcy Procedure for the District of Arizona, or as otherwise
2 ordered by the Bankruptcy Court.

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

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

14 1. Class 1 (Priority Non-Tax Claims). To the extent Allowed Priority Non-Tax
15 Claims exist on the Confirmation Date, holders of Allowed Priority Non-Tax Claims will
16 be paid: (a) fully and in Cash within sixty (60) days after the Effective Date if the Claim
17 is then an Allowed Claim; or (b) fully and in Cash within ten (10) Business Days after the
18 entry of a Final Order allowing the Claim, if the Claim is not an Allowed Claim as of the
19 Effective Date. Class 1 Claims are impaired under the Plan, and the holders of Class 1
20 Claims are entitled to vote on the Plan.

21 2. Class 2 (Secured Tax Claims). Class 2 Claims consists of all Secured Tax
22 Claims against the Debtors for prepetition real or personal property taxes. Each Secured
23 Tax Claim will be placed in a separate subclass of Class 2 for all purposes under the Plan.
24 Holders of Allowed Class 2 Claims will retain their liens on the Property that serves as
25 security for repayment of Allowed Class 2 Claims. In the discretion of the Debtors,
26 Allowed Class 3 claims, including post-petition interest in accordance with 11 U.S.C. §

1 511 and A.R.S. § 42-18053, will be paid (a) in full within ten (10) Business Days after the
2 Effective Date, or (b) in full within five (5) years of the Petition Date through regular
3 equal monthly payments of principal and interest. Class 2 Claims are impaired and
4 holders are entitled to vote to accept or reject the Plan.

5 3. Class 3 (Alerus Secured Claims). Class 3 consists of any Secured Claims of
6 Alerus against GFF existing as of the Confirmation Date. Alerus shall retain all of its
7 prepetition Liens in Assets of GFF after the Effective Date to the same extent, validity,
8 and priority as existed on the Petition Date. All prepetition intercreditor agreements
9 executed by one or more of the GFF Lenders shall be enforced. The total amount of
10 Alerus's Allowed Secured Claim will be paid in full with simple interest at the rate of
11 4.00% per annum no later than the third anniversary of the Effective Date. Alerus will
12 receive the following amounts in payment of its Allowed Claim, until its Allowed Claim
13 has been paid in full: (a) beginning on the first day of the first calendar month following
14 the Effective Date, 35 monthly principal and interest payments calculated based on a
15 fifteen (15) year amortization schedule with simple interest at the rate of 4.00% per
16 annum; plus (b) all Specific Contract Proceeds attributable to a GFF Contract financed by
17 Alerus; plus (c) all General Contract Proceeds received by GFF after all GFF Lenders
18 with higher perfected lien priority have been paid in full; plus (d) its pro rata share of with
19 all other GFF Lenders of Litigation Proceeds received by the Debtors, after the payment
20 of all of the Debtors out-of-pocket costs, including professional fees, expenses, and
21 operating costs, including an appropriate reserve. No default interest or other penalties
22 will be paid to holders of Allowed Class 3 Secured Claims. Immediately upon receipt of
23 the Specific Proceeds related to a GFF Contract, Alerus shall release all of its liens with
24 respect to such GFF Contract and the related equipment and deliver any original titles in
25 its possession to GFF. Upon receipt of payment in full of the amount of the Allowed
26 Class 3 Secured Claim, all related Liens shall be deemed satisfied and released, and

1 Alerus shall execute, file and record appropriate documents evidencing the release and
2 termination of all Liens. Class 3 Secured Claims are impaired, and the holders are entitled
3 to vote to accept or reject the Plan.

4 4. Class 4 (Bremer Secured Claims). Class 4 consists of any Secured Claims
5 of Bremer against GFF existing as of the Confirmation Date. Bremer shall retain all of its
6 prepetition Liens in Assets of GFF after the Effective Date to the same extent, validity,
7 and priority as existed on the Petition Date. All prepetition intercreditor agreements
8 executed by one or more of the GFF Lenders shall be enforced. The total amount of
9 Bremer's Allowed Secured Claim will be paid in full with simple interest at the rate of
10 4.00% per annum no later than the third anniversary of the Effective Date. Bremer will
11 receive the following amounts in payment of its Allowed Claim, until its Allowed Claim
12 has been paid in full: (a) beginning on the first day of the first calendar month following
13 the Effective Date, 35 monthly principal and interest payments calculated based on a
14 fifteen (15) year amortization schedule with simple interest at the rate of 4.00% per
15 annum; plus (b) all Specific Contract Proceeds attributable to a GFF Contract financed by
16 Bremer; plus (c) all General Contract Proceeds received by GFF; plus (d) its pro rata share
17 of with all other GFF Lenders of all Litigation Proceeds received by the Debtors, after the
18 payment of all of the Debtors out-of-pocket costs, including professional fees, expenses,
19 and operating costs, including an appropriate reserve. No default interest or other
20 penalties will be paid to holders of Allowed Class 4 Secured Claims. Immediately upon
21 receipt of the Specific Contract Proceeds related to a GFF Contract, Bremer shall release
22 all of its liens with respect to such GFF Contract and the related equipment and deliver
23 any original titles in its possession to GFF. Upon receipt of payment in full of the amount
24 of the Allowed Class 4 Secured Claim, all related Liens shall be deemed satisfied and
25 released, and Bremer shall execute, file and record appropriate documents evidencing the
26

1 release and termination of all Liens. Class 4 Secured Claims are impaired, and the holders
2 are entitled to vote to accept or reject the Plan.

3 5. Class 5 (Citizens Secured Claims). Class 5 consists of any Secured Claims
4 of Citizens against GFF existing as of the Confirmation Date. Citizens shall retain all of
5 its prepetition Liens in Assets of GFF after the Effective Date to the same extent, validity,
6 and priority as existed on the Petition Date. All prepetition intercreditor agreements
7 executed by one or more of the GFF Lenders shall be enforced. The total amount of
8 Citizens' Allowed Secured Claim will be paid in full with simple interest at the rate of
9 4.00% per annum no later than the third anniversary of the Effective Date. Citizens will
10 receive the following amounts in payment of its Allowed Claim, until its Allowed Claim
11 has been paid in full: (a) beginning on the first day of the first calendar month following
12 the Effective Date, 35 monthly principal and interest payments calculated based on a
13 fifteen (15) year amortization schedule with simple interest at the rate of 4.00% per
14 annum; plus (b) all Specific Contract Proceeds attributable to a GFF Contract financed by
15 Citizens; plus (c) all General Contract Proceeds received by GFF after all GFF Lenders
16 with higher perfected lien priority have been paid in full; plus (d) its pro rata share of with
17 all other GFF Lenders of all Litigation Proceeds received by the Debtors, after the
18 payment of all of the Debtors out-of-pocket costs, including professional fees, expenses,
19 and operating costs, including an appropriate reserve. No default interest or other
20 penalties will be paid to holders of Allowed Class 5 Secured Claims. Immediately upon
21 receipt of the Specific Contract Proceeds related to a GFF Contract, Citizens shall release
22 all of its liens with respect to such GFF Contract and the related equipment and deliver
23 any original titles in its possession to GFF. Upon receipt of payment in full of the amount
24 of the Allowed Class 5 Secured Claim, all related Liens shall be deemed satisfied and
25 released, and Citizens shall execute, file and record appropriate documents evidencing the
26

1 release and termination of all Liens. Class 5 Secured Claims are impaired, and the holders
2 are entitled to vote to accept or reject the Plan.

3 6. Class 6 (U.S. Bank Secured Claims). Class 6 consists of any Secured
4 Claims of U.S. Bank against GFF existing as of the Confirmation Date. U.S. Bank shall
5 retain all of its prepetition Liens in Assets of GFF after the Effective Date to the same
6 extent, validity, and priority as existed on the Petition Date. All prepetition intercreditor
7 agreements executed by one or more of the GFF Lenders shall be enforced. The total
8 amount of U.S. Bank's Allowed Secured Claim will be paid in full with simple interest at
9 the rate of 4.00% per annum no later than the third anniversary of the Effective Date.
10 U.S. Bank will receive the following amounts in payment of its Allowed Claim, until its
11 Allowed Claim has been paid in full: (a) beginning on the first day of the first calendar
12 month following the Effective Date, 35 monthly principal and interest payments
13 calculated based on a fifteen (15) year amortization schedule with simple interest at the
14 rate of 4.00% per annum; plus (b) all Specific Contract Proceeds attributable to a GFF
15 Contract financed by U.S. Bank; plus (c) all General Contract Proceeds received by GFF
16 after all GFF Lenders with higher perfected lien priority have been paid in full; plus (d) its
17 pro rata share of with all other GFF Lenders of all Litigation Proceeds received by the
18 Debtors, after the payment of all of the Debtors out-of-pocket costs, including
19 professional fees, expenses, and operating costs, including an appropriate reserve. No
20 default interest or other penalties will be paid to holders of Allowed Class 6 Secured
21 Claims. Immediately upon receipt of the Specific Contract Proceeds related to a GFF
22 Contract, U.S. Bank shall release all of its liens with respect to such GFF Contract and the
23 related equipment and deliver any original titles in its possession to GFF. Upon receipt of
24 payment in full of the amount of the Allowed Class 6 Secured Claim, all related Liens
25 shall be deemed satisfied and released, and U.S. Bank shall execute, file and record
26 appropriate documents evidencing the release and termination of all Liens. Class 6

1 Secured Claims are impaired, and the holders are entitled to vote to accept or reject the
2 Plan.

3 7. Class 7 (Other Secured Claims). Class 7 consists of any Secured Claims
4 against the Debtors existing as of the Confirmation Date other than Secured Claims
5 asserted by Alerus, Bremer, Citizens, and U.S. Bank. Each Other Secured Claim will be
6 placed in a separate subclass of Class 7 for all purposes under the Plan. All holders of
7 Other Allowed Secured Claims shall retain their prepetition Liens in Assets of GFF after
8 the Effective Date to the same extent, validity, and priority as existed on the Petition Date.
9 The total amount of each Allowed Other Secured Claim will be paid in full with simple
10 interest at the rate of 4.00% per annum no later than the third anniversary of the Effective
11 Date. Holders of Allowed Other Secured Claims will receive the following amounts in
12 payment of their Allowed Claims: (a) beginning on the first day of the first calendar
13 month following the Effective Date, 35 monthly principal and interest payments
14 calculated based on a fifteen (15) year amortization schedule with simple interest at the
15 rate of 4.00% per annum; and (b) a single payment of all remaining principal and interest
16 on or before the third anniversary of the Effective Date. Upon receipt of payment in full
17 of the amount of their Allowed Other Secured Claim, all related Liens shall be deemed
18 satisfied and released, and the holder of the Allowed Other Secured Claim shall execute,
19 file and record appropriate documents evidencing the release and termination of all Liens.
20 Class 7 Other Secured Claims are impaired, and the holders are entitled to vote to accept
21 or reject the Plan.

22 8. Class 8 (GFF Unsecured Claims). Class 8 consists of any Unsecured
23 Claims against GFF existing as of the Confirmation Date. Holders of Allowed Class 8
24 Unsecured Claims will be paid in full with simple interest at the rate of 2.25% per annum
25 no later than the third anniversary of the Effective Date. Holders of Allowed Class 8
26 Unsecured Claims will receive the following amounts in payment of their Allowed

1 Claims: (a) beginning on the first day of the first calendar month following the Effective
2 Date, 35 monthly principal and interest payments calculated based on a fifteen (15) year
3 amortization schedule with simple interest at the rate of 2.25% per annum; and (b) a single
4 payment of all remaining principal and interest on or before the third anniversary of the
5 Effective Date. Class 8 Unsecured Claims are impaired, and the holders are entitled to
6 vote to accept or reject the Plan.

7 9. Class 9 (Hansen Unsecured Claims). Class 9 consists of any Unsecured
8 Claims against Hansen existing as of the Confirmation Date. Holders of Allowed Class 9
9 Unsecured Claims will be paid in full with simple interest at the rate of 2.25% per annum
10 no later than the third anniversary of the Effective Date. Holders of Allowed Class 9
11 Unsecured Claims will receive the following amounts in payment of their Allowed
12 Claims: (a) beginning on the first day of the first calendar month following the Effective
13 Date, 35 monthly principal and interest payments calculated based on a fifteen (15) year
14 amortization schedule with simple interest at the rate of 2.25% per annum; and (b) a single
15 payment of all remaining principal and interest on or before the third anniversary of the
16 Effective Date. Class 9 Unsecured Claims are impaired, and the holders are entitled to
17 vote to accept or reject the Plan.

18 10. Class 10 (GFF Equity Security Interests). Class 10 consists of 100% of the
19 Equity Security Interests in GFF. Class 10 GFF Equity Security Interests shall be deemed
20 Allowed under the Plan. Hansen shall retain 100% of his Allowed GFF Equity Security
21 Interests. Hansen shall not receive any distributions, dividends, or other payments from
22 GFF until all Allowed Claims against the Debtors have been paid in full. Class 10 GFF
23 Equity Security Interests are impaired, and shall be deemed to have accepted the Plan.

24 11. Class 11 (Affiliate Unsecured Claims). Class 11 consists of any Unsecured
25 Claims of Affiliates against the Debtors existing as of the Confirmation Date. Allowed
26 Class 11 Claims shall be junior in priority and subordinate to all other Allowed Claims

1 under the Plan. No payments will be made on account of any Allowed Class 11 Claims,
2 until all other Allowed Claims against the Debtors have been fully paid and satisfied.
3 After the payment of all other Allowed Claims against the Debtors, the holders of
4 Allowed Class 11 Claims shall receive their pro rata share of any remaining proceeds
5 from the liquidation of GFF's Assets, or such other treatment as may be agreed to by the
6 Debtors and the Holders of Allowed Class 11 Claims, subject to the subordination and
7 payment limitations stated in this Section 6.11. Class 11 Claims are impaired under the
8 Plan, but will be deemed to have accepted the Plan.

9
10 **VII.**
OVERVIEW OF ADDITIONAL PLAN PROVISIONS

11 **A. Implementation Of The Plan**

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

15 2. Revesting of Debtors' Assets.

16 a. Except as otherwise expressly provided in the Plan, pursuant to
17 Sections 1123(a)(5), 1123(b)(3) and 1141(b) of the Bankruptcy Code, all of the
18 Debtors' assets shall automatically be retained and revested in the relevant
19 Reorganized Debtor, free and clear of all Claims, liens, contractually-imposed
20 restrictions, charges, encumbrances and interests of creditors and equity security
21 holders on the Effective Date, with all such Claims, liens, contractually-imposed
22 restrictions, charges, encumbrances and interests being extinguished except as
23 otherwise provided in the Plan.

24 b. As of the Effective Date, each Reorganized Debtor may acquire and
25 dispose of property and settle and compromise Claims without supervision of the
26 Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the
Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and

1 the Confirmation Order. Without limiting the foregoing, each Reorganized Debtor
2 may pay the charges it incurs for professional fees, disbursements, expenses or
3 related support services after the Effective Date without any application to the
4 Bankruptcy Court.

5 3. Corporate Action. Pursuant to section 1142 of the Bankruptcy Code and
6 any applicable provisions of the business corporation law of any applicable state, the entry
7 of the Confirmation Order shall constitute authorization for the Debtors and the
8 Reorganized Debtors to take or cause to be taken all corporate and limited liability
9 company actions necessary or appropriate to consummate and implement the provisions
10 of the Plan prior to, on and after the Effective Date, and all such actions taken or caused to
11 be taken shall be deemed to have been authorized and approved by the Bankruptcy Court.

12 4. Management of GFF. Hansen shall continue to direct and manage all of the
13 operations and affairs of GFF. Mr. Hansen will not be paid any compensation from GFF
14 post-petition or post-confirmation, until all Plan payments have been made.

