

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

LADERA PARENT LLC and
LADERA, LLC,

Debtors.

Case No.: 16-13382 and
16-13383-mew
(Jointly Administered)

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**DISCLOSURE STATEMENT FOR
CHAPTER 11 PLAN OF LIQUIDATION FILED
BY LENDER, RWNIIH-DL 122ND STREET 1 LLC**

THIS IS NOT A SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE LENDER PLAN FOR LADERA PARENT LLC AND LADERA, LLC. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT.

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Dated: New York, New York
June 23, 2017

DISCLAIMER

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE LENDER PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE LENDER PLAN. NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE LENDER PLAN OR THE SOLICITATION OF ACCEPTANCES OF THE LENDER PLAN.

ALL CREDITORS AND HOLDERS OF EQUITY INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT AND ALL EXHIBITS HERETO, INCLUDING THE LENDER PLAN, BEFORE VOTING TO ACCEPT OR REJECT THE LENDER PLAN. LENDER PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE LENDER PLAN AND THE EXHIBITS ANNEXED TO THE DISCLOSURE STATEMENT AND THE LENDER PLAN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THE TRANSMISSION OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. AFTER THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL BE MATERIALLY ACCURATE, AND (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE, AND NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NONBANKRUPTCY LAW. THIS DISCLOSURE STATEMENT WAS PREPARED TO PROVIDE HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR WITH "ADEQUATE INFORMATION" (AS DEFINED IN THE BANKRUPTCY CODE) SO THAT THEY CAN MAKE AN INFORMED JUDGMENT ABOUT THE LENDER PLAN.

THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, AS A STIPULATION OR AS A WAIVER, BUT, RATHER, AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE LENDER OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON

THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE REORGANIZATION OR THE LENDER PLAN ON HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR.

THIS DISCLOSURE STATEMENT IS PREPARED BY THE LENDER IN SUPPORT OF ITS LENDER PLAN AND INCLUDES STATEMENTS MADE BY THE DEBTORS IN THEIR COMPETING DISCLOSURE STATEMENT. TO THE EXTENT THAT SUCH STATEMENTS ARE INCLUDED IN THIS DISCLOSURE STATEMENT, THE LENDER HAS NOT VERIFIED THE ACCURACY OF SUCH STATEMENTS MADE BY THE DEBTORS IN THEIR COMPETING DISCLOSURE STATEMENT.

SUMMARY

RWNIH-DL 122nd Street 1 LLC (“**RWN**” or the “**Plan Proponent**”), as the senior secured lender, has filed its *Chapter 11 Plan of Liquidation* (the “**Lender Plan**”),¹ on behalf of debtors Ladera Parent LLC (“**L.P.**”) and Ladera, LLC (“**Ladera**” and with L.P., the “**Debtors**”), with the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”). A copy of the Lender Plan is attached as Exhibit A to this Disclosure Statement. This *Disclosure Statement for Chapter 11 Plan of Liquidation Filed by RWNIH-DL 122nd Street 1 LLC* (the “**Disclosure Statement**”) is being submitted to the Bankruptcy Court for approval for use in connection with the solicitation of acceptances of the Lender Plan from holders of Claims against and Interests in the Debtors pursuant to Section 1125 of title 11 of the United States Code (the “**Bankruptcy Code**”).

The Lender Plan and this Disclosure Statement are being submitted as a result of the Plan Proponent’s belief that the Debtors have disregarded the best interests of Creditors by failing to proceed with the agreed upon sale of Assets pursuant to a Bankruptcy Court scheduled auction (the “**Auction**”). These Cases are based upon a “single asset real estate” case in which the Plan Proponent is the senior secured lender with a lien on the

¹ Defined terms used but not herein defined shall have the meanings ascribed to such terms in the Lender Plan.

Assets. Under Section 362(d) of the Bankruptcy Code, the Plan Proponent has the right to seek certain relief from the automatic stay to proceed with foreclosure upon the Assets. Prior to filing the Lender Plan, the Plan Proponent refrained from exercising its remedies based solely upon an agreement with the Debtors to market and sell the Assets through the previously scheduled Auction. On the eve of the Auction, however, the Debtors stated that they were not committed to pursuing the Auction sale and, instead, would revisit a potential refinancing for their project. The Plan Proponent believes that the proposed refinancing is speculative and unlikely to result in a confirmable plan particularly given the prior inability of the Debtors and their controlling insider, Hans Futterman (“**Futterman**”), to refinance the substantial debt both prior to the Petition Date and during these Cases. The Plan Proponent believes that, consistent with the prior agreement with the Debtors, the Assets should be sold at Auction, which will afford the best opportunity to assess their market value, especially given that various interested bidders have already engaged in the present Auction process by submitting bids with substantial deposits. As a result, the Plan Proponent is sponsoring the Lender Plan which will backstop a recovery for Creditors through the Plan Funding, which might not otherwise be available in a sale of the Assets outside of a Lender Plan.

In the Plan Proponent’s opinion, the treatment of Claims under the Lender Plan provides a greater recovery for Creditors than that which is likely to be achieved under other alternatives.

Accordingly, the Plan Proponent believes that Confirmation of the Lender Plan is in the best interests of Creditors and the Estates.

BACKGROUND - THE DEBTORS²

Ladera is 100% owned by L.P. L.P. is 100% owned by 300 W122 Holdings, LLC. The Debtors, through their controlling insider and principal, Hans Futterman, began assembling the development project including the Assets in May 2004 and entered into their first contracts in 2006. Closings began in 2008 on air rights and then continued through 2011 for the gas station site. Originally, funding was provided for by a loan from Romspen/Procida. A closing was supposed to occur on the garage parcel in April 2014 with full funding for the project of \$130mm to be provided by third party lenders. Unfortunately, the garage parcel owners refused to close in the time frame required forcing litigation seeking specific performance.

When the project financing was lost, the Debtors arranged a loan from RWN to refinance and takeout Romspen/Procida. The Debtors explored multiple replacement financing options, and ultimately entered into a loan with RWN. The original RWN loan was intended to be a one (1) year note with a one (1) year extension and closed in May 2014. The extension would have taken the loan out to the beginning of June 2015.

As the lawsuit proceeded with the garage seller, Debtors continued to press ahead with approvals on the project. The first year started to wind down and it appeared that Debtors were close to a settlement with the garage owner. In consideration of same, Debtors, through Futterman, approached RWN to extend the loan and were reminded that, under the terms of the existing loan agreement, a twelve month extension would require the Debtors to fully fund an interest reserve, which the Debtors were unable to accomplish. After some

² The Background discussion is based, in part, upon information provided by the Debtors in their disclosure statement dated April 28, 2017 and filed with the Court [Docket No. 55]. RWN has not verified the accuracy of the Debtors' statements.

negotiations, the Debtors and RWN agreed in May, 2015 to modify the terms of the existing loan agreement to provide for a six month extension of the maturity, the Debtors' payment of one point, and an increase in the interest rate to 14%. The modification increased the loan amount to \$16,140,000 to accommodate closing costs, past due taxes, interest to accrue during the extension, a distribution of approximately \$228,000 in cash proceeds to Futterman and a "Capital Availability Fee" as described below. The parties further agreed that they would keep available up to \$22mm in additional loan proceeds to allow closing on the garage parcel, provided the Debtors agreed to a fee of 2% of the available capital for two months and another 2% fee for an additional two months. This was referred to as the "Capital Availability Fee". The May, 2015 loan modification extended the maturity to the end of November, 2015.

In August, 2015, the Debtors agreed to a settlement with the garage owner whereby the Debtors agreed to pay \$17,000,000 for the garage. In late August, 2015, RWN provided a new loan to facilitate closing of the garage. This new loan provided funds to refinance RWN's original loan, purchase the garage, pay for closing expenses, redeem the equity interests of a minority equity holder in the Debtor and provide for a cash distribution of \$750,000 to Futterman. The August, 2015 loan carried an interest rate of 9% and was set to mature on March 1, 2016. The terms of the loan agreement provided that the Debtors would have the ability to extend the maturity to June 1, 2016 upon payment of an extension fee and replenishment of an interest reserve. The Debtors also provided RWN with additional collateral.

Following the August, 2015 closing, the Debtors lacked sufficient funds to pay for the demolition and other work, putting the Debtors further behind in making progress on the project. While Debtors tried to identify lenders and prospective buyers, they were unable to do so.