15 5. Contribution by Hansen. Hansen shall contribute such funds as may be
16 necessary to ensure the timely payment of all Allowed Claims in accordance with the
17 provisions of the Plan. Specifically, Mr. Hansen will be making the monthly principal
18 and interest payments due to the Class 3, 4, 5, and 6 secured creditors, estimated at a total
19 of \$29,816.54 per month, and the monthly principal and interest payments to the Class 8
20 and 9 unsecured creditors, estimated at a total of \$9,771 per month. GFF secured
21 creditors in Classes 3, 4, 5, and 6 will not be receiving payments in Class 8 on account of
22 their GFF secured claims. However, secured creditors in Classes 3, 4, 5, and 6 will be
23 receiving payments in Class 9 related solely to their guarantor claims against Hansen
24 arising from the Hansen Lease & Rental, Inc. and Hansen Lease & Rental of Fargo, Inc.
25 deficiency claims. Mr. Hansen also will contribute such amounts as may be necessary to
26 pay all Allowed Professional Fee Claims, estimated at \$191,202 (net of retainers), any

1 other Allowed Administrative Expense Claims (estimated at \$0.00), U.S. Trustee's Fees,
2 and all Allowed Priority Tax Claims (alleged to be \$21,995, but estimated to be \$0.00).
3 Finally, to the extent that the monthly payments to the secured and unsecured payments,
4 Specific Contract Proceeds, General Contract Proceeds, and Litigation Proceeds are
5 insufficient to pay all Allowed Claims in full within 36 months, Mr. Hansen will make the
6 final balloon payments due to holders of Allowed Secured Claims and Allowed
7 Unsecured Claims on the 3 year anniversary date of the Effective Date of the Plan.

8 6. GFF Contracts. From and after the Effective Date, GFF will continue to
9 administer and service all performing GFF Contracts in the ordinary course of business.
10 GFF will continue to pursue collection of all non-performing GFF Contracts, including
11 but not limited to repossession of collateral, prosecution of GFF Contract Claims, and
12 collection of deficiencies under GFF Contracts.

13 a. All Specific Contract Proceeds received by GFF shall be paid to the
14 applicable GFF Lender that financed the GFF Contract that generated the Specific
15 Contract Proceeds to reduce such GFF Lender's Secured Claim, to the extent that
16 such GFF Lender has a valid and perfected first position lien with respect to such
17 GFF Contract or the underlying collateral.

18 b. All General Contract Proceeds received by GFF shall be distributed
19 to the GFF Lenders in the following order of priority:

20 i. First, to Bremer, until Bremer's Allowed Secured Claim has
21 been paid in full;

22 ii. Second to Alerus, until Alerus's Allowed Secured Claim has
23 been paid in full;

24 iii. Third to U.S. Bank, until U.S. Bank's Allowed Secured Claim
25 has been paid in full; and
26

1 iv. Fourth to Citizens, until Citizen’s Allowed Secured Claim has
2 been paid in full.

3 7. Litigation. GFF and Hansen will investigate and pursue all Claims that each
4 may have against third-parties, including but not limited to former accountants,
5 employees, lawyers, lenders, and vendors.

6 a. Notwithstanding any other provision of the Plan to the contrary, all
7 Litigation Proceeds received by GFF shall be used as follows:

8 i. First, to pay all out-of-pocket costs incurred by GFF,
9 including, but not limited to professional fees, expenses, and normal
10 operating costs, including an appropriate reserve for future out-of-pocket
11 costs;

12 ii. Second, to pay monthly debt service payments owed to
13 holders of Allowed Class 8 and Class 9 Claims;

14 iii. Third, to pay pro rata distributions to GFF Lenders, until all
15 Allowed Secured Claims of the GFF Lenders have been paid in full; and

16 iv. Fourth, to pay pro rata distributions to holders of Allowed
17 Class 8 and Class 9 Claims, until all Allowed Class 8 and Class 9 Claims
18 have been paid in full; and

19 v. Fifth, to Hansen.

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

24 9. Effectuating Documents; Further Transactions. The Reorganized Debtors or
25 their designees, as applicable, shall be authorized to (a) execute, deliver, file or record
26 such contracts, instruments, releases and other agreements or documents and take such

1 actions as may be necessary or appropriate to effectuate and implement the provisions of
2 the Plan and (b) certify or attest to any of the foregoing actions.

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

4 1. The Plan contemplates and hereby provides for the rejection, pursuant to
5 Section 365 of the Bankruptcy Code, of any and all Executory Contracts and Unexpired
6 Leases of the Debtors which are in force on the Effective Date, except (i) those Executory
7 Contracts and Unexpired Leases which were specifically assumed pursuant to an order of
8 the Bankruptcy Court, and (ii) those Executory Contracts and Unexpired Leases listed on
9 Schedule 9.1 attached to the Plan, which Executory Contracts and Unexpired Leases shall
10 be deemed assumed on the Effective Date.

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

23 3. The Debtors assert that no cure amounts are due from the Debtors to any
24 counterparty to an Executory Contract or Unexpired Lease assumed hereunder. The
25 Debtors will serve the Plan and Schedule 9.1 on the non-Debtor counterparties to each
26 such Executory Contract or Unexpired Lease prior to the Confirmation Hearing. Each

1 such counterparty shall have until the date that is five (5) Business Days prior to the
2 Confirmation Hearing to file an objection to the assumption of their Executory Contract or
3 Unexpired Lease (whether the objection relates to the cure amount or otherwise). If any
4 objections are filed and cannot be resolved by agreement, the Bankruptcy Court shall hold
5 a hearing to determine the cure amount with respect to such Executory Contract or
6 Unexpired Lease or to otherwise resolve the objection, which hearing may be the
7 Confirmation Hearing. Any party failing to object to the assumption of their Executory
8 Contract or Unexpired Lease as set forth above shall be forever barred from asserting,
9 collecting or seeking to collect from the Debtors or the Reorganized Debtors any cure
10 amount or from otherwise objecting to the assumption of such Executory Contract or
11 Unexpired Lease. Notwithstanding the foregoing, or anything else in this Article 9, with
12 respect to any Executory Contract or Unexpired Lease which is the subject of an
13 objection, the Reorganized Debtors shall retain the right, until five (5) Business Days
14 following any order resolving such objection having become a Final Order, to reject such
15 Executory Contract or Unexpired Lease by amending Schedule 9.1 to the Plan. Within
16 ten (10) days of the later of the Effective Date or the date that an order of the Bankruptcy
17 Court establishing the cure amount of such Executory Contract or Unexpired Lease
18 becomes a Final Order, or as otherwise agreed with the counterparty to each Executory
19 Contract or Unexpired Lease, the Reorganized Debtors shall pay the cure amounts to the
20 non-Debtor parties to such Executory Contracts and Unexpired Leases being assumed
21 and/or assigned.

22 4. Notwithstanding any other provision in the Plan or prior notice of any kind
23 from the clerk of the Bankruptcy Court, any and all Creditors or persons with Claims
24 against a Debtor's Estate arising out of or in connection with or due to the rejection of an
25 Executory Contract or Unexpired Lease pursuant to the Plan shall have thirty (30) days
26 from the Effective Date within which to file a proof of claim in the true amount of such

1 Claims. If any such Creditors fail to file such proofs of claim within said thirty (30) day
2 period, then such Creditors shall have no Claims as against the Debtors, their Estates, the
3 Liquidating Trusts, the Liquidating Trustee or their respective Representatives, which
4 Claims arising out of or in connection with or due to such rejection of such Executory
5 Contract or Unexpired Lease, shall be dismissed, released and null and void.

6 5. Any Claim that arises from the rejection of an Executory Contract or
7 Unexpired Lease shall, to the extent such Claim becomes an Allowed Claim, be treated as
8 an Unsecured Claim in the applicable class of Unsecured Claims.

9 6. Any claim filed in accordance with the provisions of Section 9.4 hereof
10 shall be treated as a Disputed Claim until the period of time has elapsed within which the
11 Liquidating Trustee may file an objection to such Claim.

12 **C. Retention Of Jurisdiction**

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

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

26

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

3 a. To enable the Debtors to consummate any and all proceedings which
4 may have been brought before or after the entry of the Confirmation Order, to set
5 aside Liens or encumbrances, to challenge or object to the allowance of Claims and
6 to recover any preferences, transfers, assets or damages to which a Debtor may be
7 entitled under the applicable provisions of the Code or other federal, state or local
8 law;

9 b. To adjudicate all controversies concerning the classification or
10 allowance of a Claim or Equity Security Interest;

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

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

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

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

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

26 h. To adjudicate, determine and resolve any and all adversary

1 proceedings, applications, motions, and contested or litigated matters, instituted
2 before the closing of the Case;

3 i. To recover all Assets and properties of the Debtors, wherever
4 located;

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

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

9 l. To hear and determine any application to modify the Plan in
10 accordance with Section 1127 of the Bankruptcy Code, to remedy any defect or
11 omission, or reconcile any inconsistency in the Plan, the Disclosure Statement or
12 any Order of the Bankruptcy Court, including the Confirmation Order, in such a
13 manner as may be necessary to carry out the purposes and effects hereof;

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

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

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

22 p. To enter an Order closing the Case.

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

24 1. Objections to Claims. Only the Debtors and Reorganized Debtors shall be
25 entitled to object to Claims. Any objections to Claims shall be served and filed on or
26 before the later of: (i) sixty (60) days after the Effective Date; (ii) thirty (30) days after a

1 request for payment or proof of Claim is timely filed and properly served; or (iii) such
2 other date as may be fixed by the Bankruptcy Court, whether before or after the dates
3 specified in subsections (i) and (ii) herein. Notwithstanding any authority to the contrary,
4 an objection to a Claim shall be deemed properly served on the Creditor if service is
5 effected in any of the following manners: (a) in accordance with Federal Rule of Civil
6 Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (b) by first class
7 mail, postage prepaid, on any counsel that has appeared on the Creditor's behalf in the
8 Cases; or (c) by first class mail, postage prepaid, on the signatory on the proof of Claim or
9 other representative identified in the proof of Claim or any attachment thereto.

10 2. Payments and Distributions with Respect to Disputed Claims.

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

14 3. Distributions After Allowance. After such time as a Disputed Claim

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

20 **E. Provisions Concerning Distributions**

21 1. Time of Distributions Under the Plan. Payments and distributions to be

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

26

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

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

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

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

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

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

17 **F. Effect Of Confirmation Of Plan**

18 1. Discharge. Any liability imposed by the Plan will not be discharged. If
19 Confirmation of the Plan and/or the conditions precedent to the effectiveness of the Plan is
20 not satisfied, the Plan shall be deemed null and void. In such event, nothing contained in
21 the Plan shall be deemed to constitute a waiver or release of any claims against the
22 Debtors or their Estates or any other Persons, or to prejudice in any manner the rights of
23 the Debtors, their Estates, and/or any Person in any further proceeding involving the
24 Debtors, their Estates and/or any Person. The provisions of the Plan shall be binding upon
25 the Debtors, all Creditors and all Equity Security Interest holders, regardless of whether
26

1 such Claims or Equity Security Interest holders are impaired or whether such parties
2 accept the Plan, upon Confirmation thereof.

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

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

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

1 Disclosure Statement, or any other document filed with the Bankruptcy Court, (b) whether
2 or not such Claims are currently known to the Debtors, and (c) whether or not a defendant
3 in any litigation relating to such Claims filed a proof of claim in the Case, filed a notice of
4 appearance or any other pleading or notice in the Case, voted for or against the Plan, or
5 received or retained any consideration under the Plan. Without in any manner limiting the
6 scope of the foregoing, notwithstanding any otherwise applicable principle of law or
7 equity, including, without limitation, any principles of judicial estoppel, res judicata,
8 collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose,
9 describe, identify, analyze or refer to any Claim or cause of action, in the Plan, the
10 Disclosure Statement, or any other document filed with the Bankruptcy Court shall in no
11 manner waive, eliminate, modify, release, or alter the Debtors' right to commence,
12 prosecute, defend against, settle, recover on account of, and realize upon any Claim that
13 the Debtors or their Estates have or may have as of the Effective Date.

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

1 have incurred an obligation (whether on account of services, purchase, sale of goods or
2 otherwise), or who has received services from the Debtors, or who has received money or
3 property from the Debtors, or who has transacted business with the Debtors, or who has
4 leased equipment or property from or to the Debtors should assume that such obligation,
5 receipt, transfer or transaction may be reviewed by the Debtors and Reorganized Debtors,
6 as applicable, subsequent to the Effective Date and maybe the subject of an action after
7 the Effective Date, whether or not: (a) such Person or Governmental Unit has Filed a
8 proof of Claim against the Debtors in the Case; (b) such Person's or Governmental Unit's
9 proof of Claim has been objected to by the Debtors; (c) such Person's or Governmental
10 Unit's Claim was included in the Debtors' Schedules; or (d) such Person's or
11 Governmental Unit's scheduled Claim has been objected to by the Debtors or has been
12 identified by the Debtors as contingent, unliquidated or disputed.

13 5. NO WAIVER OF CLAIMS. NEITHER THE FAILURE TO LIST A
14 CLAIM IN THE SCHEDULES FILED BY THE DEBTORS, THE FAILURE OF THE
15 DEBTORS OR ANY OTHER PERSON TO OBJECT TO ANY CLAIM FOR
16 PURPOSES OF VOTING, THE FAILURE OF THE DEBTORS OR ANY OTHER
17 PERSON TO OBJECT TO A CLAIM OR ADMINISTRATIVE EXPENSE BEFORE
18 CONFIRMATION OR THE EFFECTIVE DATE, THE FAILURE OF ANY PERSON
19 TO ASSERT A CLAIM OR CAUSE OF ACTION BEFORE CONFIRMATION OR
20 THE EFFECTIVE DATE, THE ABSENCE OF A PROOF OF CLAIM HAVING BEEN
21 FILED WITH RESPECT TO A CLAIM, NOR ANY ACTION OR INACTION OF THE
22 DEBTORS OR ANY OTHER PERSON WITH RESPECT TO A CLAIM, OR
23 ADMINISTRATIVE EXPENSE, OTHER THAN A LEGALLY EFFECTIVE EXPRESS
24 WAIVER OR RELEASE SHALL BE DEEMED A WAIVER OR RELEASE OF THE
25 RIGHT OF THE DEBTORS, BEFORE OR AFTER SOLICITATION OF VOTES ON
26 THE PLAN OR BEFORE OR AFTER CONFIRMATION OR THE EFFECTIVE DATE

1 TO (A) OBJECT TO OR EXAMINE SUCH CLAIM OR ADMINISTRATIVE
2 EXPENSE, IN WHOLE OR IN PART OR (B) RETAIN AND EITHER ASSIGN OR
3 EXCLUSIVELY ASSERT, PURSUE, PROSECUTE, UTILIZE, OTHERWISE ACT OR
4 OTHERWISE ENFORCE ANY CLAIM OR CAUSE OF ACTION AGAINST THE
5 HOLDER OF ANY SUCH CLAIM.

6 **G. General Provisions**

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

11 If sent to the Debtors or Reorganized Debtors, addressed to:

12 GALLAGHER & KENNEDY, P.A.
13 Attn.: Todd A. Burgess
2575 East Camelback Road
14 Phoenix, Arizona 85016-9225
Facsimile: (602) 530-8500
15 Email: todd.burgess@gknet.com

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

25 3. Committee. On the Effective Date, any Committee appointed in the Case
26 shall automatically dissolve and the members thereof and the Professional Persons

1 retained by the Committee in accordance with Section 1103 of the Bankruptcy Code shall
2 be released and discharged from their respective duties and obligations.

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

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

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

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

20 8. Revocation of Plan. The Debtors reserve the right to revoke and withdraw
21 the Plan at any time before Confirmation.

22 9. Reservation of Rights. Nothing contained herein shall prohibit the Debtors
23 from prosecuting or defending any of its rights as may exist on its own behalf before the
24 Effective Date. If Confirmation of the Plan does not occur, the Plan shall be deemed null
25 and void. In such event, nothing contained in the Plan shall be deemed to constitute a
26 waiver or release of any Claims by or against the Debtors, their Estates, or any other

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

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

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

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

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

25 13. Injunction Against Interference With Plan. Upon the entry of the
26 Confirmation Order, all holders of Claims and Equity Security Interests and other parties

1 in interest, including the Debtors, along with its respective present or former employees,
2 agents, officers, directors, or principals, shall be enjoined from taking any actions to
3 interfere with the implementation or consummation of the Plan.

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

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

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

17 The following shall be conditions to the occurrence of the Effective Date unless
18 such conditions shall have been duly waived as provided below: The Confirmation Order
19 in form and substance acceptable to the Debtors shall have become a Final Order, except
20 that the Debtors reserve the right to cause the Effective Date to occur notwithstanding the
21 pendency of an appeal of the Confirmation Order.

22 **VIII.**
23 **FEDERAL TAX CONSEQUENCES**

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

IX.
VOTING PROCEDURES AND REQUIREMENTS

A. Parties Entitled to Vote

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

B. Procedures for Voting

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

GALLAGHER & KENNEDY, P.A.
Attn: Todd A. Burgess
2575 East Camelback Road, Suite 1100
Phoenix, AZ 85016
Telephone: (602) 530-8000
Email: todd.burgess@gknet.com

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED AT THE ADDRESS LISTED ABOVE BY 5:00 P.M., MOUNTAIN STANDARD TIME, ON _____, 2016. IF YOUR BALLOT IS NOT TIMELY RECEIVED, IT WILL NOT BE COUNTED IN DETERMINING WHETHER THE PLAN HAS BEEN ACCEPTED OR REJECTED.

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

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

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

8 **C. Summary of Voting Requirements.**

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

13 **IT IS IMPORTANT THAT HOLDERS OF ALLOWED IMPAIRED
14 CLAIMS EXERCISE THEIR RIGHTS TO VOTE TO ACCEPT OR
15 REJECT THE PLAN. THE DEBTORS ASSERT THAT THE
16 TREATMENT OF CREDITORS UNDER THE PLAN IS THE BEST
17 ALTERNATIVE FOR CREDITORS, AND THE DEBTORS
RECOMMEND THAT THE HOLDERS OF ALLOWED CLAIMS
VOTE IN FAVOR OF THE PLAN.**

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

20 **X.
LIQUIDATION ANALYSIS**

21 The Debtors' Liquidation Analysis is attached as Exhibit "B" and was prepared by
22 MCA with the input and approval of the Debtors. The Liquidation Analysis includes a
23 summary of the Debtors' existing non-exempt assets, including the estimated value of all
24 assets (including notes receivable), and a summary of all alleged claims against the
25 Debtors. Copies of the Claims Registers for the Debtors are attached hereto as Exhibits C
26 and D.

XI.
CONFIRMATION OF THE PLAN

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code provides that the Bankruptcy Court, after notice, will hold a Confirmation Hearing on the Plan. The Confirmation Hearing will be held at the United States Bankruptcy Court, 230 N. First Avenue, Phoenix, Arizona, on _____, 2016, at _____ a.m./p.m. **THE HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT MADE AT THE HEARING.**

B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party-in-interest may object to confirmation of the Plan, regardless of whether it is entitled to vote. Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. **IF AN OBJECTION TO CONFIRMATION IS NOT TIMELY MADE, THE COURT NEED NOT RECEIVE OR CONSIDER IT. ALL OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED WITH THE BANKRUPTCY COURT AND SERVED ON COUNSEL FOR THE DEBTORS AT THE ADDRESSES SET FORTH ABOVE, ON THE UNITED STATES TRUSTEE, AND ON ANY PARTY-IN-INTEREST WHO HAS REQUESTED NOTICE IN THE DEBTOR'S BANKRUPTCY CASE, BY _____, 2016.**

C. Requirements for Confirmation of the Plan

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

- a. That the Debtors have complied with the applicable provisions of

1 Chapter 11, including the provisions of Sections 1122 and 1123 of the Bankruptcy
2 Code governing classification of claims and interests and contents of a plan of
3 reorganization.

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

6 c. That any payment made or promised by the Debtors to any Person for
7 services, costs, or expenses in connection with the Bankruptcy Case or the Plan has
8 been approved by or is subject to approval by the Bankruptcy Court as reasonable.

9 d. That the Debtors have disclosed the identity and affiliations of
10 Persons proposed to serve as officers after confirmation.

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

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

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

23 2. The Plan Satisfies Bankruptcy Code Requirements.

24 a. Best Interests Test and Liquidation Analysis. Under the best interests
25 test, the Plan is confirmable if, with respect to each impaired Class of Claims or
26 Equity Interests, each holder of an Allowed Claim or Allowed Equity Interest in

1 such Class either: (i) has accepted the Plan; or (ii) will receive or retain under the
2 Plan, on account of its Claim or Interest, property of a value, as of the Effective
3 Date, that is not less than the amount such holder would receive or retain if the
4 Debtors were liquidated under Chapter 7 of the Bankruptcy Code. The Debtors
5 believe the distributions to Creditors under the Plan will meet or exceed the
6 recoveries that Creditors would receive in a Chapter 7 liquidation of the Debtors
7 and their Estates. The Debtors believe that the Plan provides an equal or better
8 return to Creditors than they can otherwise receive under Chapter 7, and therefore
9 the best interests of creditors test is met.

10 b. Feasibility of the Plan. Section 1129(a)(11) of the Bankruptcy Code
11 includes what is commonly described as the “feasibility” standard. In order for the
12 Plan to be confirmed, the Bankruptcy Court also must determine that the Plan is
13 feasible - that is, that the need for further reorganization or a subsequent liquidation
14 of the Debtors is not likely to result following confirmation of the Plan. As set
15 forth in this Disclosure Statement and in the Plan, the Debtors believe the Plan is
16 feasible in that it provides for a liquidation of each of the Debtors’ estates.

17 c. Acceptance by an Impaired Class. Because the Plan impairs some
18 Classes of Claims, Section 1129(a)(10) of the Bankruptcy Code requires that, for
19 the Plan to be confirmed, at least one impaired Class must accept the Plan by the
20 requisite vote without counting the votes of any “insiders” (as that term is defined
21 in Section 101(31) of the Bankruptcy Code) contained in that Class. The Debtors
22 believe that at least one impaired Class will vote to accept the Plan.

23 d. Confirmation Under Section 1129(b) of the Bankruptcy Code.
24 Although Section 1129(a)(8) of the Bankruptcy Code requires that the Plan be
25 accepted by each Class that is impaired by the Plan, Section 1129(b) of the
26 Bankruptcy Code provides that the Bankruptcy Court may still confirm the Plan at

1 the request of the Debtors if all requirements of Section 1129(a) of the Bankruptcy
2 Code are met except for Section 1129(a)(8) and if, with respect to each Class of
3 Claims or Equity Interests that (a) is impaired under the Plan, and (b) has not voted
4 to accept the Plan, the Plan “does not discriminate unfairly” and is “fair and
5 equitable.” This provision commonly is referred to as a “cramdown.” The Debtors
6 have requested cramdown confirmation of the Plan with respect to any such non-
7 accepting Class of Creditors. The Debtors believe that, with respect to such Class
8 or Classes, the Plan meets the requirements of Section 1129(b) of the Bankruptcy
9 Code.

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

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

25 (a) Secured Creditors. With respect to a secured claim,
26 “fair and equitable” means that a plan provides that either (A) the

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

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

21 (c) Equity Security Interest Holders. With respect to
22 holders of equity interests, "fair and equitable" means that a plan
23 provides that either (A) each holder will receive or retain under the
24 plan property of a value, as of the effective date, equal to the greater
25 of: (1) the fixed liquidation preference or redemption price, if any, of
26 such interest; or (2) the value of such interest; or (B) the holders of

1 equity interests that are junior to the non-accepting class will not
2 receive any property under the plan.

3 The Debtors believe the Plan complies with the Claims priority established by the
4 Bankruptcy Code and thus the "fair and equitable" test of the Bankruptcy Code (including
5 the absolute priority rule) is met with respect to the Secured Creditors and the Equity
6 Interest holders under the Plan.

7 **XII.**
8 **ALTERNATIVES TO THE PLAN**

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

17 **XIII.**
18 **RECOMMENDATION AND CONCLUSION**

19 The Debtors believe that the Plan provides the best available alternative for
20 maximizing the recoveries that Creditors will receive from the Debtors' Assets.
21 Therefore, the Debtors recommend that all Creditors and Equity Security Interest holders
22 that are entitled to vote on the Plan vote to accept the Plan.

23 **DATED:** November 11, 2016.

24 **GF FINANCE, INC.**, a North Dakota
25 corporation

STEPHEN T. HANSEN, an Arizona
resident

26 By: /s/Stephen T. Hansen
Name: Stephen T. Hansen
Its: President

/s/Stephen T. Hansen

1 Prepared and submitted on behalf of the Debtors by:

2 GALLAGHER & KENNEDY, P.A.

3

4 By: /s/Todd A. Burgess

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EXHIBIT A
AMENDED JOINT PLAN OF REORGANIZATION

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8 Attorneys for GF Finance, Inc. and Stephen T.
9 Hansen

10
11
12 **IN THE UNITED STATES BANKRUPTCY COURT**
13 **FOR THE DISTRICT OF ARIZONA**

14 In re:		Chapter 11
15 GF FINANCE, INC.,	<input type="checkbox"/>	Case No. 2:16-bk-10282
16 STEPHEN T. HANSEN,	<input type="checkbox"/>	Case No. 2:16-bk-10283
17 Debtors.		(Motion for Joint Administration 18 Pending)

19 This Filing Applies to:

20 Both Debtors
21 Specified Debtor

22 **AMENDED JOINT PLAN OF REORGANIZATION**

23 **INTRODUCTION**

24 This Amended Joint Plan of Reorganization (as amended, the "Plan") is filed by
25 GF Finance, Inc. ("GFF") and Stephen T. Hansen ("Hansen" and together with GFF, the
26 "Debtors"), debtors and debtors in possession in the above captioned chapter 11 cases (the
"Bankruptcy Case"). Sent to you in the same envelope as this document is the Amended
Disclosure Statement in Support of Amended Joint Plan of Reorganization (the
"Disclosure Statement"), which has been approved by the Bankruptcy Court and is
provided to help you understand the Plan. The Plan provides for the reorganization of the
Debtors and the satisfaction of all Allowed Claims against the Debtors in accordance with

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1 the Bankruptcy Code.

2 **ARTICLE 1. DEFINITIONS.**

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

13 1.1 Administrative Expense shall mean any cost or expense of administration of
14 the Debtors’ chapter 11 cases allowable under Section 503(b) and Section 507(a) of the
15 Bankruptcy Code, including, without limitation, any actual and necessary expenses of
16 preserving the estates of the Debtors, any actual and necessary expense of operating the
17 businesses of the Debtors, any indebtedness or obligation incurred or assumed by the
18 Debtors in connection with the conduct of the business or for the acquisition or lease of
19 property or the rendition of services to the Debtors, all allowances of compensation and
20 reimbursement of expenses of Professional Persons, and any fees or charges assessed
21 against the estates of the Debtors under Chapter 123 of Title 28 of the United States Code.

22 1.2 Affiliates shall have the meaning set forth in Section 101(2) of the
23 Bankruptcy Code.

24 1.3 Alerus shall refer to and mean Alerus Financial and its affiliates.

25 1.4 Allowed when used as an adjective preceding the words “Claims” or
26 “Equity Security Interest” shall mean any Claim against or Equity Security Interest in the

1 Debtors, proof of which was filed on or before the Bar Date, or, if no proof of Claim or
2 Equity Security Interest is filed, which has been or hereafter is listed by the Debtors as
3 liquidated in amount and not disputed or contingent and, in either case, a Claim as to
4 which no objection to the allowance thereof has been interposed with the applicable
5 period of limitations fixed by the Plan, the Bankruptcy Code, the Federal Rules of
6 Bankruptcy Procedure, Local Rules, or as to which any objection has been interposed
7 timely and such Claim has been allowed in whole or in part by a Final Order. Subject to
8 rights of Secured Creditors under Bankruptcy Code § 506(b), if any, unless otherwise
9 specified in the Plan, “Allowed Claim” and “Allowed Equity Security Interest” shall not,
10 for purposes of computation of distributions under the Plan, include interest on the amount
11 of such Claim or Equity Security Interest from and after the Debtors’ Petition Date.

12 1.5 Assets shall mean the aggregate assets of any kind of the Debtors and their
13 Estates, wherever located.

14 1.6 Ballot shall mean the form(s) distributed to creditors holding claims in an
15 impaired Class, or holders of interests in an impaired Class, on which is to be indicated
16 the acceptance or rejection of the Plan.

17 1.7 Bankruptcy Code or Code shall mean the Bankruptcy Reform Act of 1978
18 (11 U.S.C. Sections 101, *et seq.*), as amended, and as codified in Title 11 of the United
19 States Code.

20 1.8 Bankruptcy Court shall mean the United States Bankruptcy Court for the
21 District of Arizona having jurisdiction over the Debtors’ chapter 11 cases and, to the
22 extent of any reference made pursuant to 28 U.S.C. Section 158, the unit of such District
23 Court constituted pursuant to 28 U.S.C. Section 151.

24 1.9 Bankruptcy Rules shall mean the rules and forms of practice and procedure
25 in bankruptcy, promulgated under 11 U.S.C. Section 2075 and also referred to as the
26 Federal Rules of Bankruptcy Procedure.

1 1.10 Bar Date shall mean the date established by the Bankruptcy Court by which
2 a proof of claim must be filed with the Bankruptcy Court.

3 1.11 Bremer shall refer to and mean Bremer Financial Corporation aka Bremer
4 Bank and its affiliates.

5 1.12 Business Day shall mean and refer to any day except Saturday, Sunday, and
6 any other days on which commercial banks in Arizona are authorized by law to close.

7 1.13 Cash shall mean legal tender of the United States of America or equivalents
8 thereof, as well as any and all foreign currencies.

9 1.14 Case shall mean the Debtors' cases under Chapter 11 of the Bankruptcy
10 Code currently pending before the Bankruptcy Court.

11 1.15 Citizens shall refer to and mean Citizens Community Credit Corporation
12 and its affiliates.

13 1.16 Claim shall mean a claim against the Debtors as defined in Section 101(5)
14 of the Bankruptcy Code; including any right to payment from the Debtors whether or not
15 such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,
16 unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or any right to an
17 equitable remedy for breach of performance if such breach gives rise to a right of payment
18 from the Debtors whether or not such right to an equitable remedy is reduced to judgment,
19 fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

20 1.17 Claimant shall mean the holder of a Claim.

21 1.18 Class shall mean a class of holders of Claims or Equity Security Interests
22 described in Article III of the Plan.

23 1.19 Committee shall mean any statutory committee of unsecured creditors
24 appointed in the Case pursuant to Bankruptcy Code § 1102.

1 1.20 Confirmation shall mean the entry of an order by the Bankruptcy Court
2 approving and confirming the Plan in accordance with the provisions of the Bankruptcy
3 Code.

4 1.21 Confirmation Date shall mean the date upon which the clerk of the
5 Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

6 1.22 Confirmation Hearing shall mean a hearing conducted before the
7 Bankruptcy Court for the purpose of considering confirmation of the Plan, as such hearing
8 may be adjourned or continued from time to time.

9 1.23 Confirmation Order shall mean an Order of the Bankruptcy Court
10 confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy
11 Code.

12 1.24 Creditor shall mean any person that has a Claim against the Debtors that
13 arose on or before the Petition Date or a Claim against the Estates of any kind specified in
14 Section 502(g), 502(h) or 502(i) of the Bankruptcy Code.

15 1.25 Debtors shall mean together GF Finance, Inc., a North Dakota corporation,
16 and Stephen T. Hansen, an Arizona resident. With respect to any period of time after the
17 Effective Date, the term Debtors, as used herein shall mean and include the Debtors as
18 reorganized under and in accordance with the confirmed Plan.

19 1.26 Disallowed Claim shall mean a Claim or portion thereof that: (i) has been
20 disallowed by a Final Order; (ii) is identified in the Debtors' Schedules in an amount of
21 zero dollars or as contingent, unliquidated, or disputed and as to which a proof of claim
22 was not filed by the Bar Date; or (iii) is not identified in the Debtors' schedules and as to
23 which no proof of claim has been filed or deemed filed by the Bar Date.

24 1.27 Disclosure Statement shall mean and refer to the disclosure statement filed
25 by the Debtors as required pursuant to Section 1125 of the Bankruptcy Code, as the same
26 may be amended from time to time by the Debtors.