In February, 2016, the Debtors realized they would be unable to meet the requirements to extend the March 1, 2016 maturity but nevertheless requested permission to do so given they had not yet been successful in identifying a new lender or buyer. RWN agreed to modify the loan by waiving the requirement to replenish the interest reserve with cash, increasing the interest rate to 15% and extending the final maturity of the loan to June 1, 2016.

In April 2016, Debtors began to work with Goldman Sachs again towards a full financing of the project. In June, RWN notified the parties that Debtors were in default. A forbearance period was agreed to through the end of August 2016. The forbearance agreement required payment of certain fees and an increase in the interest rate from 15% to 19.5%.

The potential Goldman Sachs financing fell apart in August 2016, and Debtors were not able to find a replacement lender. RWN gave official notice of default and that the forbearance period was over. It also notified the parties that it intended to conduct a UCC auction of the equity interests in Ladera Parent that had been pledged to it. RWN engaged EastDil Secured to proceed with a public foreclosure auction of their secured interests in the L.P. entity.

In the fall of 2016, the Debtors purportedly began seeing interest again, including several contracts that were in negotiation for sale of the project and, the Debtors allege, even prospective financing. The Debtors allege that they were in negotiations with a financing partner at the time of the proposed EastDil scheduled sale. At the request of the Debtors, RWN agreed to adjourn the sale for a short period to allow discussions to proceed. These discussions were ultimately unsuccessful and the Debtors were not able to enter into any definitive agreements to refinance the obligations to RWN or otherwise.

On the eve of the UCC foreclosure sale, the Debtors commenced these Chapter 11 Cases to stay the foreclosure. These Cases are based upon the Debtors' real estate project which qualifies as a "single asset real estate" case under Section 362(d)(3) of the Bankruptcy Code. The Bankruptcy Code provides the Debtors with a 90-day period to either propose a chapter 11 plan that "has a reasonable possibility of being confirmed within a reasonable time" or commence debt service on RWN's secured debt. Rather than engage RWN in a cooperative process, the Debtors spent the full time period contemplated by Section 362(d)(3) pursuing a refinancing option in support of a plan and a private sale of the Assets, neither of which materialized. In exchange for RWN agreeing to forebear from exercising its remedies under Section 362(d)(3), the Debtors agreed to pursue a sale of the Assets through the Auction and filed a plan to proceed with the Sale.

The Debtors filed a chapter 11 plan on March 29, 2017 [Docket No. 38], which was negotiated with RWN and was solely predicated upon an auction and sale of the Assets. The Debtors' negotiated plan was based upon the agreement with RWN to proceed with the sale of the Assets. In furtherance of the agreed upon sale of Assets, the Debtors

filed an application to employ Cushman & Wakefield Realty of Manhattan LLC as their real estate broker, which application was approved by the Court on May 15, 2017 [Docket No. 67]. In connection with the agreed upon sale process, the Debtors also filed a motion to approve certain proposed bidding procedures, which were negotiated with RWN and which, among other things, scheduled the auction [Docket No. 40]. The initially agreed upon auction date was June 7, 2017 but, at the request of the Debtors, RWN consented to a two-week adjournment to June 21st. The Court approved these bidding procedures and entered an order scheduling the auction for the agreed upon date, June 21, 2017 [Docket No. 68].

On April 28, 2017, the Debtors filed a disclosure statement in connection with their sale plan, as well as a motion to approve same [Docket Nos. 53, 55]. During the adjourned hearing to approve the Debtors' disclosure statement, on June 20, 2017, one day before the scheduled Auction, the Debtors unilaterally asked the Court to adjourn the Auction to allow them to materially modify their filed sale plan and pursue alternative financing. The Court agreed to adjourn the scheduled Auction for two days, to June 23, 2017.

On June 22, 2017, the Debtors sought approval by the Court to further adjourn the Auction and allow them to seek alternative financing. After the Court denied this request, the Debtors filed and served a notice, purporting to "withdraw" their bidding procedures motion and "cancel" their scheduled Auction. Accordingly, no bidders appeared and the Auction did not occur on June 23, 2017.

RWN believes the Debtors had no power to "withdraw" or otherwise impair the effectiveness of the Court's order, which remains in place. Under the terms of that order,

the Debtors were not permitted to “cancel” the Auction. While the bidding procedures permitted them to “withdraw the Assets from sale,” they could do so only with the consent of RWN or upon prior order of the Court. They obtained neither.

RWN’S CLAIMS AGAINST THE DEBTORS

On August 28, 2015, RWN loaned Ladera the original principal amount of \$36,640,000 under two loan agreements:

(i) an acquisition loan agreement in the principal amount of \$35,890,000 (the “**Acquisition Loan**”); and

(ii) a building loan agreement in the principal amount of \$750,000 (the “**Building Loan**” and, together with the Acquisition Loan, the “**Loans**”).

Both L.P. and Mr. Futterman unconditionally guaranteed all amounts due under the Loans. The Loans are secured by first priority mortgage liens and security interests on the Real Property.

As additional security for the Loans, RWN obtained pledges of the equity interests in certain of the Debtors and their affiliated entities, including a pledge from L.P. of its 100% equity interest in Ladera. In the agreement governing the pledge, L.P. also granted RWN a first priority security interest in any distributions, dividends or other payments or rights to payment in respect of those equity interests. RWN also obtained certain other collateral provided by non-debtor affiliates to secure the Debtors’ obligations under the Loans.

THE LENDER PLAN

The Lender Plan provides for the sale of certain of the Debtors’ Assets and the payment to Creditors on account of their Claims from the Sale Proceeds.

On June 23, 2017, RWN filed with the Bankruptcy Court a motion to approve this Disclosure Statement as well as (i) bidding procedures and (ii) an auction sale of the Assets (the “**Motion**”). That Motion is to establish the terms of sale for the public auction of the Assets, which shall be in furtherance of the Lender Plan, filed on June 23, 2017. The Sale Proceeds shall be distributed to creditors on account of their Allowed Claims in accordance with the priorities established by the Bankruptcy Code.

The table below provides a summary of the classification and treatment of Claims under the Lender Plan. The figures set forth in the table below represent the Debtors’ best estimate of the aggregate amount of Claims in the Cases. These estimates are based on an analysis of the Schedules filed by the Debtors, the Proofs of Claims filed by Creditors, and certain other documents of public record. There can be no assurance that Claims will be allowed by the Bankruptcy Court in the amounts set forth below. The aggregate amount of Allowed Claims may be significantly lowered from the amounts set forth below as the result of objections to claims.

Class and Estimated Amount³	Type of Claim or Equity Interest	Summary of Treatment
\$90,000	Administrative Claims (including Administrative Tax Claims but excluding Claims for Professional Fees and United States Trustee Fees)	Each holder of an Allowed Administrative Claim shall be paid in full, in cash, by the Disbursing Agent from the Sale Proceeds (as applicable) on or as soon as reasonably practicable after the later of the Effective Date, the Closing Date, and the date on which such Claim becomes an Allowed Administrative Claim, or on such other date and upon such other terms as may be agreed by the Holder of such Allowed Administrative Claim and the Disbursing Agent or ordered by the Bankruptcy Court.
\$10,000	United States Trustee Fees	All United States Trustee Fees incurred by the United States Trustee prior to the Effective Date and not yet paid shall be paid by the Disbursing Agent from the Plan Funding on or as soon as reasonably practicable after the Effective Date in accordance with the applicable schedule for payment of such fees.
As of March 31, 2017, Debtors' counsels and counsel to the Independent Managers are owed approximately \$250,000.00 in fees and expenses	Professional Fee Claims ⁴	Each Holder of an Allowed Professional Fee Claim shall be paid in Cash in an amount equal to such Allowed Professional Fee Claim on or as soon as reasonably practicable after the first Business Day following the date upon which such Claim becomes an Allowed Claim by Final Order of the Bankruptcy Court, unless such Holder shall agree to a different treatment of such Claim.
\$100,000	Priority Tax Claims	Except as may be otherwise mutually agreed in writing between the Plan Proponent and any applicable Governmental Units, all Allowed Priority Tax Claims shall be paid by the Disbursing Agent from the Sale Proceeds (as applicable) in full, in Cash, on or as soon as reasonably practicable after the later of the Effective Date and the Closing Date.