1 1.28 Disputed Claim shall mean any Claim that is not an Allowed Claim or a
2 Disallowed Claim and that has not been barred or otherwise disallowed or paid or
3 otherwise satisfied. In the event that any part of a Claim is a Disputed Claim, such Claim
4 in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution
5 under the Plan unless the Debtors and the holder thereof agree otherwise; provided,
6 however, nothing in this definition is intended to or does impair the rights of any holder of
7 a Disputed Claim to pursue its rights under Section 502(c) of the Bankruptcy Code.
8 Without limiting any of the foregoing, but subject to the provisions of the Plan, a Claim,
9 including a Claim scheduled by the Debtors, that is the subject of a pending application,
10 motion, complaint, objection or any other legal proceeding commenced or filed by the
11 Debtors seeking to disallow, limit, subordinate or estimate such Claim shall be deemed to
12 constitute a Disputed Claim.

13 1.29 Effective Date shall mean the first Business Day after the Confirmation
14 Order becomes a Final Order; provided however, that if an appeal or other challenge to
15 the Confirmation Order has been timely taken, but such order remains in full force and
16 effect and has not been stayed, then the Debtors may waive the condition that the
17 Confirmation Order become a Final Order in which case the “Effective Date” shall mean
18 the date designated in a writing filed by the Debtors in the Case.

19 1.30 Equity Security Interests shall have the meaning set forth in Section 101(16)
20 of the Bankruptcy Code and “Holders of Equity Security Interests” shall have the meaning
21 set forth in Section 101(17) of the Bankruptcy Code.

22 1.31 Estate shall mean the estate of the applicable Debtor created in accordance
23 with Section 541 of the Bankruptcy Code.

24 1.32 Executory Contract and Unexpired Lease or Executory Contract or
25 Unexpired Lease shall mean a contract or lease to which a Debtor is a party that is subject
26 to assumption or rejection under Section 365 of the Bankruptcy Code.

1 1.33 Final Order shall mean an order or judgment of the Bankruptcy Court as
2 entered on the docket that (a) is not stayed, (b) has not been reversed, modified or
3 amended, and (c) as to which the time to appeal, petition for certiorari, or seek
4 reargument, review, reconsideration, rehearing or leave to appeal (excluding the time to
5 move for relief from a final order or judgment under Rule 60(b) of the Federal Rules of
6 Civil Procedure and the time to request revocation of an order of confirmation under
7 Section 1144 of the Bankruptcy Code) has expired and as to which no appeal, petition for
8 certiorari or other proceeding for reargument, review, reconsideration, rehearing or leave
9 to appeal (including a motion for relief from a final order or judgment under said Rule
10 60(b) or a request for revocation of an order of confirmation under said Section 1144) or
11 as to which any right to appeal, petition for certiorari or seek reargument, review,
12 reconsideration, rehearing or leave to appeal has been waived in writing, or, if any appeal,
13 petition for certiorari, or other proceeding for reargument, review, reconsideration,
14 rehearing or leave to appeal has been sought, the order or judgment of the Bankruptcy
15 Court has been affirmed by the highest court to which the order or judgment was appealed
16 or from which the reargument or rehearing was sought, or certiorari has been denied, and
17 the time to take any further appeal, petition for certiorari or seek further reargument,
18 review reconsideration, rehearing or leave to appeal (excluding the time to move for relief
19 from a final order or judgment under said Rule 60(b) and the time to request revocation of
20 an order of confirmation under said Section 1144) has expired.

21 1.34 General Contract Proceeds shall refer to and mean all amounts collected by
22 GFF with respect to a GFF Contract, net of GFF's out-of-pocket collection costs and a
23 reasonable reserve to cover normal operating expenses, including, but not limited to
24 monthly payments, additional payments, settlement proceeds, collateral liquidation
25 proceeds, judgment collections and other amounts received by GFF, in excess of the
26 amount of any Specific Contract Proceeds owed to a GFF Lender or GFF Lenders.

1 1.35 GFF Contract shall refer to and mean any payment obligation owed to GFF
2 from a third-party borrower as a result of an equipment loan or lease transaction
3 originated by GFF whether evidenced by a note and security agreement, lease or other
4 type of documentation.

5 1.36 GFF Lenders shall refer to and mean Alerus, Bremer, Citizens and U.S.
6 Bank.

7 1.37 Impaired when used as an adjective preceding the words “Class of Claims”
8 or “Class of Equity Security Interests,” shall mean that the Plan alters the legal, equitable,
9 or contractual rights of the member of that class.

10 1.38 IRS shall mean the Internal Revenue Service, Department of the Treasury of
11 the United States of America.

12 1.39 Lien shall mean any lien or charge against or interest, including any security
13 interest, in property to secure payment of a debt or performance of an obligation but only
14 to the extent such lien, charge, or interest is valid, binding, enforceable and perfected and
15 not subject to avoidance, defense, recharacterization or subordination.

16 1.40 Litigation Proceeds shall refer to and mean all amounts collected by the
17 Debtors attributable to claims by the Debtors against any third-parties, including former
18 employees, accountants, lawyers, lenders, or vendors, but specifically excluding any
19 claims arising from GFF Contracts.

20 1.41 Petition Date shall mean September 7, 2016.

21 1.42 Plan shall mean this plan of reorganization, including, without limitation,
22 the exhibits and schedules hereto, as the same may be amended, supplemented or
23 modified from time to time in accordance with the provisions of the Bankruptcy Code and
24 the terms hereof.

1 1.43 Priority Claims shall mean “Priority Tax Claims” and “Priority Non-Tax
2 Claims” in the aggregate, and shall mean any claim to the extent entitled to priority in
3 payment under Section 507 (3), (4), (5), (6), (7) or (8) of the Bankruptcy Code.

4 1.44 Priority Non-Tax Claims shall mean Priority Claims other than Priority
5 Claims entitled to priority treatment as a tax under Section 507(a)(8) of the Bankruptcy
6 Code.

7 1.45 Priority Tax Creditor shall mean a Creditor holding a Priority Tax Claim.

8 1.46 Priority Tax Claim shall mean any Claim entitled to priority in payment
9 under Section 507(a)(8) of the Bankruptcy Code, but only to the extent it is entitled to
10 priority under such subsection.

11 1.47 Professional Persons shall mean any professional employed in the Chapter
12 11 Case pursuant to Section 327 or Section 1103 of the Bankruptcy Code, or any
13 professional or other entity seeking compensation or reimbursement of expenses in
14 connection with the Case pursuant to Sections 503(b)(3)(F) and (b)(4) of the Bankruptcy
15 Code.

16 1.48 Professional Fee Claim shall mean any claim by a Professional Person as
17 provided for in Sections 327, 328, 330, 503(b) and 1103 of the Bankruptcy Code.

18 1.49 Pro Rata shall mean, with respect to an amount of Cash to be paid or
19 distributed to a Creditor with respect to an Allowed Claim or Allowed Equity Security
20 Interest on a particular date, in accordance with the ratio, as of such date, of the dollar
21 amount of the Allowed Claim or Allowed Equity Security Interest of such Person in the
22 indicated Class to the aggregate dollar amount of all Claims or Equity Security Interests in
23 the indicated Class (including, in each such calculation, the full amount of Disputed
24 Claims in the Class which have been asserted or are otherwise pending and which have
25 not yet been Allowed or otherwise disposed of).

1 1.50 Reorganized Debtors shall mean the Debtors as reorganized under and in
2 accordance with the confirmed Plan.

3 1.51 Representative shall mean, with respect to any entity, any officer, director,
4 affiliate, member, subsidiary, attorney, advisor, investment banker, financial advisor,
5 accountant or other professional of such entity, in each case in such capacity, together
6 with each of their successors and assigns.

7 1.52 Secured Claim shall mean a Claim which is secured by a valid, perfected
8 and unavoidable Lien against a Debtor's Assets as of the Petition Date, or which expressly
9 attached to the proceeds of assets sold pursuant to an order of the Bankruptcy Court but
10 only to the extent of the value of such Debtor's interest in the property. In accordance
11 with the Section 506(a) of the Bankruptcy Code, Secured Claim specifically excludes that
12 portion of a Claim of a holder of a Lien against the property of the Debtor to the extent
13 such holder's interest in the property is less than the amount of such Claim. To the extent
14 of any deficiency in the value of the interest of the holder of such Secured Claim in such
15 property, such deficiency is an Unsecured Claim, unless otherwise provided for by order
16 of the Bankruptcy Court.

17 1.53 Specific Contract Proceeds shall refer to and mean all amounts collected by
18 GFF with respect to a GFF Contract, net of GFF's out-of-pocket collection costs,
19 including, but not limited to monthly payments, additional payments, settlement proceeds,
20 collateral liquidation proceeds, judgment collections and other amounts received by GFF,
21 to the extent that such amounts relate to a specific GFF Contract financed by a GFF
22 Lender and pursuant to which such GFF Lender has a first position valid and perfected
23 security interest.

24 1.54 Subordinated Claim shall mean all claims described in Section 510 of the
25 Bankruptcy Code or claims which are otherwise subordinated pursuant to an Order of the
26 Bankruptcy Court.

1 1.55 Unsecured Claim shall mean any Claim against the Debtors which arose or
2 which is deemed by the Bankruptcy Code to have arisen before the Petition Date for the
3 Debtors, and which is not (i) a secured claim pursuant to Section 506 of the Bankruptcy
4 Code, as modified by Section 1111(b) of the Bankruptcy Code, or (ii) a Claim entitled to
5 priority under Sections 503 or 507 of the Bankruptcy Code. “Unsecured Claims” shall
6 include all Claims against the Debtors that are not expressly otherwise dealt with in the
7 Plan.

8 1.56 U.S. Bank shall refer to and mean U.S. Bank National Association and its
9 affiliates.

10 1.57 Voting Class shall mean a Class of Claims under the Plan which is impaired
11 and entitled to vote to accept or reject the Plan.

12 **ARTICLE 2. INTERPRETATION, RULES OF CONSTRUCTION, AND OTHER**
13 **TERMS.**

14 2.1 Any term used in this Plan that is not defined herein, whether in Article I or
15 elsewhere, but that is used in the Bankruptcy Code or the Bankruptcy Rules, has the
16 meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules and shall
17 be construed in accordance with the rules of construction used in the Bankruptcy Code.

18 2.2 The words “herein,” “hereto,” “hereunder,” and others of similar
19 importance, refer to the Plan as a whole and not to any particular article or clause
20 contained in this Plan.

21 2.3 Unless specified otherwise in a particular reference, a reference in this Plan
22 to an article is a reference to that article of this Plan.

23 2.4 Unless otherwise provided for, any reference in this Plan to an existing
24 document or instrument means such document or instrument as it may have been
25 amended, modified, or supplemented from time to time.

1 2.5 For purposes of this Plan and such defined terms, the singular and plural
2 uses of such defined terms and the conjunctive and disjunctive uses will be fungible and
3 interchangeable (unless the context otherwise requires); and the defined terms will include
4 masculine, feminine, and neuter genders.

5 2.6 In addition to the foregoing, the rules of construction set forth in Section
6 102 of the Bankruptcy Code shall apply to this Plan.

7 2.7 In computing any period of time prescribed or allowed by this Plan, the
8 provisions of Bankruptcy Rule 9006(a) shall apply.

9 2.8 Any exhibits or schedules to this Plan are incorporated into this Plan, and
10 shall be deemed to be included in this Plan, regardless of when filed with the Bankruptcy
11 Court.

12 2.9 Where Claims are divided into subclasses in this Plan, each subclass will be
13 considered to be a separate class for all confirmation purposes, including treatment and
14 voting on the Plan.

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

16 3.1 General Classification Provisions. For purposes of organization, voting, and
17 all confirmation matters, except as otherwise provided herein, all Claims (except for
18 Administrative Claims and Priority Tax Claims) and Equity Security Interests shall be
19 classified as set forth in this Article III of the Plan. All Claims and Equity Security
20 Interests are classified under the Plan as hereafter stated in this Article III; provided,
21 however, that a Claim or Equity Security Interest will be deemed classified in a particular
22 Class only to the extent that the Claim or Equity Security Interest qualifies within the
23 description of that Class and will be deemed classified in a different Class to the extent
24 that any remainder of the Claim or Equity Security Interest qualifies within the description
25 of such different Class. As of the Confirmation Hearing, any Class of Claims or Equity
26 Security Interest that does not contain any Creditor's Claim or an Equity Security Interest

1 will be deemed deleted automatically from the Plan; and any Class of Claims or Equity
2 Security Interest that does not contain an Allowed Claim (or a Claim temporarily or
3 provisionally allowed by the Bankruptcy Court for voting purposes) or Equity Security
4 Interest will be deemed automatically deleted from the Plan with respect to voting on
5 confirmation of the Plan. A Claim or Equity Security Interest is in a particular Class only
6 to the extent the Claim or Equity Security Interest is an Allowed Claim or Allowed Equity
7 Security Interest as defined herein.

8 3.2 Classification of Claims and Equity Security Interests. The Plan classifies
9 Claims and Equity Security Interests in various Classes according to their right to priority
10 of payments as provided in the Bankruptcy Code. The Plan states whether each Class of
11 Claims or Equity Security Interests are impaired or unimpaired. The Plan provides the
12 treatment each Class will receive under the Plan. In accordance with the requirements of
13 the Bankruptcy Code, Allowed Administrative Expense Claims and Priority Tax Claims
14 are not set forth in Classes and are not entitled to vote on the Plan. The Allowed Claims
15 against the Debtors' Estates are divided into the following classes:

16 3.2.1 Class 1 (Priority Non-Tax Claims). Class 1 consists of any Priority
17 Non-Tax Claims against the Debtors existing as of the Confirmation Date.

18 3.2.2 Class 2 (Secured Tax Claims). Class 2 consists of any Secured Tax
19 Claims against the Debtors for prepetition real or personal property taxes existing
20 as of the Confirmation Date. Each Secured Tax Claim will be placed in a separate
21 subclass of Class 2 for all purposes under the Plan.

22 3.2.3 Class 3 (Alerus Secured Claims). Class 3 consists of any Secured
23 Claims of Alerus against GFF existing as of the Confirmation Date.

24 3.2.4 Class 4 (Bremer Secured Claims). Class 4 consists of any Secured
25 Claims of Bremer against GFF existing as of the Confirmation Date.

26 3.2.5 Class 5 (Citizens Secured Claims). Class 5 consists of any Secured

1 Claims of Citizens against GFF existing as of the Confirmation Date.

2 3.2.6 Class 6 (U.S. Bank Secured Claims). Class 6 consists of any Secured
3 Claims of U.S. Bank against GFF existing as of the Confirmation Date.

4 3.2.7 Class 7 (Other Secured Claims). Class 7 consists of any Secured
5 Claims against the Debtors existing as of the Confirmation Date other than Secured
6 Tax Claims and any Secured Claims asserted by Alerus, Bremer, Citizens, and U.S.
7 Bank against GFF. Each Other Secured Claim will be placed in a separate subclass
8 of Class 7 for all purposes under the Plan.

9 3.2.8 Class 8 (GFF Unsecured Claims). Class 8 consists of any Unsecured
10 Claims against GFF existing as of the Confirmation Date.

11 3.2.9 Class 9 (Hansen Unsecured Claims). Class 9 consists of any
12 Unsecured Claims against Hansen existing as of the Confirmation Date.

13 3.2.10 Class 10 (GFF Equity Security Interests). Class 10 consists of 100%
14 of the Equity Security Interests in GFF.

15 3.2.11 Class 11 (Affiliate Unsecured Claims). Class 11 consists of any
16 Unsecured Claims of Affiliates against the Debtors existing as of the Confirmation
17 Date.

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

19 4.1 Allowed Administrative Expense Claims and Allowed Priority Tax Claims,
20 are not classified under the Plan and are not entitled to vote on the Plan.

21 4.2 All other classes of Claims and Equity Security Interests are impaired by the
22 Plan and therefore are entitled to vote to accept or reject the Plan, provided, however, that
23 such acceptance or rejection shall be determined without regard to votes cast by Insiders.

24 4.3 In the event of a controversy as to whether any Claimant or Class of
25 Claimants is impaired under the Plan, the Bankruptcy Court shall, after notice and a
26 hearing, resolve such controversy.

1 4.4 The Debtors shall provide all Claimants entitled to vote with a form of
2 Ballot approved by the Bankruptcy Court to be used in casting a vote on the Plan.

3 **ARTICLE 5. PROVISIONS FOR TREATMENT OF CLAIMS NOT IMPAIRED**
4 **UNDER THE PLAN.**

5 5.1 Administrative Expense Claims. Every Creditor holding an Allowed
6 Administrative Claim against the Debtors will be paid, in full satisfaction of their Allowed
7 Claim: (a) fully and in Cash on or before ten (10) Business Days after the Effective Date
8 if the Claim is then an Allowed Claim; (b) fully and in Cash within ten (10) Business
9 Days after the entry of a Final Order allowing the Claim, if the Claim is not an Allowed
10 Claim as of the Effective Date; (c) as otherwise agreed in writing by the Creditor holding
11 the Allowed Administrative Claim and the Debtors; or (d) as otherwise ordered by the
12 Bankruptcy Court. Requests for allowance and payment of Administrative Expenses must
13 be filed and served no later than thirty (30) days after the Effective Date. Administrative
14 Claims are unimpaired pursuant to the Plan and votes to accept or reject the Plan will not
15 be solicited from Creditors holding Administrative Claims.

16 5.2 U.S. Trustee Fees. All fees payable pursuant to section 1930 of Title 28 of
17 the United States Code, as determined by the Bankruptcy Court at the Confirmation
18 Hearing, shall be paid on the Effective Date, or as due in the normal course of billing and
19 payment. The Debtors shall be responsible for timely payment of fees incurred pursuant
20 to 28 U.S.C. § 1930(a)(6). The Debtors shall file with the Bankruptcy Court, and serve on
21 the United States Trustee, a quarterly financial report for each quarter (or portion thereof)
22 that the cases remain open in a format prescribed by the United States Trustee and
23 provided to the Debtor by the United States Trustee, and shall pay such quarterly fees as
24 become due for each quarter post-confirmation that the cases remain open. No motion or
25 application is required to fix fees payable to the Clerks' Office or the Office of the United
26 States Trustee, as those fees are determined by statute.

1 5.3 Professional Fee Claims. The Bankruptcy Court must approve all requests
2 for the payment of professional compensation and expenses to the extent incurred on or
3 before the Effective Date. Each Professional Person requesting compensation or
4 reimbursement of expenses in the Cases pursuant to Sections 327, 328, 330, 331, 503(b)
5 or 1103 of the Bankruptcy Code shall file an application for allowance of final
6 compensation and reimbursement of expenses not later than thirty (30) days after the
7 Effective Date. Nothing herein shall prohibit each Professional Person from requesting
8 interim compensation during the course of the Case pending Confirmation of this Plan.
9 All fees, costs and disbursements of Professional Persons not heretofore paid through the
10 Effective Date of the Plan, shall be paid fully and in Cash on the later of the Effective
11 Date or within ten (10) Business Days after the entry of a Final Order allowing the Claim.

12 5.4 Objections. Notwithstanding any other provision of the Plan to the contrary,
13 any objections to motions or applications seeking the allowance and payment of
14 Administrative Expense Claims or Professional Fee Claims must be filed and served
15 within the normal time limits established by the Federal Rules of Bankruptcy Procedure
16 and the Local Rules of Bankruptcy Procedure for the District of Arizona, or as otherwise
17 ordered by the Bankruptcy Court.

18 5.5 Priority Tax Claims. Priority Tax Claims are certain pre-Petition Date
19 unsecured income, employment and other taxes described by Section 507(a)(8) of the
20 Bankruptcy Code. Holders of Allowed Priority Tax Claims will be paid in full and in
21 cash within five (5) years of the Petition Date through regular equal monthly installments
22 of principal and interest. Priority Tax Claims will be allowed in the principal amount of
23 the tax due as of the Petition Date, with interest at the applicable statutory rate in
24 accordance with section 511 of the Bankruptcy Code. No amounts attributable to
25 penalties imposed or sought to be imposed by holders of Priority Tax Claims will be paid.

1 Priority Tax Claims are unimpaired pursuant to the Plan and votes to accept or reject the
2 Plan will not be solicited from Creditors holding Priority Tax Claims.

3 **ARTICLE 6. PROVISIONS FOR TREATMENT OF CLAIMS IMPAIRED**
4 **UNDER THE PLAN.**

5 6.1 Class 1 (Priority Non-Tax Claims). To the extent Allowed Priority Non-Tax
6 Claims exist on the Confirmation Date, holders of Allowed Priority Non-Tax Claims will
7 be paid: (a) fully and in Cash within sixty (60) days after the Effective Date if the Claim
8 is then an Allowed Claim; or (b) fully and in Cash within ten (10) Business Days after the
9 entry of a Final Order allowing the Claim, if the Claim is not an Allowed Claim as of the
10 Effective Date. Class 1 Claims are impaired under the Plan, and the holders of Class 1
11 Claims are entitled to vote on the Plan.

12 6.2 Class 2 (Secured Tax Claims). Class 2 Claims consists of all Secured Tax
13 Claims against the Debtors for prepetition real or personal property taxes. Each Secured
14 Tax Claim will be placed in a separate subclass of Class 2 for all purposes under the Plan.
15 Holders of Allowed Class 2 Claims will retain their liens on the Property that serves as
16 security for repayment of Allowed Class 2 Claims. In the discretion of the Debtors,
17 Allowed Class 3 claims, including post-petition interest in accordance with 11 U.S.C. §
18 511 and A.R.S. § 42-18053, will be paid (a) in full within ten (10) Business Days after the
19 Effective Date, or (b) in full within five (5) years of the Petition Date through regular
20 equal monthly payments of principal and interest. Class 2 Claims are impaired and
21 holders are entitled to vote to accept or reject the Plan.

22 6.3 Class 3 (Alerus Secured Claims). Class 3 consists of any Secured Claims of
23 Alerus against GFF existing as of the Confirmation Date. Alerus shall retain all of its
24 prepetition Liens in Assets of GFF after the Effective Date to the same extent, validity,
25 and priority as existed on the Petition Date. All prepetition intercreditor agreements
26 executed by one or more of the GFF Lenders shall be enforced. The total amount of

1 Alerus's Allowed Secured Claim will be paid in full with simple interest at the rate of
2 4.00% per annum no later than the third anniversary of the Effective Date. Alerus will
3 receive the following amounts in payment of its Allowed Claim, until its Allowed Claim
4 has been paid in full: (a) beginning on the first day of the first calendar month following
5 the Effective Date, 35 monthly principal and interest payments calculated based on a
6 fifteen (15) year amortization schedule with simple interest at the rate of 4.00% per
7 annum; plus (b) all Specific Contract Proceeds attributable to a GFF Contract financed by
8 Alerus; plus (c) all General Contract Proceeds received by GFF after all GFF Lenders
9 with higher perfected lien priority have been paid in full; plus (d) its pro rata share of with
10 all other GFF Lenders of Litigation Proceeds received by the Debtors, after the payment
11 of all of the Debtors out-of-pocket costs, including professional fees, expenses, and
12 operating costs, including an appropriate reserve. No default interest or other penalties
13 will be paid to holders of Allowed Class 3 Secured Claims. Immediately upon receipt of
14 the Specific Proceeds related to a GFF Contract, Alerus shall release all of its liens with
15 respect to such GFF Contract and the related equipment and deliver any original titles in
16 its possession to GFF. Upon receipt of payment in full of the amount of the Allowed
17 Class 3 Secured Claim, all related Liens shall be deemed satisfied and released, and
18 Alerus shall execute, file and record appropriate documents evidencing the release and
19 termination of all Liens. Class 3 Secured Claims are impaired, and the holders are entitled
20 to vote to accept or reject the Plan.

21 6.4 Class 4 (Bremer Secured Claims). Class 4 consists of any Secured Claims
22 of Bremer against GFF existing as of the Confirmation Date. Bremer shall retain all of its
23 prepetition Liens in Assets of GFF after the Effective Date to the same extent, validity,
24 and priority as existed on the Petition Date. All prepetition intercreditor agreements
25 executed by one or more of the GFF Lenders shall be enforced. The total amount of
26 Bremer's Allowed Secured Claim will be paid in full with simple interest at the rate of

1 4.00% per annum no later than the third anniversary of the Effective Date. Bremer will
2 receive the following amounts in payment of its Allowed Claim, until its Allowed Claim
3 has been paid in full: (a) beginning on the first day of the first calendar month following
4 the Effective Date, 35 monthly principal and interest payments calculated based on a
5 fifteen (15) year amortization schedule with simple interest at the rate of 4.00% per
6 annum; plus (b) all Specific Contract Proceeds attributable to a GFF Contract financed by
7 Bremer; plus (c) all General Contract Proceeds received by GFF; plus (d) its pro rata share
8 of with all other GFF Lenders of all Litigation Proceeds received by the Debtors, after the
9 payment of all of the Debtors out-of-pocket costs, including professional fees, expenses,
10 and operating costs, including an appropriate reserve. No default interest or other
11 penalties will be paid to holders of Allowed Class 4 Secured Claims. Immediately upon
12 receipt of the Specific Contract Proceeds related to a GFF Contract, Bremer shall release
13 all of its liens with respect to such GFF Contract and the related equipment and deliver
14 any original titles in its possession to GFF. Upon receipt of payment in full of the amount
15 of the Allowed Class 4 Secured Claim, all related Liens shall be deemed satisfied and
16 released, and Bremer shall execute, file and record appropriate documents evidencing the
17 release and termination of all Liens. Class 4 Secured Claims are impaired, and the holders
18 are entitled to vote to accept or reject the Plan.

19 6.5 Class 5 (Citizens Secured Claims). Class 5 consists of any Secured Claims
20 of Citizens against GFF existing as of the Confirmation Date. Citizens shall retain all of
21 its prepetition Liens in Assets of GFF after the Effective Date to the same extent, validity,
22 and priority as existed on the Petition Date. All prepetition intercreditor agreements
23 executed by one or more of the GFF Lenders shall be enforced. The total amount of
24 Citizens' Allowed Secured Claim will be paid in full with simple interest at the rate of
25 4.00% per annum no later than the third anniversary of the Effective Date. Citizens will
26 receive the following amounts in payment of its Allowed Claim, until its Allowed Claim

1 has been paid in full: (a) beginning on the first day of the first calendar month following
2 the Effective Date, 35 monthly principal and interest payments calculated based on a
3 fifteen (15) year amortization schedule with simple interest at the rate of 4.00% per
4 annum; plus (b) all Specific Contract Proceeds attributable to a GFF Contract financed by
5 Citizens; plus (c) all General Contract Proceeds received by GFF after all GFF Lenders
6 with higher perfected lien priority have been paid in full; plus (d) its pro rata share of with
7 all other GFF Lenders of all Litigation Proceeds received by the Debtors, after the
8 payment of all of the Debtors out-of-pocket costs, including professional fees, expenses,
9 and operating costs, including an appropriate reserve. No default interest or other
10 penalties will be paid to holders of Allowed Class 5 Secured Claims. Immediately upon
11 receipt of the Specific Contract Proceeds related to a GFF Contract, Citizens shall release
12 all of its liens with respect to such GFF Contract and the related equipment and deliver
13 any original titles in its possession to GFF. Upon receipt of payment in full of the amount
14 of the Allowed Class 5 Secured Claim, all related Liens shall be deemed satisfied and
15 released, and Citizens shall execute, file and record appropriate documents evidencing the
16 release and termination of all Liens. Class 5 Secured Claims are impaired, and the holders
17 are entitled to vote to accept or reject the Plan.

18 6.6 Class 6 (U.S. Bank Secured Claims). Class 6 consists of any Secured
19 Claims of U.S. Bank against GFF existing as of the Confirmation Date. U.S. Bank shall
20 retain all of its prepetition Liens in Assets of GFF after the Effective Date to the same
21 extent, validity, and priority as existed on the Petition Date. All prepetition intercreditor
22 agreements executed by one or more of the GFF Lenders shall be enforced. The total
23 amount of U.S. Bank's Allowed Secured Claim will be paid in full with simple interest at
24 the rate of 4.00% per annum no later than the third anniversary of the Effective Date.
25 U.S. Bank will receive the following amounts in payment of its Allowed Claim, until its
26 Allowed Claim has been paid in full: (a) beginning on the first day of the first calendar

1 month following the Effective Date, 35 monthly principal and interest payments
2 calculated based on a fifteen (15) year amortization schedule with simple interest at the
3 rate of 4.00% per annum; plus (b) all Specific Contract Proceeds attributable to a GFF
4 Contract financed by U.S. Bank; plus (c) all General Contract Proceeds received by GFF
5 after all GFF Lenders with higher perfected lien priority have been paid in full; plus (d) its
6 pro rata share of with all other GFF Lenders of all Litigation Proceeds received by the
7 Debtors, after the payment of all of the Debtors out-of-pocket costs, including
8 professional fees, expenses, and operating costs, including an appropriate reserve. No
9 default interest or other penalties will be paid to holders of Allowed Class 6 Secured
10 Claims. Immediately upon receipt of the Specific Contract Proceeds related to a GFF
11 Contract, U.S. Bank shall release all of its liens with respect to such GFF Contract and the
12 related equipment and deliver any original titles in its possession to GFF. Upon receipt of
13 payment in full of the amount of the Allowed Class 6 Secured Claim, all related Liens
14 shall be deemed satisfied and released, and U.S. Bank shall execute, file and record
15 appropriate documents evidencing the release and termination of all Liens. Class 6
16 Secured Claims are impaired, and the holders are entitled to vote to accept or reject the
17 Plan.

18 6.7 Class 7 (Other Secured Claims). Class 7 consists of any Secured Claims
19 against the Debtors existing as of the Confirmation Date other than Secured Claims
20 asserted by Alerus, Bremer, Citizens, and U.S. Bank. Each Other Secured Claim will be
21 placed in a separate subclass of Class 7 for all purposes under the Plan. All holders of
22 Other Allowed Secured Claims shall retain their prepetition Liens in Assets of GFF after
23 the Effective Date to the same extent, validity, and priority as existed on the Petition Date.
24 The total amount of each Allowed Other Secured Claim will be paid in full with simple
25 interest at the rate of 4.00% per annum no later than the third anniversary of the Effective
26 Date. Holders of Allowed Other Secured Claims will receive the following amounts in

1 payment of their Allowed Claims: (a) beginning on the first day of the first calendar
2 month following the Effective Date, 35 monthly principal and interest payments
3 calculated based on a fifteen (15) year amortization schedule with simple interest at the
4 rate of 4.00% per annum; and (b) a single payment of all remaining principal and interest
5 on or before the third anniversary of the Effective Date. Upon receipt of payment in full
6 of the amount of their Allowed Other Secured Claim, all related Liens shall be deemed
7 satisfied and released, and the holder of the Allowed Other Secured Claim shall execute,
8 file and record appropriate documents evidencing the release and termination of all Liens.
9 Class 7 Other Secured Claims are impaired, and the holders are entitled to vote to accept
10 or reject the Plan.

11 6.8 Class 8 (GFF Unsecured Claims). Class 8 consists of any Unsecured
12 Claims against GFF existing as of the Confirmation Date. Holders of Allowed Class 8
13 Unsecured Claims will be paid in full with simple interest at the rate of 2.25% per annum
14 no later than the third anniversary of the Effective Date. Holders of Allowed Class 8
15 Unsecured Claims will receive the following amounts in payment of their Allowed
16 Claims: (a) beginning on the first day of the first calendar month following the Effective
17 Date, 35 monthly principal and interest payments calculated based on a fifteen (15) year
18 amortization schedule with simple interest at the rate of 2.25% per annum; and (b) a single
19 payment of all remaining principal and interest on or before the third anniversary of the
20 Effective Date. Class 8 Unsecured Claims are impaired, and the holders are entitled to
21 vote to accept or reject the Plan.