³ Amounts set forth in this chart are not and should not be deemed admissions as to validity or amount of any scheduled or filed claim. RWN reserves all rights to object to any scheduled or filed claim in the Debtors' cases. The Wind-Down Officer will review all claims and determine whether any objections should be filed.

⁴ Any agreement with respect to the waiver and/or modification of Professional Fees will be disclosed to the Court and the Office of the United States Trustee.

Class and Estimated Amount³	Type of Claim or Equity Interest	Summary of Treatment
<p>Class 2 As of June 22, 2017, RWN's Secured Claim is \$51,424,933.90, which amount continues to accrue interest and fees.</p>	<p>RWN Ladera Secured Claim</p>	<p>(Impaired). Upon the sale of the Property, the RWN Ladera Secured Claim shall receive the following treatment:</p> <p>(a) On the Closing Date, if RWN (or its designee) is the Purchaser of the Assets, then RWN (or its designee) shall receive the Assets free and clear of all Liens, claims, charges, encumbrances or interests of any kind or nature, as provided in the Credit Bid Agreement and the Confirmation Order; provided, however, that nothing in the Lender Plan shall impair in any respect any Claim or cause of action that RWN has or may have against any other entity or Person relating to or arising in connection with any RWN Deficiency Claim or other Claims, or any right of RWN to pursue such Claims or causes of action, all of which shall survive the Confirmation and effectiveness of the Lender Plan. For the avoidance of doubt, (i) under this scenario RWN will voluntarily forego participating in any distributions from the Plan Funding and (ii) nothing herein shall impair RWN's Claims in any other Class.</p> <p>(b) Alternatively, if the Assets are sold to a Third Party Purchaser for an amount <u>in excess of</u> RWN L.P. Secured Claim, then, on the Closing Date, the Disbursing Agent shall apply the Sale Proceeds to pay, in Cash, the aggregate amount of RWN's Allowed Secured Claims in Class 2 until fully paid, and to reimburse RWN for the Plan Funding (if such amounts have previously been funded by RWN). For the avoidance of doubt, nothing herein shall impair RWN's Claims in any other Class.⁵</p>
<p>Class 3 \$100,000.00</p>	<p>Other Secured Claims</p>	<p>(Unimpaired/Impaired). The Holders of the Class 3 Other Secured Claims shall receive the following treatment:</p> <p>(a) To the extent an Other Secured Claim is senior in priority to the Claims in Class 2, such Holders shall be entitled to payment in full, in Cash, on or as soon as reasonably practicable after the later of the Closing Date or the Effective Date. Such Claims will be paid from the Sale Proceeds.</p> <p>(b) To the extent an Other Secured Claim is not senior in priority to the Claims in Class 2, such Holders shall be entitled to receive their Pro Rata Share of Available Cash after payment in full to all Holders of senior Allowed Claims. If Sale Proceeds are sufficient, such Other Secured Claims shall receive interest at the federal judgment rate. To the extent that an Other Secured Claim is not an Allowed Secured Claim, it shall be treated as an Unsecured Claim.</p>

⁵ Nothing contained herein shall affect the rights of RWN as to any non-debtor obligations or non-debtor collateral.

Class and Estimated Amount³	Type of Claim or Equity Interest	Summary of Treatment
Class 4 Scheduled in the aggregate amount of \$3,260,000.00. Proofs of Claim for an additional \$16,200,000.00 were filed ⁶	Ladera Unsecured Claims	(Impaired). The Holders of the Class 4 Ladera Unsecured Claims against Ladera shall receive their Pro Rata Share of Available Cash after payment in full to all Holders of senior Allowed Claims. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.
Class 5	Ladera Interests	(Impaired). After payment in full to all Ladera Creditors have been made under the Lender Plan, and appropriate amounts have been reserved for Disputed Claims, any excess Available Cash shall be distributed to the Holders of Interests in Ladera, subject to the distribution obligations to Class 6.
Class 6 As of June 22, 2017, RWN's Secured Claim is \$51,424,933.90, which amount continues to accrue interest and fees.	RWN L.P. Secured Claim	(Impaired). After payment in full to all Holders of senior Allowed Claims, RWN shall receive all Available Cash until the payment in full of the RWN L.P. Secured Claim.
Class 7 Scheduled in the amount of \$25,000.00. Proofs of Claim for \$17,700,000 were filed ⁷	L.P. Unsecured Claims	(Impaired). After payment in full to all Holders of senior Allowed Claims, the Holders of the Class 7 L.P. Unsecured Claims against L.P. shall receive their Pro Rata Share of Available Cash. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.
Class 8	L.P. Interests	(Impaired). After payment in full to all L.P. Creditors have been made under the Lender Plan, and appropriate amounts have been reserved for Disputed Claims, any excess Available Cash shall be distributed to the Holders of Interests in L.P.

CONFIRMATION OF THE LENDER PLAN

Pursuant to Section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider Confirmation of the Lender Plan, on _____, 2017 at

⁶ Debtors dispute certain of the additional unsecured creditors' claims filed, and filed a motion objecting to same. RWN has joined in that objection. Additionally, certain claims were only filed in the main case number, 16-13382, but are being asserted against both Debtors.

⁷ Debtors dispute certain of the additional unsecured creditors' claims filed, and filed a motion objecting to same. RWN has joined in that objection.

10:00 a.m., Eastern Standard Time, in the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, 1 Bowling Green, New York, New York 10004. Objections, if any, to Confirmation of the Lender Plan shall be filed and served on or before _____, **2017**.

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 Lender Plan. RWN intends to seek Confirmation of the Lender Plan at the Confirmation Hearing. In the event that any impaired Class of Claims does not accept the Lender Plan, the Plan Proponent may seek a “cram down” Confirmation of the Lender Plan pursuant to Section 1129(b) of the Bankruptcy Code. **The Plan Proponent believes that the Lender Plan satisfies all applicable requirements of Section 1129(a) and Section 1129(b) of the Bankruptcy Code.** See “ACCEPTANCE AND CONFIRMATION -- Requirements for Confirmation” for a description of such requirements.

In accordance with Section 1126(c) of the Bankruptcy Code and except as provided in Section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Lender Plan if the Lender Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Claims of such Class that have timely and properly voted to accept or reject the Lender Plan.

Allowed Claims in Classes 2, 3, 4, 6 and 7 and the Interests in Classes 5 and 8 are impaired, and entitled to vote on the Lender Plan. Allowed Claims in Class 1 are unimpaired, are not entitled to vote, but are deemed to have accepted the Lender Plan.

If all Classes have either accepted the Lender Plan, been deemed to have accepted the Lender Plan or are not entitled to vote, the Plan Proponent shall request the Bankruptcy Court to confirm the Lender Plan under Section 1129(a) of the Bankruptcy Code. If any Impaired Class fails to accept the Lender Plan by the requisite statutory majorities, the Plan Proponent reserves the right (i) to confirm the Lender Plan by a “cram-down” of such non-accepting Class pursuant to Section 1129(b) of the Bankruptcy Code and (ii) to propose any modifications to the Lender Plan and to confirm the Lender Plan as modified, without re-solicitation, to the extent permitted by the Bankruptcy Code.

With the entry of the Confirmation Order, pursuant to Section 1141(d) of the Bankruptcy Code, except as otherwise provided in the Lender Plan, the distributions provided for in the Lender Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims against the Debtors’ assets or properties, including but not limited to the Assets, including any such Claim accruing after the Petition Date and before the Confirmation Date. As of the Effective Date, all holders of Claims shall be precluded from asserting any Claim against the Debtors’ assets or properties or other interests in the Debtor, or the Assets based on any transaction or other activity of any kind that occurred before the Confirmation Date except as otherwise provided in the Lender Plan. Confirmation makes the Lender Plan binding upon the Debtors, all Creditors and other parties regardless of whether they have accepted the Lender Plan. Nothing in the Lender Plan, however, provides for a discharge or release against the Debtors or their Related Persons.

VOTING INSTRUCTIONS — SUMMARY

The following discussion summarizes more detailed voting instructions set forth in the section of this Disclosure Statement entitled “VOTING INSTRUCTIONS.” If you have any questions regarding the timing or manner of casting your ballot, please refer to the “VOTING INSTRUCTIONS” section of this Disclosure Statement and the instructions contained on the ballot that you received with this Disclosure Statement.