22 6.9 Class 9 (Hansen Unsecured Claims). Class 9 consists of any Unsecured
23 Claims against Hansen existing as of the Confirmation Date. Holders of Allowed Class 9
24 Unsecured Claims will be paid in full with simple interest at the rate of 2.25% per annum
25 no later than the third anniversary of the Effective Date. Holders of Allowed Class 9
26 Unsecured Claims will receive the following amounts in payment of their Allowed

1 Claims: (a) beginning on the first day of the first calendar month following the Effective
2 Date, 35 monthly principal and interest payments calculated based on a fifteen (15) year
3 amortization schedule with simple interest at the rate of 2.25% per annum; and (b) a single
4 payment of all remaining principal and interest on or before the third anniversary of the
5 Effective Date. Class 9 Unsecured Claims are impaired, and the holders are entitled to
6 vote to accept or reject the Plan.

7 6.10 Class 10 (GFF Equity Security Interests). Class 10 consists of 100% of the
8 Equity Security Interests in GFF. Class 10 GFF Equity Security Interests shall be deemed
9 Allowed under the Plan. Hansen shall retain 100% of his Allowed GFF Equity Security
10 Interests. Hansen shall not receive any distributions, dividends, or other payments from
11 GFF until all Allowed Claims against the Debtors have been paid in full. Class 10 GFF
12 Equity Security Interests are impaired, and shall be deemed to have accepted the Plan.

13 6.11 Class 11 (Affiliate Unsecured Claims). Class 11 consists of any Unsecured
14 Claims of Affiliates against the Debtors existing as of the Confirmation Date. Allowed
15 Class 11 Claims shall be junior in priority and subordinate to all other Allowed Claims
16 under the Plan. No payments will be made on account of any Allowed Class 11 Claims,
17 until all other Allowed Claims against the Debtors have been fully paid and satisfied.
18 After the payment of all other Allowed Claims against the Debtors, the holders of
19 Allowed Class 11 Claims shall receive their pro rata share of any remaining proceeds
20 from the liquidation of GFF's Assets, or such other treatment as may be agreed to by the
21 Debtors and the Holders of Allowed Class 11 Claims, subject to the subordination and
22 payment limitations stated in this Section 6.11. Class 11 Claims are impaired under the
23 Plan, but will be deemed to have accepted the Plan.

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

1 7.1 Impaired Classes to Vote. Each impaired class of Creditors with Claims
2 against the Estates shall be forwarded a ballot and shall be entitled to vote to accept or
3 reject the Plan.

4 7.2 Acceptance by a Class of Creditors. A Class of Creditors shall have
5 accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in the aggregate dollar
6 amount and more than one-half (1/2) in number of Holders of the Allowed Claims of such
7 class that have voted to accept or reject the Plan.

8 7.3 Cram-down. In the event that any impaired Class of Creditors with Claims
9 against s Debtor's Estate shall fail to accept the Plan in accordance with Section 1129(a)
10 of the Bankruptcy Code, the Debtors request that the Bankruptcy Court confirm the Plan,
11 notwithstanding such rejection, in accordance with Section 1129(b) of the Bankruptcy
12 Code.

13 7.4 Blank Ballots. Any Ballot which is executed by the Holder of an Allowed
14 Claim or interest but which does not indicate an acceptance or rejection of the Plan shall
15 be deemed an acceptance of the Plan.

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

17 8.1 General. The Plan is to be implemented in a manner consistent with Section
18 1123 of the Bankruptcy Code and the Debtors are authorized to take any and all actions
19 that may be necessary or appropriate to implement the terms of the Plan.

20 8.2 Revesting of Debtors' Assets.

21 8.2.1 Except as otherwise expressly provided in this Plan, pursuant to
22 Sections 1123(a)(5), 1123(b)(3) and 1141(b) of the Bankruptcy Code, all of the
23 Debtors' assets shall automatically be retained and revested in the relevant
24 Reorganized Debtor, free and clear of all Claims, liens, contractually-imposed
25 restrictions, charges, encumbrances and interests of creditors and equity security
26 holders on the Effective Date, with all such Claims, liens, contractually-imposed

1 restrictions, charges, encumbrances and interests being extinguished except as
2 otherwise provided in this Plan.

3 8.2.2 As of the Effective Date, each Reorganized Debtor may acquire and
4 dispose of property and settle and compromise Claims without supervision of the
5 Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the
6 Bankruptcy Rules, other than those restrictions expressly imposed by this Plan and
7 the Confirmation Order. Without limiting the foregoing, each Reorganized Debtor
8 may pay the charges it incurs for professional fees, disbursements, expenses or
9 related support services after the Effective Date without any application to the
10 Bankruptcy Court.

11 8.3 Corporate Action. Pursuant to section 1142 of the Bankruptcy Code and
12 any applicable provisions of the business corporation law of any applicable state, the entry
13 of the Confirmation Order shall constitute authorization for the Debtors and the
14 Reorganized Debtors to take or cause to be taken all corporate and limited liability
15 company actions necessary or appropriate to consummate and implement the provisions
16 of this Plan prior to, on and after the Effective Date, and all such actions taken or caused
17 to be taken shall be deemed to have been authorized and approved by the Bankruptcy
18 Court.

19 8.4 Management of GFF. Hansen shall continue to direct and manage all of the
20 operations and affairs of GFF. Mr. Hansen will not be paid any compensation from GFF
21 post-petition or post-confirmation, until all Plan payments have been made.

22 8.5 Contribution by Hansen. Hansen shall contribute such funds as may be
23 necessary to ensure the timely payment of all Allowed Claims in accordance with the
24 provisions of the Plan. Specifically, Mr. Hansen will be making the monthly principal
25 and interest payments due to the Class 3, 4, 5, and 6 secured creditors, estimated at a total
26 of \$29,816.54 per month, and the monthly principal and interest payments to the Class 8

1 and 9 unsecured creditors, estimated at a total of \$9,771 per month. GFF secured
2 creditors in Classes 3, 4, 5, and 6 will not be receiving payments in Class 8 on account of
3 their GFF secured claims. However, secured creditors in Classes 3, 4, 5, and 6 will be
4 receiving payments in Class 9 related solely to their guarantor claims against Hansen
5 arising from the Hansen Lease & Rental, Inc. and Hansen Lease & Rental of Fargo, Inc.
6 deficiency claims. Mr. Hansen also will contribute such amounts as may be necessary to
7 pay all Allowed Professional Fee Claims, estimated at \$191,202 (net of retainers), any
8 other Allowed Administrative Expense Claims (estimated at \$0.00), U.S. Trustee's Fees,
9 and all Allowed Priority Tax Claims (alleged to be \$21,995, but estimated to be \$0.00).
10 Finally, to the extent that the monthly payments to the secured and unsecured payments,
11 Specific Contract Proceeds, General Contract Proceeds, and Litigation Proceeds are
12 insufficient to pay all Allowed Claims in full within 36 months, Mr. Hansen will make the
13 final balloon payments due to holders of Allowed Secured Claims and Allowed
14 Unsecured Claims on the 3 year anniversary date of the Effective Date of the Plan.

15 8.6 GFF Contracts. From and after the Effective Date, GFF will continue to
16 administer and service all performing GFF Contracts in the ordinary course of business.
17 GFF will continue to pursue collection of all non-performing GFF Contracts, including
18 but not limited to repossession of collateral, prosecution of GFF Contract Claims, and
19 collection of deficiencies under GFF Contracts.

20 8.6.1 All Specific Contract Proceeds received by GFF shall be paid to the
21 applicable GFF Lender that financed the GFF Contract that generated the Specific
22 Contract Proceeds to reduce such GFF Lender's Secured Claim, to the extent that
23 such GFF Lender has a valid and perfected first position lien with respect to such
24 GFF Contract or the underlying collateral.

25 8.6.2 All General Contract Proceeds received by GFF shall be distributed
26 to the GFF Lenders in the following order of priority:

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(a) First, to Bremer, until Bremer's Allowed Secured Claim has been paid in full;

(b) Second to Alerus, until Alerus's Allowed Secured Claim has been paid in full;

(c) Third to U.S. Bank, until U.S. Bank's Allowed Secured Claim has been paid in full; and

(d) Fourth to Citizens, until Citizen's Allowed Secured Claim has been paid in full.

8.7 Litigation. GFF and Hansen will investigate and pursue all Claims that each may have against third-parties, including but not limited to former accountants, employees, lawyers, lenders, and vendors.

8.7.1 Notwithstanding any other provision of the Plan to the contrary, all Litigation Proceeds received by GFF shall be used as follows:

(a) First, to pay all out-of-pocket costs incurred by GFF, including, but not limited to professional fees, expenses, and normal operating costs, including an appropriate reserve for future out-of-pocket costs;

(b) Second, to pay monthly debt service payments owed to holders of Allowed Class 8 and Class 9 Claims;

(c) Third, to pay pro rata distributions to GFF Lenders, until all Allowed Secured Claims of the GFF Lenders have been paid in full; and

(d) Fourth, to pay pro rata distributions to holders of Allowed Class 8 and Class 9 Claims, until all Allowed Class 8 and Class 9 Claims have been paid in full; and

(e) Fifth, to Hansen.

1 8.8 No Successor Liability. The Reorganized Debtors are not, and shall not be,
2 successors to the Debtors by reason of any theory of law or equity, and none shall have
3 any successor or transferee liability of any kind or character, except that the Reorganized
4 Debtors shall assume the obligations specified in the Plan and the Confirmation Order.

5 8.9 Effectuating Documents; Further Transactions. The Reorganized Debtors or
6 their designees, as applicable, shall be authorized to (a) execute, deliver, file or record
7 such contracts, instruments, releases and other agreements or documents and take such
8 actions as may be necessary or appropriate to effectuate and implement the provisions of
9 the Plan and (b) certify or attest to any of the foregoing actions.

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

11 9.1 The Plan contemplates and hereby provides for the rejection, pursuant to
12 Section 365 of the Bankruptcy Code, of any and all Executory Contracts and Unexpired
13 Leases of the Debtors which are in force on the Effective Date, except (i) those Executory
14 Contracts and Unexpired Leases which were specifically assumed pursuant to an order of
15 the Bankruptcy Court, and (ii) those Executory Contracts and Unexpired Leases listed on
16 Schedule 9.1 attached hereto, which Executory Contracts and Unexpired Leases shall be
17 deemed assumed on the Effective Date.

18 9.2 The Confirmation Order (except as otherwise provided therein) shall
19 constitute an order of the Bankruptcy Court pursuant to Section 365 of the Bankruptcy
20 Code, effective as of the Effective Date, approving the assumptions, assignments and
21 rejections hereunder. Each contract and lease assumed and/or assigned pursuant to
22 Section 9.1 shall be assumed only to the extent that any such contract or lease constitutes
23 an Executory Contract or Unexpired Lease. Assumption of a contract or lease pursuant to
24 Section 9.1 shall not constitute an admission by the Debtors or the Reorganized Debtors,
25 as applicable, that such contract or lease is an Executory Contract or Unexpired Lease or
26 that the Debtors or the Reorganized Debtors, as applicable, have any liability thereunder.

1 All Executory Contracts and Unexpired Leases that are assumed will be assumed under
2 their present terms or upon such terms as are agreed to in writing between the Debtors and
3 the counterparty to such contract or lease.

4 9.3 The Debtors assert that no cure amounts are due from the Debtors to any
5 counterparty to an Executory Contract or Unexpired Lease assumed hereunder. The
6 Debtors will serve the Plan and Schedule 9.1 on the non-Debtor counterparties to each
7 such Executory Contract or Unexpired Lease prior to the Confirmation Hearing. Each
8 such counterparty shall have until the date that is five (5) Business Days prior to the
9 Confirmation Hearing to file an objection to the assumption of their Executory Contract or
10 Unexpired Lease (whether the objection relates to the cure amount or otherwise). If any
11 objections are filed and cannot be resolved by agreement, the Bankruptcy Court shall hold
12 a hearing to determine the cure amount with respect to such Executory Contract or
13 Unexpired Lease or to otherwise resolve the objection, which hearing may be the
14 Confirmation Hearing. Any party failing to object to the assumption of their Executory
15 Contract or Unexpired Lease as set forth above shall be forever barred from asserting,
16 collecting or seeking to collect from the Debtors or the Reorganized Debtors any cure
17 amount or from otherwise objecting to the assumption of such Executory Contract or
18 Unexpired Lease. Notwithstanding the foregoing, or anything else in this Article 9, with
19 respect to any Executory Contract or Unexpired Lease which is the subject of an
20 objection, the Reorganized Debtors shall retain the right, until five (5) Business Days
21 following any order resolving such objection having become a Final Order, to reject such
22 Executory Contract or Unexpired Lease by amending Schedule 9.1. Within ten (10) days
23 of the later of the Effective Date or the date that an order of the Bankruptcy Court
24 establishing the cure amount of such Executory Contract or Unexpired Lease becomes a
25 Final Order, or as otherwise agreed with the counterparty to each Executory Contract or
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1 Unexpired Lease, the Reorganized Debtors shall pay the cure amounts to the non-Debtor
2 parties to such Executory Contracts and Unexpired Leases being assumed and/or assigned.

3 9.4 Notwithstanding any other provision in this Plan or prior notice of any kind
4 from the clerk of the Bankruptcy Court, any and all Creditors or persons with Claims
5 against a Debtor's Estate arising out of or in connection with or due to the rejection of an
6 Executory Contract or Unexpired Lease pursuant to the Plan shall have thirty (30) days
7 from the Effective Date within which to file a proof of claim in the true amount of such
8 Claims. If any such Creditors fail to file such proofs of claim within said thirty (30) day
9 period, then such Creditors shall have no Claims as against the Debtors, their Estates, the
10 Liquidating Trusts, the Liquidating Trustee or their respective Representatives, which
11 Claims arising out of or in connection with or due to such rejection of such Executory
12 Contract or Unexpired Lease, shall be dismissed, released and null and void.

13 9.5 Any Claim that arises from the rejection of an Executory Contract or
14 Unexpired Lease shall, to the extent such Claim becomes an Allowed Claim, be treated as
15 an Unsecured Claim in the applicable class of Unsecured Claims.

16 9.6 Any claim filed in accordance with the provisions of Section 9.4 hereof
17 shall be treated as a Disputed Claim until the period of time has elapsed within which the
18 Liquidating Trustee may file an objection to such Claim.

19 **ARTICLE 10. RETENTION OF JURISDICTION.**

20 10.1 Notwithstanding the entry of the Confirmation Order or the occurrence of
21 Effective Date, the Bankruptcy Court shall retain jurisdiction over this Case and any
22 proceedings related thereto to the fullest extent permitted by the Bankruptcy Code or
23 applicable law, and to make such orders as are necessary or appropriate to carry out the
24 provisions of this Plan.

25 10.2 In addition, the Bankruptcy Court shall retain jurisdiction to implement the
26 provisions of the Plan in the manner as provided under Section 1142 of the Bankruptcy

1 Code. If the Bankruptcy Court abstains from exercising, or declines to exercise
2 jurisdiction, or is otherwise without jurisdiction over any matter set forth in this Section,
3 or if the Debtors elect to bring an action or proceeding in any other forum, then this
4 Section shall have no effect upon and shall not control, prohibit or limit the exercise of
5 jurisdiction by any other court, public authority, or commission having competent
6 jurisdiction over such matters.

7 10.3 Without limiting the foregoing, the Bankruptcy Court shall retain
8 jurisdiction of the Case for the following matters:

9 10.3.1 To enable the Debtors to consummate any and all proceedings
10 which may have been brought before or after the entry of the Confirmation Order,
11 to set aside Liens or encumbrances, to challenge or object to the allowance of
12 Claims and to recover any preferences, transfers, assets or damages to which a
13 Debtor may be entitled under the applicable provisions of the Code or other
14 federal, state or local law;

15 10.3.2 To adjudicate all controversies concerning the classification or
16 allowance of a Claim or Equity Security Interest;

17 10.3.3 To adjudicate all disputes regarding or relating in any way to
18 Claims, Equity Security Interests, and the Plan;

19 10.3.4 To hear and determine all claims or motions arising from or seeking
20 the assumption and/or assignment or rejection of any Executory Contracts or
21 Unexpired Leases, and to consummate the rejection and termination thereof or with
22 respect to any Executory Contracts or Unexpired Leases to which an application or
23 motion for rejection or termination is filed before entry of the Confirmation Order;

24 10.3.5 To liquidate damages in connection with any disputed, contingent or
25 unliquidated Claims;

26 10.3.6 To adjudicate all claims to a security or ownership interest in any

1 property of the Debtors or in any proceeds thereof, including the adjudication of all
2 claims asserted by Creditors and Holders of Equity Security Interests;

3 10.3.7 To adjudicate all claims or controversies arising out of any
4 purchases, sales, or contracts made or undertaken by the Debtors during the
5 pendency of the Proceedings;

6 10.3.8 To adjudicate, determine and resolve any and all adversary
7 proceedings, applications, motions, and contested or litigated matters, instituted
8 before the closing of the Case;

9 10.3.9 To recover all Assets and properties of the Debtors, wherever
10 located;

11 10.3.10 To adjudicate and determine any cause of action provided for
12 under the Plan or pursuant to the Confirmation Order;

13 10.3.11 To make orders as are necessary or appropriate to carry out
14 the provisions of the Plan, or in aid of confirmation and consummation of the Plan;

15 10.3.12 To hear and determine any application to modify the Plan in
16 accordance with Section 1127 of the Bankruptcy Code, to remedy any defect or
17 omission, or reconcile any inconsistency in the Plan, the Disclosure Statement or
18 any Order of the Bankruptcy Court, including the Confirmation Order, in such a
19 manner as may be necessary to carry out the purposes and effects hereof;

20 10.3.13 To hear and determine all matters concerning state, local and
21 federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy
22 Code;

23 10.3.14 To determine any and all applications, adversary
24 proceedings, and contested or litigated matters properly before the Bankruptcy
25 Court before or after the Confirmation Date;

26 10.3.15 To hear and determine all controversies, suits and disputes, if

1 any, as may arise with regard to orders of the Bankruptcy Court in the Case entered
2 on or before the Confirmation Date; and

3 10.4 To enter an Order closing the Case.

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

5 11.1 Objections to Claims. Only the Debtors and Reorganized Debtors shall be
6 entitled to object to Claims. Any objections to Claims shall be served and filed on or
7 before the later of: (i) sixty (60) days after the Effective Date; (ii) thirty (30) days after a
8 request for payment or proof of Claim is timely filed and properly served; or (iii) such
9 other date as may be fixed by the Bankruptcy Court, whether before or after the dates
10 specified in subsections (i) and (ii) herein. Notwithstanding any authority to the contrary,
11 an objection to a Claim shall be deemed properly served on the Creditor if service is
12 effected in any of the following manners: (a) in accordance with Federal Rule of Civil
13 Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (b) by first class
14 mail, postage prepaid, on any counsel that has appeared on the Creditor's behalf in the
15 Cases; or (c) by first class mail, postage prepaid, on the signatory on the proof of Claim or
16 other representative identified in the proof of Claim or any attachment thereto.

17 11.2 Payments and Distributions with Respect to Disputed Claims.

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

21 11.3 Distributions After Allowance. After such time as a Disputed Claim
22 becomes an Allowed Claim, the Debtors shall distribute to the holder thereof the
23 distributions, if any, to which such holder is then entitled under the Plan in accordance
24 with the provisions hereof. In respect of Disputed Claims such distributions shall be made
25 within fifteen (15) days after such Disputed Claims become Allowed Claims by Final
26 Order of the Bankruptcy Court or as soon thereafter as practicable.

1 **ARTICLE 12. PROVISIONS CONCERNING DISTRIBUTIONS.**

2 12.1 Time of Distributions Under the Plan. Payments and distributions to be
3 made on or after the Effective Date pursuant to the Plan shall be made on such date, or as
4 soon as practicable thereafter, except as otherwise provided for in the Plan, or as may be
5 ordered by the Court, or as may be agreed to by the Debtors or Reorganized Debtors, as
6 applicable, and the Holder of the Claim or Equity Security Interest.

7 12.2 Payment Dates. Whenever any payment or distribution to be made under
8 the Plan shall be due on a day other than a Business Day, such payment or distribution
9 shall instead be made, without interest, on the next Business Day, or as soon as practicable
10 thereafter, or as may be agreed to by the Debtors and the holder of the Claim or Equity
11 Security Interest.

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

23 12.4 Fractional Cents. Any other provision of the Plan to the contrary
24 notwithstanding, no payments of fractions of cents will be made. Whenever any payment
25 of a fraction of a cent would otherwise be called for, the actual payment shall reflect a
26 rounding of such fraction to the nearest whole cent (rounding down in the case of .5).

1 12.5 Non-Negotiated Checks. If a Holder of an Allowed Claim, or any other
2 claim or interest fails to negotiate a check issued to such Holder under the Plan within
3 sixty (60) days of the date such check was issued by the Reorganized Debtors, then the
4 amount of Cash or other property attributable to such check shall be deemed to be
5 “Unclaimed Distributions,” and the payee of such check shall be deemed to have no
6 further Claim or future Claim against the Debtors or the Reorganized Debtors.

7 12.6 Unclaimed Distributions. In the event any payment to a holder of a Claim
8 under the Plan remains unclaimed for a period of sixty (60) days after such distribution
9 has been made (or after such delivery has been attempted), such Unclaimed Distribution
10 and all future distributions to be made to such holders shall be deemed forfeited by such
11 holder.

12 12.7 Disputed Payments or Distributions. In the event of any dispute between
13 and among Claimants (including the Entity or Entities asserting the right to receive the
14 disputed payment or distribution) as to the right of any Entity to receive or retain any
15 payment or distribution to be made to such Entity under the Plan, the Reorganized
16 Debtors may, in lieu of making such payment or distribution to such Entity, make it
17 instead into an escrow account or to a disbursing agent, for payment or distribution as
18 ordered by a court of competent jurisdiction or as the interested parties to such dispute
19 may otherwise agree among themselves, and the payment or distribution shall be deemed
20 to have been made to and received by the Entity determined to be entitled to such payment
21 or distribution as of the date that the Reorganized Debtors deliver such payment or
22 distribution to a disbursing agent or escrow account.

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

24 13.1 Discharge. Any liability imposed by the Plan will not be discharged. If
25 Confirmation of this Plan and/or the conditions precedent to the effectiveness of the Plan
26 are not satisfied, the Plan shall be deemed null and void. In such event, nothing contained

1 in this Plan shall be deemed to constitute a waiver or release of any claims against the
2 Debtors or their Estates or any other Persons, or to prejudice in any manner the rights of
3 the Debtors, their Estates, and/or any Person in any further proceeding involving the
4 Debtors, their Estates and/or any Person. The provisions of this Plan shall be binding
5 upon the Debtors, all Creditors and all Equity Security Interest holders, regardless of
6 whether such Claims or Equity Security Interest holders are impaired or whether such
7 parties accept this Plan, upon Confirmation thereof.

8 13.2 Modification of Plan. The Debtors may modify the Plan at any time before
9 Confirmation. However, the Bankruptcy Court may require a new disclosure statement or
10 re-voting on the Plan if the Debtors materially modify the Plan before Confirmation. The
11 Debtors may also seek to modify the Plan at any time after Confirmation so long as (a) the
12 Plan has not been substantially consummated, and (b) the Bankruptcy Court authorizes the
13 proposed modification after notice and a hearing. After Confirmation, the Debtors may,
14 upon Order from the Bankruptcy Court, in accordance with Section 1127(b) of the
15 Bankruptcy Code, remedy any defect or omission or reconcile any inconsistency in this
16 Plan in such manner as may be necessary to carry out the purpose of this Plan.

17 13.3 Post-Confirmation Quarterly Fees. Quarterly fees pursuant to 28 U.S.C.
18 Section 1930(a)(6) continue to be payable to the Office of the United States Trustee by the
19 Reorganized Debtors until such time as the Case is converted, dismissed, or closed
20 pursuant to a final decree.

21 13.4 Retention of Claims and Causes of Action. Except to the extent any rights,
22 claims, causes of action, defenses, and counterclaims are expressly and specifically
23 released or assigned in connection with this Plan or in any settlement agreement approved
24 during the Case: (i) any and all Claims accruing to the Debtors or the Estates shall remain
25 assets of and vest in the Reorganized Debtors whether or not litigation relating thereto is
26 pending on the Effective Date, and whether or not any such Claims have been listed or

1 referred to in the Plan, the Disclosure Statement, or any other document filed with the
2 Bankruptcy Court, and (ii) neither the Debtors nor the Estate waive, release, relinquish,
3 forfeit, or abandon (nor shall they be estopped or otherwise precluded or impaired from
4 asserting) any Claims or defenses that constitute property of the Debtors or the Estates: (a)
5 whether or not such Claims or defenses have been listed or referred to in this Plan, the
6 Disclosure Statement, or any other document filed with the Bankruptcy Court, (b) whether
7 or not such Claims are currently known to the Debtors, and (c) whether or not a defendant
8 in any litigation relating to such Claims filed a proof of claim in the Case, filed a notice of
9 appearance or any other pleading or notice in the Case, voted for or against this Plan, or
10 received or retained any consideration under this Plan. Without in any manner limiting
11 the scope of the foregoing, notwithstanding any otherwise applicable principle of law or
12 equity, including, without limitation, any principles of judicial estoppel, res judicata,
13 collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose,
14 describe, identify, analyze or refer to any Claim or cause of action, in the Plan, the
15 Disclosure Statement, or any other document filed with the Bankruptcy Court shall in no
16 manner waive, eliminate, modify, release, or alter the Debtors' right to commence,
17 prosecute, defend against, settle, recover on account of, and realize upon any Claim that
18 the Debtors or their Estates have or may have as of the Effective Date.

19 Except to the extent any rights, claims, causes of action, defenses, and
20 counterclaims are expressly and specifically released or assigned in connection with this
21 Plan or in any settlement agreement approved during the Case, the Debtors and
22 Reorganized Debtors, as applicable, expressly reserve all Claims and defenses for later
23 adjudication by the Reorganized Debtors and therefore, no preclusion doctrine, including
24 the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion,
25 waiver, estoppel (judicial, equitable or otherwise) or laches will apply to such Claims and
26 defenses upon or after the Confirmation or Consummation of the Plan based on the

1 Disclosure Statement, the Plan, and/or the Confirmation Order. In addition, the Debtors
2 and Reorganized Debtors, as applicable, expressly reserve the right to pursue or adopt
3 Claims that are alleged in any lawsuits in which the Debtors are a defendant or an
4 interested party, against any Person or Governmental Entity, including the plaintiffs or co-
5 defendants in such lawsuits. Any Person or Governmental Entity to whom the Debtors
6 have incurred an obligation (whether on account of services, purchase, sale of goods or
7 otherwise), or who has received services from the Debtors, or who has received money or
8 property from the Debtors, or who has transacted business with the Debtors, or who has
9 leased equipment or property from or to the Debtors should assume that such obligation,
10 receipt, transfer or transaction may be reviewed by the Debtors and Reorganized Debtors,
11 as applicable, subsequent to the Effective Date and maybe the subject of an action after
12 the Effective Date, whether or not: (a) such Person or Governmental Unit has Filed a
13 proof of Claim against the Debtors in the Case; (b) such Person's or Governmental Unit's
14 proof of Claim has been objected to by the Debtors; (c) such Person's or Governmental
15 Unit's Claim was included in the Debtors' Schedules; or (d) such Person's or
16 Governmental Unit's scheduled Claim has been objected to by the Debtors or has been
17 identified by the Debtors as contingent, unliquidated or disputed.

18 13.5 NO WAIVER OF CLAIMS. NEITHER THE FAILURE TO LIST A
19 CLAIM IN THE SCHEDULES FILED BY THE DEBTORS, THE FAILURE OF THE
20 DEBTORS OR ANY OTHER PERSON TO OBJECT TO ANY CLAIM FOR
21 PURPOSES OF VOTING, THE FAILURE OF THE DEBTORS OR ANY OTHER
22 PERSON TO OBJECT TO A CLAIM OR ADMINISTRATIVE EXPENSE BEFORE
23 CONFIRMATION OR THE EFFECTIVE DATE, THE FAILURE OF ANY PERSON
24 TO ASSERT A CLAIM OR CAUSE OF ACTION BEFORE CONFIRMATION OR
25 THE EFFECTIVE DATE, THE ABSENCE OF A PROOF OF CLAIM HAVING BEEN
26 FILED WITH RESPECT TO A CLAIM, NOR ANY ACTION OR INACTION OF THE

1 DEBTORS OR ANY OTHER PERSON WITH RESPECT TO A CLAIM, OR
2 ADMINISTRATIVE EXPENSE, OTHER THAN A LEGALLY EFFECTIVE EXPRESS
3 WAIVER OR RELEASE SHALL BE DEEMED A WAIVER OR RELEASE OF THE
4 RIGHT OF THE DEBTORS, BEFORE OR AFTER SOLICITATION OF VOTES ON
5 THE PLAN OR BEFORE OR AFTER CONFIRMATION OR THE EFFECTIVE DATE
6 TO (A) OBJECT TO OR EXAMINE SUCH CLAIM OR ADMINISTRATIVE
7 EXPENSE, IN WHOLE OR IN PART OR (B) RETAIN AND EITHER ASSIGN OR
8 EXCLUSIVELY ASSERT, PURSUE, PROSECUTE, UTILIZE, OTHERWISE ACT OR
9 OTHERWISE ENFORCE ANY CLAIM OR CAUSE OF ACTION AGAINST THE
10 HOLDER OF ANY SUCH CLAIM.

11 **ARTICLE 14. GENERAL PROVISIONS.**

12 14.1 Notices Under the Plan. Notices, requests, or demands with respect to this
13 Plan shall be in writing and shall be deemed to have been received within five (5) days of
14 the date of mailing, provided they are sent by registered mail or certified mail, postage
15 prepaid, return receipt requested, and:

16 if sent to the Debtors or Reorganized Debtors, addressed to:

17 GALLAGHER & KENNEDY, P.A.
18 Attn.: Todd A. Burgess
2575 East Camelback Road
19 Phoenix, Arizona 85016-9225
Facsimile: (602) 530-8500
20 Email: todd.burgess@gknet.com

21 14.2 Withholding Taxes/Setoffs. The Reorganized Debtors shall be entitled to
22 deduct any Federal or State withholding taxes from any payments with respect to Allowed
23 Claims for wages of any kind. The Reorganized Debtors may, but shall not be required
24 to, set off or recoup against any Claim, and the payments to be made pursuant to the Plan
25 in respect of such Claim, any claims of any nature whatsoever the Debtors or the Estates
26 may have against the holder of such Claim, but neither the failure to do so nor the

1 allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or
2 Reorganized Debtors, as applicable, of any such claim the Debtors may have against such
3 holder.

4 14.3 Committee. On the Effective Date, any Committee appointed in the Case
5 shall automatically dissolve and the members thereof and the Professional Persons
6 retained by the Committee in accordance with Section 1103 of the Bankruptcy Code shall
7 be released and discharged from their respective duties and obligations.

8 14.4 Headings. The headings used in this Plan are inserted for convenience only
9 and neither shall constitute a portion of this Plan nor in any manner affect the provisions
10 of this Plan.

11 14.5 Unenforceability. Should any provision in this Plan be determined to be
12 unenforceable, such determination shall in no way limit or affect the enforceability and
13 operative effect of any and all other provisions of this Plan.

14 14.6 Certain Terminations. On the Effective Date, all instruments evidencing
15 indebtedness of the Debtors discharged by the Plan shall be deemed canceled, unless this
16 Plan provides for the retention of liens.

17 14.7 Governing Law. Except to the extent that the Bankruptcy Code is
18 applicable, the rights and obligations arising under this Plan shall be governed by, and
19 construed and enforced in accordance with, the internal laws of the State of Arizona
20 without regard to its conflicts of law principles.

21 14.8 Liquidated and/or Disputed Claims. The Bankruptcy Court shall fix or
22 liquidate the amount of any contingent and/or disputed Claim pursuant to Section 502 of
23 the Bankruptcy Code. The amount so fixed shall be deemed the amount of such
24 contingent Claim for purposes of this Plan. In lieu thereof, the Bankruptcy Court may
25 determine the amount to be reserved for such contingent Claim, which amount shall be the
26

1 maximum amount which the holder of such contingent Claim shall be entitled to receive
2 under this Plan if such contingent Claim is allowed in whole or in part.