General. Based upon the Schedules filed by the Debtors in these Cases, the Plan Proponent has sent to all known Creditors of the Debtors who are in Classes impaired under the Lender Plan a ballot with voting instructions and a copy of this Disclosure Statement and related documents. Creditors may refer to the above chart to determine whether they are impaired and entitled to vote on the Lender Plan. Creditors should read the ballot carefully and follow the voting instructions. Creditors should only use the official ballot that accompanies this Disclosure Statement.

The Lender Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by (a) the Holders of two-thirds in amount and more than one-half in number of claims in each class who actually vote on the Lender Plan and (b) the Holders of at least two-thirds in amount of the allowed interests of such class. In the event the requisite acceptances are not obtained, the Bankruptcy Court may nevertheless confirm the Lender Plan if (i) the Bankruptcy Court finds that the Lender Plan accords fair and equitable treatment, and does not discriminate unfairly, with respect to the class rejecting it and (ii) at least one impaired class of creditors excluding insiders has accepted the Lender

Plan. See “REQUIREMENTS FOR CONFIRMATION” and “EFFECT OF CONFIRMATION.”

YOUR VOTE IS EXTREMELY IMPORTANT. Creditors should exercise their right to vote to accept or reject the Lender Plan.

NOTICE TO HOLDERS OF CLAIMS AND INTERESTS

This Disclosure Statement is being furnished by the Plan Proponent to the Debtors’ known Creditors (based upon the Debtors’ schedules) pursuant to Section 1125(b) of the Bankruptcy Code in connection with a solicitation of acceptances of a plan of liquidation by RWN. The Lender Plan is filed with the Bankruptcy Court and is incorporated herein by reference. Parties in interest may view the Lender Plan on the Internet at <http://www.nysb.uscourts.gov>.⁸

The purpose of this Disclosure Statement is to enable you, as a Creditor whose Claim is in a Class impaired under the Lender Plan, to make an informed decision in exercising your right to accept or reject the Lender Plan.

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO OBJECT TO CONFIRMATION OF THE LENDER PLAN PROPOSED BY THE PLAN PROPONENT. PLEASE READ THIS DOCUMENT WITH CARE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY THE PLAN PROPONENT. EXCEPT WHERE NOTED FOR CERTAIN INFORMATION

⁸ A password is necessary for access to view documents on the Internet.

PROVIDED BY THE DEBTORS, THE STATEMENTS AND OPINIONS SET FORTH HEREIN ARE THOSE OF THE PLAN PROPONENT, AND NO OTHER PARTY HAS ANY RESPONSIBILITY WITH RESPECT THERETO.

THE LENDER PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY BANKRUPTCY COURT, THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE LENDER PLAN OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The historical information concerning the Debtors has been prepared using statements of the Debtors in certain filings made with the Bankruptcy Court. The estimates of Claims set forth herein may vary from the final amounts of Claims allowed by the Bankruptcy Court. While every effort has been made to ensure the accuracy of all such information, except as noted in the Disclosure Statement, the information presented herein is unaudited and has not been examined, reviewed or compiled by any independent public accountants.

This Disclosure Statement contains a summary of certain provisions of the Lender Plan and the transactions contemplated thereunder, and may contain descriptions of certain other related documents, if any. While the Plan Proponent believes that these summaries are fair and accurate, such summaries are qualified to the extent that they do not

set forth the entire text of such documents. Reference is made to the Lender Plan and the documents referred to herein and therein, if any, for a complete statement of the terms and provisions thereof. In the event of any inconsistency between the terms of the Lender Plan and this Disclosure Statement, the terms of the Lender Plan shall be controlling. In reviewing the Lender Plan and this Disclosure Statement, the reader should give special attention to “RISK FACTORS.” No statements or information concerning the Debtors, the Assets, or their other assets, results of business operations or financial condition are authorized by the Debtors.

Notwithstanding any provision of the Lender Plan to the contrary, definitions and descriptions contained herein respecting pre-Petition Date documents, agreements, or claims are provided solely for the purpose of identification and classification thereof and do not constitute an admission of the existence, validity, allowance, or amount of any such claim, document or agreement.

This Disclosure Statement is intended for the sole use of Holders of Claims and Interests to make an informed decision about the Lender Plan. Each Holder of a Claim and Interest should review this Disclosure Statement, the Lender Plan and all exhibits hereto. Holders of Claims and Interest are urged to consult with their own legal and financial advisors.

No solicitation of votes to accept or reject the Lender Plan may be made except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code. No person has been authorized to use or promulgate any information concerning the Debtors or their business or the Lender Plan, other than the information about the Lender Plan contained

in this Disclosure Statement and the exhibits hereto. You should not rely on any information relating to the Lender Plan other than that contained in this Disclosure Statement and the exhibits hereto.

RECOMMENDATION

In the Plan Proponent's opinion, the treatment of Creditors under the Lender Plan provides a greater recovery than is likely to be achieved under any other alternatives, including liquidation under Chapter 7. See "ALTERNATIVES TO THE LENDER PLAN." In particular, the Plan Proponent believes that in a Chapter 7 liquidation, administrative costs will be greater, and only to the extent the Assets are sold for a purchase price far in excess of the Allowed RWN Secured Claim would Unsecured Creditors have any possibility of receiving a distribution on account of their Claims.

THE PLAN PROPONENT BELIEVES THAT CONFIRMATION OF THE LENDER PLAN IS IN THE BEST INTERESTS OF CREDITORS AND THE ESTATES.

EVENTS LEADING TO CHAPTER 11

As was previously described herein, Debtors entered into a secured loan transactions with RWN in 2015. That transaction, however, was not repaid in accordance with its terms and accordingly, went into default.

The loans were scheduled to mature on March 1, 2016, but were extended to June 1, 2016. After the three-month extension, Debtor failed to repay the loans and on June 2, 2016, entered into a forbearance agreement. On September 2, 2016, RWN sent Debtors notice of the end of the forbearance period and demanded payment. On or about October 7,

2016, RWN began marketing a UCC foreclosure sale in connection with the RWN Security Documents and loan defaults. The first sale was adjourned briefly. The parties however, did not agree to further adjourn the UCC foreclosure sale scheduled for December 5, 2016, precipitating the Debtors' bankruptcy case filings.

Post-petition, RWN commenced an action in the Supreme Court of the State of New York against Hans Futterman, seeking to enforce his guaranty of the RWN Note.

RWN has not commenced a mortgage foreclosure proceeding in connection with the Debtors' Real Property.

SIGNIFICANT EVENTS IN THE CHAPTER 11 CASES

On December 4, 2016 the (the "**Petition Date**"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. The purpose of the filing was to stay the foreclosure proceeding and seek to preserve the value of the assets of the Estates for all Creditors. The following discussion is intended to highlight some of the more significant events which have occurred during the pendency of the Debtors' cases.

RWN'S MOTION FOR A RULE 2004

On December 15, 2016, RWN filed a motion for a Rule 2004 examination and document production. Debtors did not file written opposition, but appeared at a subsequent hearing, after which, the Court fashioned modified relief. An Order was entered on January 13, 2017 approving same.

RETENTION OF PROFESSIONALS

Section 327(a) of the Bankruptcy Code provides that a debtor, with the court's approval, may employ one or more accountants or other professional persons that do not hold or represent an interest adverse to the estate and that are disinterested persons to represent or assist the debtor in carrying out its duties under the Bankruptcy Code. 11 U.S.C. § 327(a).

On February 8, 2017, the Debtors sought authority from this Court to retain the law firm of Robinson Brog Leinwand Greene Genovese & Gluck P.C., as their counsel. The application was granted pursuant to an order entered on February 10, 2017. On February 10, 2017, Debtors sought authority from this Court to retain the law firm of Phillips Nizer LLP as its special real estate counsel. The application was granted pursuant to an order entered on February 23, 2017.

On February 14, 2017, and as amended on March 2, 2017, Debtors sought authority pursuant to 11 U.S.C. §363 to retain and pay for counsel to the independent managers. The application was granted pursuant to an order entered on March 2, 2017.

On April 14, 2017, the Debtors sought authority to retain Cushman & Wakefield as their real estate broker to market and sell the Assets. That application was granted pursuant to an order entered on May 15, 2017.