3 14.9 Revocation of Plan. The Plan Proponents reserve the right to revoke and
4 withdraw this Plan at any time before Confirmation.

5 14.10 Reservation of Rights. Nothing contained herein shall prohibit the Debtors
6 from prosecuting or defending any of its rights as may exist on its own behalf before the
7 Effective Date. If Confirmation of the Plan does not occur, the Plan shall be deemed null
8 and void. In such event, nothing contained in the Plan shall be deemed to constitute a
9 waiver or release of any Claims by or against the Debtors, their Estates, or any other
10 Person, or to prejudice in any manner, the rights and remedies of the creditors, the
11 Debtors, their Estates, or any Person in any further proceedings involving the Debtors or
12 their Estate. The filing of the Plan and or any modifications hereto, and the Plan itself
13 shall not constitute a waiver by the Debtors of any rights, remedies, objections, or causes
14 of action they may have or may wish to raise with respect to anything, including, without
15 limitation, any other plan or plans filed or to be filed in this bankruptcy case, all of which
16 rights and objections are hereby reserved.

17 14.11 Exemption from Certain Transfer Taxes. Pursuant to Section 1146(a) of the
18 Bankruptcy Code, the issuance, transfer or exchange of a security, or the making or
19 delivery of an instrument of transfer hereunder will not be subject to any stamp, tax, or
20 similar tax.

21 14.12 Injunction. Except as otherwise provided in the Plan or the Confirmation
22 Order, and except for any actions timely filed pursuant to Section 523 of the Bankruptcy
23 Code or any Claims declared by the Bankruptcy Court to be non-dischargeable pursuant
24 to Section 523 of the Bankruptcy Code, as of the Confirmation Date, but subject to the
25 occurrence of the Effective Date, all Persons who have held, hold or may hold Claims
26 against the Debtors or their Estates, or Equity Security Interests in the Debtors, are, with

1 respect to any such Claims or Equity Security Interests, permanently enjoined from and
2 after the Confirmation Date from: (i) commencing, conducting or continuing in any
3 manner, directly or indirectly, any suit, action or other proceeding of any kind (including,
4 without limitation, any proceeding in a judicial, arbitral, administrative or other forum)
5 with respect to any such Claim against or affecting the Debtors, their Estates or any of
6 their respective property, or any direct or indirect transferee of any property of, or direct
7 or indirect successor in interest to, any of the foregoing Persons, or any property of any
8 such transferee or successor; (ii) enforcing, levying, attaching (including, without
9 limitation, any pre-judgment attachment), collecting or otherwise recovering by any
10 manner or means, whether directly or indirectly, with respect to any judgment, award,
11 decree or order against the Debtors, their Estates or any of their respective property, or
12 any direct or indirect transferee of any property of, or direct or indirect successor in
13 interest to, any of the foregoing Persons, or any property of any such transferee or
14 successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or
15 indirectly, any encumbrance of any kind against the Debtors, their Estates or any of their
16 respective property, or any direct or indirect transferee of any property of, or successor in
17 interest to, any of the foregoing Persons; (iv) asserting initially after the Effective Date
18 any right of setoff, subrogation, or recoupment of any kind, directly or indirectly, against
19 any obligation due to the Debtors, their Estates or any of their respective property, or any
20 direct or indirect transferee of any property of, or successor in interest to, any of the
21 foregoing Persons; and (v) acting or proceeding in any manner, in any place whatsoever,
22 that does not conform to or comply with the provisions of the Plan to the full extent
23 permitted by applicable law. By accepting a distribution pursuant to the Plan, each holder
24 of an Allowed Claim receiving distributions pursuant to the Plan will be deemed to have
25 specifically consented to the injunctions set forth in this section, and, except as set forth in
26

1 this Section, waives any and all claims, causes of action, remedies and objections of every
2 kind against the Debtors.

3 14.13 Term of Injunctions or Stays. Unless otherwise provided, all injunctions or
4 stays arising before the Confirmation Date in accordance with Sections 105 or 362 of the
5 Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain
6 in full force and effect until the Effective Date, or such later date as provided under
7 applicable law. For the avoidance of doubt, this Section 14.13 does not apply to the
8 permanent injunction set forth in Section 14.12 of the Plan.

9 14.14 Injunction Against Interference With Plan. Upon the entry of the
10 Confirmation Order, all holders of Claims and Equity Security Interests and other parties
11 in interest, including the Debtors, along with its respective present or former employees,
12 agents, officers, directors, or principals, shall be enjoined from taking any actions to
13 interfere with the implementation or consummation of the Plan.

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

23 14.16 Successors and Assigns. The rights and obligations of any Entity named or
24 referred to in the Plan shall be binding upon and shall inure to the benefit of, the
25 predecessors, successors, assigns and agents of such Entity.

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

2 15.1 Conditions to the Effective Date. The following shall be conditions to the
3 occurrence of the Effective Date unless such conditions shall have been duly waived as
4 provided below: The Confirmation Order in form and substance acceptable to the Debtors
5 shall have become a Final Order, except that the Debtors reserve the right to cause the
6 Effective Date to occur notwithstanding the pendency of an appeal of the Confirmation
7 Order.

8 RESPECTFULLY SUBMITTED this 11th day of November, 2016.

9 **GF FINANCE, INC.**, a North Dakota
10 corporation

STEPHEN T. HANSEN, an Arizona
resident

11 By: /s/Stephen T. Hansen

/s/Stephen T. Hansen

12 Name: Stephen T. Hansen

13 Its: President

14 Prepared and submitted on behalf of the Debtors by:

15 GALLAGHER & KENNEDY, P.A.

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

17 Todd A. Burgess
2575 East Camelback Road
18 Phoenix, Arizona 85016-9225
Telephone: (602) 530-8000
19 Facsimile: (602) 530-8500
Email: todd.burgess@gknet.com

20 ORIGINAL filed and copies served via
21 the Court's CM/ECF Notification
22 System on all parties that have filed a
23 Notice of Appearance in these jointly-
administered cases this 11th day of
November, 2016.

24
25
26 /s/Todd A. Burgess

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EXHIBIT B
LIQUIDATION ANALYSIS

GF Finance, Inc
Liquidation Analysis, Estimated As Of November 11, 2016

	Value	Ch. 7 Liquidation % Recovery	Liquidation Value
GROSS LIQUIDATION PROCEEDS:			
Funded Notes and Payoffs (1)	\$ 1,592,737	85.0%	\$ 1,353,826
Performing Notes (1)	613,573	15.0%	92,036
Other Notes (1)	4,395,658	15.0%	659,349
Deficiencies & Litigation (1)	<u>690,064</u>	20.0%	<u>138,013</u>
GFF Collateral Proceeds	7,292,031		2,243,223
Guarantor Payments Under Plan	1,425,129		-
Guarantor Net Assets Available for Liquidation	-		<u>2,848,870</u>
GROSS LIQUIDATION PROCEEDS:	\$ 8,717,160		\$ 5,092,093

DISTRIBUTIONS TO CREDITORS (2)

GF FINANCE SECURED CLAIMS

Class 4 - Bremer Bank	\$ 2,255,926		\$ 2,153,766
Class 3 - Alerus Financial	1,579,012		1,235,878
Class 6 - US Bank	756,619		717,825
Class 5 - Citizens CCU	<u>1,032,142</u>		<u>1,051,296</u>
GF Finance Total	\$ 5,623,700		\$ 5,158,765
GFF Collateral Proceeds	<u>\$ 7,292,031</u>	43%	<u>\$ 2,243,223</u>
Net Surplus / Deficiency	<u>\$ 1,668,331</u>		<u>\$ (2,915,542)</u>

ASSETS AVAILABLE TO PAY REMAINING CLAIMS

GFF Collateral Surplus	\$ 1,668,331		-
GFF Guarantor Payments	1,425,129		-
Guarantor Net Assets Available for Liquidation	-		<u>2,848,870</u>
Subtotal	<u>\$ 3,093,460</u>		<u>\$ 2,848,870</u>

ADMINISTRATIVE EXPENSES:

U.S. Trustee's Fees	\$ 10,000		\$ 10,000
Chapter 7 Trustee Fees (3)	-		172,763
Ch. 7 Professional Fees Estimate	-		150,000
Ch. 11 Professional Fees Estimate (4)	191,202		191,202
Other costs (1)	<u>349,200</u>		-
Total Administrative Expenses	\$ 550,402	100%	\$ 523,965

PRIORITY TAX CLAIMS

IRS	20,232		20,232
AZDOR	<u>1,763</u>		<u>1,763</u>
Total Priority Tax Claims	\$ 21,995	100%	\$ 21,995

GENERAL UNSECURED CLAIMS

Class 8 GFF Unsecured Claims

GFF Deficiency Claims	\$ -		\$ 2,915,542
Camrud, Maddock, Olsen & Larson	2,915		2,915
Mohn Business Consulting	4,800		4,800

Class 9 Hansen Unsecured Claims (5)

1st Source Deficiency (6)	-		-
Alerus Financial	173,265		173,265
Bremer Bank	703,149		703,149
United Valley Bank	170,126		170,126
US Bank	<u>444,927</u>		<u>444,927</u>
HLR Total (5)	1,491,467		1,491,467
Interest Expense	<u>387,759</u>		-
Total Unsecured Claims	<u>\$ 1,886,941</u>		<u>\$ 4,414,724</u>

Available Funds	<u>2,521,062</u>		<u>2,302,910</u>
Net Surplus / Deficiency	<u>\$ 634,122</u>		<u>\$ (2,111,814)</u>
Percent Recovery	100%		52.2%

Stephen T. Hansen
Estimated As Of November 11, 2016

Assets:	
Cash	\$ 1,700,000
50% Interest in:	
- Grand Forks Home	350,000
- Scottsdale Home	350,000
- Vail Timeshare	5,000
2015 State Tax Returns	43,658
2015 Federal Tax Returns	501,962
Hansen Securities LLP	61,250
Household Furnishings	<u>15,000</u>
Total Assets (1)	<u>\$ 3,026,870</u>

Liquidation Costs	\$ 28,000
Homestead Exemption	<u>150,000</u>
Expenses	<u>\$ 178,000</u>
Net Assets	<u>\$ 2,848,870</u>

(1) Excludes exempt assets

(1) See attached Liquidation Analysis Summary and Notes

(2) The Debtors reserve all rights with respect to claim amounts and objections.

(3) Estimate based on statutory rates.

(4) Estimate based on input from Debtors' counsel and financial advisor. Estimate is net of retainers.

(5) Estimate based on loan balances remaining after final disposition of the Hansen Lease and Rental auto fleet.

(6) The return of the remaining Hansen Lease and Rental auto fleet.

GF Finance, Inc													Total Plan			
Liquidation Analysis Summary and Notes	Month1	Month2	Month3	Month4	Month5	Month6	Month7	Month8	Month9	Month10	Month11	Month12	Total	Total	Total	Forecast
Estimated As Of November 11, 2016	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Year1	Year2	Year3	Collections
GF Finance Customer Payments - Performing Notes	\$ 51,384	\$ 44,901	\$ 79,496	\$ 33,388	\$ 63,025	\$ 27,902	\$ 68,762	\$ 28,574	\$ 19,254	\$ 18,883	\$ 18,883	\$ 21,239	\$ 475,686	\$ 98,219	\$ 39,668	\$ 613,573
Guarantor Payments	39,587	39,587	39,587	39,587	39,587	39,587	39,587	39,587	39,587	39,587	39,587	39,587	475,043	475,043	475,043	1,425,129
Payments	90,971	84,488	119,082	72,974	102,611	67,488	108,348	68,160	58,840	58,469	58,469	60,825	950,729	573,261	514,711	2,038,701
Berger Refinance (1)	1,065,000	-	-	-	-	-	-	-	-	-	-	-	1,065,000	-	-	1,065,000
Ritchie Auction - Medford MN 9/16 (2)	93,876	-	-	-	-	-	-	-	-	-	-	-	93,876	-	-	93,876
Ritchie Auction - St Louis MO 9/27 (2)	33,426	-	-	-	-	-	-	-	-	-	-	-	33,426	-	-	33,426
Steffes On-Line Auction - Fargo ND 10/05 (2)	31,390	-	-	-	-	-	-	-	-	-	-	-	31,390	-	-	31,390
Kidco Farms Payoff (2)	238,786	-	-	-	-	-	-	-	-	-	-	-	238,786	-	-	238,786
Other Collections - payments deposited	130,258	-	-	-	-	-	-	-	-	-	-	-	130,258	-	-	130,258
Funded Notes and Payoffs	1,592,737	-	-	-	-	-	-	-	-	-	-	-	1,592,737	-	-	1,592,737
Main Resource Live Auction - Grand Forks 11/28/16 (3)	-	74,550	-	-	-	-	-	-	-	-	-	-	74,550	-	-	74,550
Sczepanski Farms - loan payments	37,500	37,500	-	-	125,000	-	-	125,000	-	-	125,000	-	450,000	514,528	514,528	1,479,056
Bill Sczepanski - loan payments	37,500	37,500	-	-	125,000	-	-	125,000	-	-	125,000	-	450,000	583,180	583,180	1,616,360
Sczepanski/Sczepanski Farms - equipment auction (4)	-	383,640	-	-	-	-	-	-	-	-	-	-	383,640	-	-	383,640
Doug Amundson - collateral liquidation (5) / judgment	-	-	-	27,132	27,132	27,132	27,132	27,132	27,132	27,132	27,132	-	217,052	275,000	-	492,052
Benz Farms (6)	-	87,500	-	-	87,500	-	-	87,500	-	-	87,500	-	350,000	-	-	350,000
Sale Proceeds	75,000	620,690	-	27,132	364,632	27,132	27,132	364,632	27,132	27,132	364,632	-	1,925,242	1,372,708	1,097,708	4,395,658
Repossessed Equipment and Sale (7)	-	-	24,006	24,006	24,006	24,006	24,006	24,006	24,006	24,006	24,006	24,006	240,064	-	-	240,064
Deficiency Judgements/Litigation Settlements from Borrower:	-	-	-	-	-	-	-	-	-	-	-	-	-	250,000	200,000	450,000
Total Deficiency and Litigation	-	-	24,006	24,006	24,006	24,006	24,006	24,006	24,006	24,006	24,006	24,006	240,064	250,000	200,000	690,064
Total Cash Receipts	\$1,758,707	\$ 705,178	\$ 143,089	\$ 124,112	\$ 491,249	\$ 118,626	\$ 159,486	\$ 456,798	\$ 109,978	\$ 109,607	\$ 447,107	\$ 84,832	\$4,708,772	\$2,195,969	\$1,812,418	\$8,717,160
Professional & Administrative Staff Budget (8)																
Loan Servicing	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 180,000	\$ 36,000	\$ 36,000	\$ 252,000
Rent & Utilities	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,000	12,000	36,000
Supplies/Postage/Shipping	200	200	200	200	200	200	200	200	200	200	200	200	2,400	2,400	2,400	7,200
Duplicate Titles/Research	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	12,000	12,000	36,000
Other/Miscellaneous	500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,000	6,000	18,000
Total Expenses	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	17,700	212,400	68,400	68,400	349,200
Total Net Proceeds	\$1,741,007	\$ 687,478	\$ 125,389	\$ 106,412	\$ 473,549	\$ 100,926	\$ 141,786	\$ 439,098	\$ 92,278	\$ 91,907	\$ 429,407	\$ 67,132	\$4,496,372	\$2,127,569	\$1,744,018	\$8,367,960

(1) Berger settlement expected to fund November, 2016.

(2) Actual funded auction results and payoffs, waiting on lender agreement for distribution.

(3) Estimated based on similar equipment sales prices. Order approving the November 28, 2016 auction in Grand Forks, ND still pending.

(4) Estimated values per summary appraisal performed by Main Resource, Inc. dated November 2016.

(5) Estimated based on GFF research of sales of similar items.

(6) Settlement amount under negotiation with borrower.

(7) Estimated based on equipment available for repossession and estimated recovery.

(8) Amounts' approved as part of Berger Settlement.