BAR DATE

In accordance with the requirements of Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, the Debtors filed their Schedules of assets and liabilities, including schedules of all of its known creditors and the amounts and priorities of the Claims the Debtors believe are owed to such creditors. Pursuant to Section 501 of the Bankruptcy

Code, any creditor may file a Proof of Claim and, unless disputed, such filed Proof of Claim supersedes the amount and priority set forth in the Debtors' schedules. On February 21, 2017, the Court entered an order which established March 29, 2017 as the deadline for the filing of claims.

There can be no assurance that the Allowed Claims as determined by the Bankruptcy Court will be in the amounts and priorities stated in the Schedules filed by the Debtors or the Proofs of Claim filed by the Creditors.

OPERATING REPORTS

Pursuant to the requirements of the Office of the United States Trustee for the Southern District of New York, the Debtors are required to file monthly reports which they will undertake to file in a timely manner. The Debtors have not filed reports as of yet, but since the Debtors are not operating entities, but rather the owners of a development project, they have no income and no ordinary post-petition expenses.

OPERATIONS AND FUNDING

The Debtors have no ongoing operations, no employees, and no funding. The Debtors have not sought approval of postpetition financing and, upon information and belief, have no funds in their bank accounts. The Plan Proponent believes that absent the sale of the Assets or a capital infusion by the Debtors' principal, these Chapter 11 Estates are administratively insolvent and would be unable to pay their post-petition expenses (which are largely, if not entirely, Professional Fees) or pay others costs of preserving the Assets (including taxes or insurance). Unlike the Debtors purely speculative process, the Lender Plan, however, backstops a recovery to Creditors by providing the Plan Funding to pay

administrative and priority claims and meet other obligations under the Lender Plan. In the event of a sale of the Assets to a “Third Party Purchaser,” the Sale Proceeds would likewise be used to meet such obligations under the Lender Plan.

SUMMARY OF THE LENDER PLAN

The following summary of the terms of the Lender Plan is qualified in its entirety by reference to the provisions of the Lender Plan, a copy of which is filed with the Clerk of the Bankruptcy Court and which is incorporated herein by reference.

CLASSIFICATION OF CLAIMS AND INTERESTS

Classification of claims is governed, in part, by Sections 1122 and 1123(a) of the Bankruptcy Code. Section 1123(a) requires that a plan designate classes of claims, requires that the plan specify the treatment of any impaired class of claims, and requires that the plan provide the same treatment for each claim of a particular class, unless the holder of a claim receiving less favorable treatment consents to such treatment. 11 U.S.C. §1123(a)(1), (3) and (4). Section 1122(a) of the Bankruptcy Code provides, subject to an exception for administrative convenience, that “a plan may place a claim or interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class.”

Article 3 of the Lender Plan classifies the various Allowed Claims against and Interests in the Debtor into six (6) classes of Claims and two (2) classes of Interests:

Class 1. Priority Non-Tax Claims. Class 1 consists of all Priority Non-Tax Claims.

Class 2. RWN Ladera Secured Claim. Class 2 consists of the Allowed RWN Ladera Secured Claim.

Class 3. Other Secured Claims. Class 3 consists of all Allowed Other Secured Claims against Ladera.

Class 4. Ladera Unsecured Claims. Class 4 consists of all Allowed Unsecured Claims against Ladera.

Class 5. Ladera Interests. Class 5 consists of all Interests in Ladera.

Class 6. RWN L.P. Secured Claim. Class 6 consists of the Allowed RWN L.P. Secured Claim.

Class 7. L.P. Unsecured Claims. Class 7 consists of all Allowed Unsecured Claims against L.P.

Class 8. L.P. Interests. Class 8 consists of all Interest in L.P.

As set forth in the Lender Plan, pursuant to Section 1123(a)(1) of the Bankruptcy Code, certain Administrative Claims against the Debtors have not been classified. See “SUMMARY OF THE LENDER PLAN -- Treatment of Non-Classified Claims.”

TREATMENT OF CLAIMS CLASSIFIED UNDER THE LENDER PLAN

Article 4 of the Lender Plan provides for the treatment of Allowed Claims classified in Article 3 of the Lender Plan as follows:

Class 1 – Priority Non-Tax Claims (Unimpaired) Each Holder of a Priority Non-Tax Claim will be paid in full on or as soon as reasonably practicable after the later of the Closing Date or the Effective Date.

Class 2 – RWN Ladera Secured Claim (Impaired) Upon the sale of the Property, the RWN Ladera Secured Claim shall receive the following treatment:

(a) On the Closing Date, if RWN (or its designee) is the Purchaser of the Assets, then RWN (or its designee) shall receive the Assets free and clear of all Liens, claims, charges, encumbrances or interests of any kind or nature, as provided in the Credit Bid Agreement and the Confirmation Order; provided, however, that nothing in the Lender

Plan shall impair in any respect any Claim or cause of action that RWN has or may have against any other entity or Person relating to or arising in connection with any RWN Deficiency Claim or other Claims, or any right of RWN to pursue such Claims or causes of action, all of which shall survive the Confirmation and effectiveness of the Lender Plan. For the avoidance of doubt, (i) under this scenario RWN will voluntarily forego participating in any distributions from the Plan Funding and (ii) nothing herein shall impair RWN's Claims in any other Class.

(b) Alternatively, if the Assets are sold to a Third Party Purchaser for an amount in excess of the RWN L.P. Secured Claim, then, on the Closing Date, the Disbursing Agent shall apply the Sale Proceeds to pay, in Cash, the aggregate amount of RWN's Allowed Secured Claims in Class 2 until fully paid, and to reimburse RWN for the Plan Funding (if such amounts have previously been funded by RWN). For the avoidance of doubt, nothing herein shall impair RWN's Claims in any other Class.⁹

Class 3 – Other Secured Claims (Unimpaired/Impaired) The Holders of the Class 3 Other Secured Claims shall receive the following treatment:

(a) To the extent an Other Secured Claim is senior in priority to the Claims in Class 2, such Holders shall be entitled to payment in full, in Cash, on or as soon as reasonably practicable after the later of the Closing Date or the Effective Date. Such Claims will be paid from the Sale Proceeds. RWN does not believe there are any Other Secured Claims senior in priority to the Claims in Class 2.

⁹ Nothing contained herein shall affect the rights of RWN as to any non-debtor obligations or non-debtor collateral.

(b) To the extent an Other Secured Claim is not senior in priority to the Claims in Class 2, such Holders shall be entitled to receive their Pro Rata Share of Available Cash after payment in full to all Holders of senior Allowed Claims. If Sale Proceeds are sufficient, such Other Secured Claims shall receive interest at the federal judgment rate. To the extent that an Other Secured Claim is not an Allowed Secured Claim, it shall be treated as an Unsecured Claim.

Class 4 – Ladera Unsecured Claims. (Impaired) The Holders of the Class 4 Ladera Unsecured Claims against Ladera shall receive their Pro Rata Share of Available Cash after payment in full to all Holders of senior Allowed Claims. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.

Class 5 – Ladera Interests (Impaired) After payment in full to all Ladera Creditors have been made under the Lender Plan, and appropriate amounts have been reserved for Disputed Claims, any excess Available Cash shall be distributed to the Holders of Interests in Ladera, subject to the distribution obligations to Class 6.

Class 6 – RWN L.P. Secured Claim. (Impaired) After payment in full to all Holders of senior Allowed Claims, RWN shall receive all Available Cash until the payment in full of the RWN L.P. Secured Claim.

Class 7 – L. P. Unsecured Claims. (Impaired) After payment in full to all Holders of senior Allowed Claims, the Holders of the Class 7 L.P. Unsecured Claims against L.P. shall receive their Pro Rata Share of Available Cash. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.

Class 8 – L.P. Interests (Impaired) After payment in full to all L.P. Creditors have been made under the Lender Plan, and appropriate amounts have been reserved for Disputed Claims, any excess Available Cash shall be distributed to the Holders of Interests in L.P.

TREATMENT OF NON-CLASSIFIED CLAIMS

Pursuant to Section 1123(a)(1) of the Bankruptcy Code, the Lender Plan does not classify Administrative Claims or Allowed Priority Tax Claims. Such Claims, to the extent Allowed, shall receive the treatment provided in Article 2 of the Lender Plan in full satisfaction, release and discharge thereof.

Administrative Claims. A notice setting forth the Administrative Claim Bar Date will be filed on the Bankruptcy Court’s docket and served with the notice of the Effective Date. No other notice of the Administrative Claim Bar Date will be provided. All requests for payment of Administrative Claims that accrued on or before the Effective Date (other than Professional Fee Claims) must be filed with the Bankruptcy Court and served on counsel for the Plan Proponent by the Administrative Claim Bar Date. Any requests for payment of Administrative Claims that are not properly filed and served by the Administrative Claim Bar Date shall be disallowed automatically without the need for any objection or any action by the Bankruptcy Court.

Unless the Wind-Down Officer or the Plan Proponent objects to a timely filed and properly served Administrative Claim by the applicable objection deadline, or such Administrative Claim has been allowed by prior order of the Bankruptcy Court, then such Administrative Claim shall be deemed allowed in the amount requested. If the Wind-Down

Officer or the Plan Proponent objects to an Administrative Claim, the parties may confer to try to reach a settlement and, failing that, the Bankruptcy Court shall determine whether such Administrative Claim should be allowed and, if so, in what amount.

Each Holder of an Allowed Administrative Claim (other than holders of Professional Fees or United States Trustee Fees) shall be paid in full, in cash, by the Disbursing Agent from the Sale Proceeds (as applicable) on or as soon as reasonably practicable after the later of the Effective Date, the Closing Date, and the date on which such Claim becomes an Allowed Administrative Claim, or on such other date and upon such other terms as may be agreed by the Holder of such Allowed Administrative Claim and the Disbursing Agent or ordered by the Bankruptcy Court. Holders of Administrative Claims are not entitled to vote on the Lender Plan and are deemed to have accepted the Lender Plan.

United States Trustee Fees. The United States Trustee Fees are unimpaired. All United States Trustee Fees incurred by the United States Trustee prior to the Effective Date and not yet paid shall be paid by the Disbursing Agent from the Plan Funding on or as soon as reasonably practicable after the Effective Date in accordance with the applicable schedule for payment of such fees. Until each of the Chapter 11 Cases is closed by entry of a final decree of the Bankruptcy Court, the Wind-Down Officer shall pay all additional United States Trustee Fees incurred in accordance with the applicable schedule for the payment of such fees.

Professionals Fee Claims. Section 330 of the Bankruptcy Code sets the standard for the determination by the Bankruptcy Court of the appropriateness of fees to be awarded to Professionals retained by a debtor in a case under the Bankruptcy Code. In

general, “bankruptcy legal services are entitled to command the same competency of counsel as other cases. In that light, the policy of this section is to compensate attorneys and other professionals serving in a case under title 11 at the same rate as the attorney or other professional would be compensated for performing comparable service other than in a case under title 11.” 124 Cong. Rec. H11091 (Daily ed. Sept. 28, 1978).

All final applications for payment of Professional Fee Claims shall be filed with the Bankruptcy Court and served on the Plan Proponent and the Wind-Down Officer on or before the Professional Fee Claims Bar Date. Any Professional Fee Claim that is not asserted in accordance with Section 2.3 of the Lender Plan shall be deemed disallowed under the Lender Plan and the holder thereof shall be enjoined from commencing or continuing any action, employment of process, or act to collect, offset, recoup, or recover such Professional Fee Claim against any of the Estates, the Disbursing Agent, or any of their respective assets or property.

Each Holder of an Allowed Professional Fee Claim shall be paid in Cash in an amount equal to such Allowed Professional Fee Claim on or as soon as reasonably practicable after the first Business Day following the date upon which such Claim becomes an Allowed Claim by Final Order of the Bankruptcy Court, unless such Holder shall agree to a different treatment of such Claim.

Priority Tax Claims. Except as may be otherwise mutually agreed in writing between the Wind-Down Officer or the Plan Proponent and any applicable Governmental Units, all Allowed Priority Tax Claims shall be paid by the Disbursing Agent from the Sale

Proceeds (as applicable) in full, in Cash, on or as soon as reasonably practicable after the later of the Effective Date and the Closing Date.

DISPUTED CLAIMS AND INTERESTS

Except as otherwise explicitly provided in the Lender Plan, nothing shall effect, diminish or impair the Plan Proponent's or the Wind-Down Officer's rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including, but not limited to, legal and equitable defenses to setoffs or recoupment against Unimpaired Claims, or recharacterization of Unimpaired Claims.

Article 7 of the Lender Plan contains a mechanism for resolving disputes concerning the amount of certain Claims or Interests asserted against the Debtors by any Entity.

DISTRIBUTIONS UNDER THE LENDER PLAN

Article 7 of the Lender Plan contains provisions governing the making of distributions on account of Claims. In general, any payments, distributions or other performance to be made pursuant to the Lender Plan on account of any Allowed Claim shall be deemed to be timely made if made on or within five (5) days following the later of (i) the expiration of any applicable objection deadline with respect to Disputed Claims or (ii) such other times provided in the Lender Plan.

Disbursing Agent. The Disbursing Agent shall distribute all Cash or other property to be distributed under the Lender Plan and may employ or contract such third parties as may be necessary to assist in or perform the distribution of Cash or other property under the Lender Plan. Pending the final distribution of all sums distributable under the

terms of the Lender Plan, the Disbursing Agent shall have full authority to sign checks on any bank account of the Debtors to the extent necessary to make any payment or distribution contemplated by the Lender Plan.

Timing of Distributions Under the Lender Plan. Subject to Sections 7.6 and 7.8 of the Lender Plan, any payments, distributions or other performance to be made pursuant to the Lender Plan on account of any Disputed Claim shall be deemed to be timely made if made as provided for under the Lender Plan on the Closing Date, on or within five days following the later of (i) the expiration of any applicable objection deadline with respect to such Disputed Claim or (ii) such other times provided in the Lender Plan.

Method of Payment. Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to the Lender Plan shall be made by check drawn on a domestic bank, or wire transfer, if requested.

Claims Objection Deadline. Subject to further extension by the Plan Proponent or the Wind-Down Officer, objections to the allowance of any Claim may be filed no later than the later to occur of (i) sixty (60) days after the Effective Date or (ii) sixty (60) days after the date proof of such Claim or Interest or a request for payment of such Claim is filed.

Prosecution of Objections. After the Confirmation Date, only the Plan Proponent and the Wind-Down Officer shall have authority to file, settle, compromise, withdraw or litigate to judgment objections to Disputed Claim. The Plan Proponent and the Wind-Down Officer may comprise any objections to Disputed Claims without further order of the Court.

No Distribution Pending Allowance. Notwithstanding any other provision of the Lender Plan, no payment or distribution of any kind shall be made with respect to any portion of a Claim that is a Disputed Claim unless and until all objections to such Claim are resolved by Final Order. For the avoidance of doubt, any portion of a Claim that is an Allowed Claim shall be timely paid pursuant to the provisions of the Lender Plan.

Escrow of Cash Distributions. On any date that distributions are to be made under the terms of the Lender Plan, the Disbursing Agent shall deposit in one or more segregated accounts, Cash or property equal to 100% of the Cash that would be distributed on such date on account of Disputed Claims, plus any and all interest that would accrue on the Disputed Claims during the pendency of any such dispute, as if each such Disputed Claim were an Allowed Claim but for the pendency of a dispute with respect thereto, including, but not limited to (i) Disputed Claims that may be entitled to treatment as Administrative Claims or as Priority Non-Tax Claims pursuant to Sections 503 and 507 of the Bankruptcy Code, (ii) claims of Governmental Units for any tax, (iii) any disputed Cure Amount, and (iv) any amount due but not payable on the Closing Date, on account of Administrative Claims or claims entitled to priority pursuant to Sections 503 and 507 of the Bankruptcy Code. The Disbursing Agent shall also segregate any interest, dividends or other proceeds of such Cash. Such Cash together with any interest, dividends or proceeds thereof, be held in trust for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

Distribution After Allowance. Within five (5) business days after the entry of a Final Order resolving an objection to a Disputed Claim, the Disbursing Agent shall

distribute all Cash or other property, including any interest, dividends or proceeds thereof, to which a Holder is then entitled with respect to any formerly Disputed Claim that has become an Allowed Claim.

Investment of Segregated Cash. To the extent practicable, the Disbursing Agent may invest any Cash segregated on account of a Disputed Claim, disputed Interest, undeliverable distribution, or any proceeds thereof (i) in a manner that will yield a reasonable net return taking into account the safety of the investment or (ii) in any manner permitted by Section 345 of the Bankruptcy Code; provided, however, that the Disbursing Agent shall be under no obligation to so invest such Cash or proceeds and shall have no liability to any party for any investment made or any omission to invest such Cash or proceeds. Segregated Cash shall be maintained in an authorized depository.

Distribution After Disallowance. Subject to Section 7.7 of the Lender Plan, the Cash segregated on account of Disputed Claims, including the allocable portion of the net return yielded from any investment thereof, if any, remaining after all Disputed Claims have been resolved by Final Order shall revert to the Estates for distribution pursuant to the terms of the Lender Plan.

Surrender of Instruments; Execution of Satisfactions and Releases.

(a) Except as to the Plan Proponent which shall not be subject to the terms of Section 7.11 of the Lender Plan, notwithstanding any other provision of the Lender Plan, no Creditor that holds a note or other instrument evidencing such Creditor's Claim may receive any distribution with respect to such Claim, unless and until the original note or other

original instrument evidencing such Claim shall have been validly surrendered to the Disbursing Agent.

(b) Any Cash or property to be distributed pursuant to the Lender Plan on account of any such Claim shall, pending surrender, be treated as an undeliverable distribution pursuant to Section 7.13 of the Lender Plan.

(c) In the event any Creditor is unable to surrender a note or other instrument evidencing a Claim against the Debtors that has been destroyed, lost or stolen, such entity may receive a distribution with respect to such Claim by presenting to the Disbursing Agent, in a form acceptable to the Disbursing Agent: (i) proof of such entity's title to such Claim; (ii) an affidavit to the effect that the same has been lost and after diligent search cannot be located; and (iii) such indemnification as may be required by the Disbursing Agent and all other entities deemed appropriate by the Disbursing Agent from any loss, action, suit or any claim whatsoever which may be made as a result of such entity's receipt of a distribution under the Lender Plan.

(d) All questions as to the validity, form or eligibility of any note or other instrument evidencing a Claim so surrendered shall be resolved by Final Order of the Bankruptcy Court. The Disbursing Agent shall not be under any duty to give notification of defects in such tender or shall incur liability for failure to give notification of such defects.

Delivery of Distributions. Except as provided in Sections 7.13, 7.14 and 7.15 of the Lender Plan, distributions to Holders of Allowed Claims and Allowed Interests shall be made: (1) at the addresses set forth on the respective Proofs of Claim or Proofs of Interests filed by such Holders; (2) at the addresses set forth in any written notices of address

changes delivered to the Disbursing Agent after the date of any related Proof of Claim; or (3) at the address reflected in the Schedules if no Proof of Claim or Proof of Interest is filed and the Disbursing Agent has not received a written notice of a change of address.

Undeliverable Distributions.

(a) If the distribution to the Holder of any Claim or Interest is returned to the Disbursing Agent as undeliverable, no further distribution shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then current address. Undeliverable distributions shall remain in the possession of the Disbursing Agent until the earlier of (i) such time as a distribution becomes deliverable or (ii) such undeliverable distribution becomes an unclaimed distribution pursuant to section 7.14 of the Lender Plan.

(b) Until such time as an undeliverable distribution becomes an unclaimed distribution pursuant to Section 7.14 of the Lender Plan, within thirty (30) days after the end of each calendar quarter following the Closing Date, the Disbursing Agent shall make distributions of all Cash that has become deliverable during the preceding quarter. Each such distribution shall include the net return yielded from the investment of any undeliverable Cash from the date such distribution would have been due had it then been deliverable to the date that such distribution becomes deliverable.

(c) Nothing contained in the Lender Plan shall require the Disbursing Agent to attempt to locate any Holder of an Allowed Claim or an Allowed Interest.

Unclaimed Distributions. Any Cash or other assets to be distributed under the Lender Plan shall revert to the Estates and distributed in accordance with the terms of the

Lender Plan if it is not claimed by the entity entitled thereto before the later of (i) one year after the Closing Date; (ii) one year after such scheduled payment to such entity under Article 4 of the Lender Plan; or (iii) one year after an Order allowing the Claim of that entity becomes a Final Order, and such entity's claim shall be reduced to zero.

Set-offs. The Disbursing Agent, may, but shall not be required to, set-off against the distributions to be made pursuant to the Lender Plan, the claims, obligations, rights, causes of action and liabilities of any nature that the Debtors may hold against the Holder of an Allowed Claim, provided, however, that neither the failure to effect such a set-off nor the allowance of any claim hereunder shall constitute a waiver or release by the Debtors of any such claims, obligations, rights, causes of action and liabilities that the Debtors may have against such Holder. To the extent the Disbursing Agent elect to effectuate a set-off, it shall notify the Holder of the Allowed Claim in writing at least ten (10) days prior to effectuating the set-off. To the extent the Holder of an Allowed Claim objects to the set-off, a written objection shall be provided to the Disbursing Agent, no later than three (3) days prior to the set-off date or the objection shall be waived. Section 7.15 of the Lender Plan shall not apply to the Plan Proponent.

Estimation of Claims. The Wind-Down Officer and/or the Plan Proponent may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without

limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Wind-Down Officer and/or the Plan Proponent, as applicable, may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court. Section 7.16 of the Lender Plan shall not apply to the Plan Proponent.

COMPLIANCE WITH TAX REQUIREMENTS

In connection with the Lender Plan, the Disbursing Agent shall comply with all withholding and reporting requirements imposed by federal, state and local taxing authorities and distributions under the Lender Plan shall be subject to such withholding and reporting requirements *provided, however*, that the transfer of any Cash, the Assets, estate property or other interest under the Lender Plan shall not be subject to any federal, state or local tax to the fullest extent provided under Section 1146 of the Bankruptcy Code.

EFFECTIVE DATE

The Effective Date of the Lender Plan shall be the first business day after all the conditions to the Effective Date, specified in Section 11.2 of the Lender Plan, have been satisfied.

CONDITIONS TO THE EFFECTIVE DATE

Conditions Precedent to Confirmation. It shall be a condition to Confirmation of the Lender Plan that the following conditions shall have been satisfied or waived in accordance with the terms of the Lender Plan:

(a) The Bankruptcy Court shall have approved the Disclosure Statement in form and substance acceptable to the Plan Proponent;

(b) The Bankruptcy Court shall have entered any modifications as may be requested by the Plan Proponent to the Bid Procedures Order in form and acceptable to the Plan Proponent;

(c) The Lender Plan shall be in form and substance acceptable to the Plan Proponent; and

(d) The Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Plan Proponent.

Conditions Precedent to Effectiveness. It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived in accordance with the terms of the Lender Plan:

(a) The Bankruptcy Court shall have entered the Confirmation Order, which shall grant final approval of the Lender Plan;

(b) The Confirmation Order shall be in full force and effect and not subject to any stay, modification or injunction;

(c) Except to the extent not required under the Confirmation Order or other order of the Bankruptcy Court, all governmental and material third party approvals and

consents, including Bankruptcy Court approval, necessary in connection with the transactions contemplated by the Lender Plan shall have been obtained or entered, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that could restrain, prevent or otherwise impose materially adverse conditions on such transactions;

(d) All documents and agreements necessary to implement the Lender Plan, as listed and set forth in the Plan Supplement, will have (a) been tendered for delivery and (b) been effected or executed by all entities party thereto, or will be deemed executed and delivered by virtue of the effectiveness of the Lender Plan as expressly set forth herein, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements; and

(e) All conditions to the effectiveness of the Asset Purchase Agreement or Credit Bid Agreement, as applicable, have been satisfied.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Assumption and Assignments of Executory Contracts and Unexpired Leases. On the Closing Date, all Executory Contracts and Unexpired Leases, to which Debtor is a party, if any, shall be deemed rejected, including, but not limited to, that certain exclusive listing agreement between Ladera and Walker, Malloy & Company, Inc. dated September 12, 2016, which was an exclusive broker agreement in connection with the successful sale or lease of the commercial space, after development of the Real Property, except for those Executory Contracts and Unexpired Leases which are to be identified in the

Asset Purchase Agreement or Credit Bid Agreement (as applicable) of the Successful Purchaser, which shall be deemed assumed and assigned to the Successful Purchaser in accordance with Section 365 of the Bankruptcy Code.

Assumption Cure Payments. Except as otherwise agreed to by the parties, on the Closing Date, the Successful Purchaser shall cure any and all undisputed defaults under any Executory Contract or Unexpired Lease that is assumed by the Successful Purchaser in accordance with Section 365 of the Bankruptcy Code. Unless the parties to the contract or lease agree otherwise, all disputed defaults that are required to be cured shall be cured by the later to occur of (i) ten (10) days after the entry of a Final Order determining the amount, if any, of the Debtors' liability with respect thereto and (ii) the Closing Date.

Rejection Claims. Allowed Claims arising from the rejection of any Executory Contract or Unexpired Lease of the Debtors shall be treated as an Unsecured Claim.

Bar to Rejection Claims. A Proof of Claim with respect to any Unsecured Claim for damages arising from the rejection of an Executory Contract or Unexpired Leases pursuant to the Lender Plan shall not be timely filed unless it is filed with the Bankruptcy Court and served so that it is received by the Wind-Down Officer and the Plan Proponent no later than thirty (30) days after the later of (i) the date of entry of a Final Order approving such rejection (unless such Final Order expressly provides a Bar Date with respect to such Claim, in which event no Proof of Claim with respect to such Claim shall be deemed timely filed unless it is filed with the Bankruptcy Court and served in the manner provided in such Final Order), or (ii) the Closing Date. Any such Proof of Claim not timely filed and served

shall be forever barred from assertion and may not be enforced against the Debtors' Estates, their successors or their respective properties.

IMPLEMENTATION OF THE LENDER PLAN

Implementation. The Plan Proponent shall take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Lender Plan. The Confirmation Order shall contain appropriate provisions, consistent with Section 1142 of the Bankruptcy Code, directing the Debtors and any other necessary party to perform any act, including the satisfaction of any lien that is necessary for the consummation of the Lender Plan. Additionally the Confirmation Order shall contain provisions approving either the Asset Purchase Agreement or the Credit Bid Agreement (as applicable with respect to the Successful Purchaser) pursuant to Sections 363, 365, 1123(a)(5), 1123(b)(4) of the Bankruptcy Code. The Debtors' cases are not being substantively consolidated such that the priority and extent of Claims against each of the entities shall be unaffected and the distribution of Sale Proceeds shall be made in accordance with the priorities established by the Bankruptcy Code.

Sale of Assets. In order to fund distributions under the Plan, the Assets shall be sold pursuant to the Bid Procedures to the Successful Purchaser pursuant to Bankruptcy Code Sections 363 and 1123(a)(5), free and clear of any and all Liens, Claims, and encumbrances to the fullest extent provided by the Bankruptcy Code or other applicable law. The Auction shall take place on a date and place to be fixed by the Plan Proponent and approved by the Bankruptcy Court in accordance with the Bid Procedures. RWN shall be entitled to submit a Credit Bid at the Auction up to the full amount of its Allowed Secured Claims. RWN shall be deemed a

qualified bidder at the Auction. In the event of any disputes arising from the Auction, such dispute shall be submitted to the jurisdiction of the Bankruptcy Court. To the extent requested by the Successful Purchaser, a separate order approving the results of the Auction and the Sale to the Successful Purchaser will be submitted to the Bankruptcy Court for approval.

Vesting of Assets. Except as otherwise provided in the Lender Plan, on the Closing Date, to the fullest extent provided by the Bankruptcy Code or other applicable law, the Assets shall vest in the Successful Purchaser free and clear of all Liens, Claims and encumbrances and any other Liens, Claims and encumbrances that have not been expressly preserved under the Lender Plan shall attach to the Sale Proceeds as of such date.

Plan Funding. The Lender Plan shall be funded by the Sale of the Assets pursuant to the Bid Procedures and the Sale Proceeds. These funds shall be utilized to satisfy payments consistent with the terms of the Lender Plan. The Plan Proponent is backstopping a recovery to creditors by agreeing to provide the Plan Funding under the terms of its Credit Bid Agreement. The Plan Funding amount is \$950,000, less any amounts that may be funded by RWN prior to Confirmation on account of outstanding real estate taxes for the Real Property.

Transfer Taxes. Pursuant to Section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Lender Plan and the making or delivery of an instrument of transfer of property or otherwise, pursuant to or in connection with the Lender Plan, the Sale pursuant to the Asset Purchase Agreement or any Credit Bid Agreement shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax or governmental assessment in the United States or by any other governmental unit, and the

Confirmation Order shall direct and be deemed to direct the appropriate federal, state or local (domestic or foreign) governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to or in connection with such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to the Sale of the Assets to the Successful Purchaser.

Wind Down of the Debtors. The Debtors shall continue to exist after the Effective Date for the purposes of making distributions to holders of Allowed Claims and Interests under the Lender Plan, and to take any other steps in furtherance thereof or as may be reasonably necessary or appropriate to wind-down their affairs and their Estates and filing and prosecuting objections to Claims. The principal purpose of the Debtors shall be to implement the Lender Plan, including the sale of the Assets and to liquidate, collect and maximize the Cash value of the any remaining assets of the Estates, and to make distributions on account of Allowed Claims in accordance with the terms of the Lender Plan.

On the Effective Date, all existing officers, directors, managers and members of the Debtors shall be replaced by the Wind-Down Officer who shall be appointed to wind up the affairs of the Debtors, as provided herein.

The activities and operations of the Debtors and the Wind-Down Officer shall be funded through the Wind-Down Reserve to be established on or as soon as reasonably practicable after the Effective Date for the purpose of maintaining Cash from time to time necessary to satisfy the reasonable costs and expenses of the Wind-Down Officer, including fees and costs incurred in connection with (i) the implementation of the Lender Plan, (ii) the

resolution of Disputed Claims and causes of action, (iv) the winding down of the Estates and affairs of the Debtors, (v) the reserves for potential liabilities and (vi) compensation for the Wind-Down Officer and its professionals, advisors and other agents. The Wind-Down Reserve shall initially be funded as of the later of the Effective Date and the Closing Date from either (i) the Plan Funding in the event RWN is the Successful Purchaser or (ii) if a Third Party Purchaser is the Successful Purchaser, after the application of the Sale Proceeds pursuant to the Lender Plan, the Wind-Down Officer from the remaining Sale Proceeds. Any cash released from the Wind-Down Reserve shall be available for distribution to holders of Allowed Claims.

The certificate of incorporation, by-laws, limited liability company agreement, operating agreement or similar corporate constituent documents of each Debtor shall be deemed amended, to the extent necessary, in order to effectuate the provisions of Article 6 of the Lender Plan, and to the extent such documents are deemed amended, such amendments are deemed to be approved pursuant to the Lender Plan and require no further action or approval of any kind or nature.

Wind-Down Officer. The identity of the Wind-Down Officer selected by the Plan Proponent shall be disclosed in a Plan Supplement and will be subject to the approval of the Bankruptcy Court in the Confirmation Order. After the Effective Date, the Wind-Down Officer may be removed and/or replaced by order of the Bankruptcy Court. The Wind-Down Officer may appoint a successor reasonably acceptable to the Plan Proponent, it being understood that there shall exist no period of time in which no person or entity has assumed the rights, and is responsible for performing the duties and obligations, of the Wind-Down

Officer hereunder. The Wind-Down Officer shall have the right to petition the Court to appoint a successor Wind-Down Officer. Any such successor shall have and shall assume all of the rights, duties and obligations of the Wind-Down Officer as set forth in the Lender Plan.

The Wind-Down Officer shall be deemed the representative of the Estates under Section 1123(b)(3)(B) of the Bankruptcy Code, and shall have all rights associated therewith. Pursuant to the terms of the Wind-Down Officer Agreement, the Wind-Down Officer shall have all duties, powers, and standing authority necessary to implement the Lender Plan and to administer and liquidate the assets of the Estates for the benefit of the holders of Allowed Claims, and shall be entitled to indemnification and exculpation from the Estates, including the following:

- (a) Appointment of Wind-Down Officer. Effective immediately on the Effective Date, the Wind-Down Officer is hereby designated, appointed and vested with full authority and control over the Post-Confirmation Estate Assets and to effectuate and consummate the Sale of the Assets at the Auction in accordance with the terms of the Lender Plan. The Wind-Down Officer will have the powers and responsibilities of a Disbursing Agent and trustee in all respects as it relates to all matters set forth in the Lender Plan, including the Sale of the Assets in accordance with the terms hereof and the Bid Procedures and the distribution of any Sale Proceeds.
- (b) Duties and Powers.
 - (i) On the Effective Date, the Wind-Down Officer will be the

representative of and successor to the Debtors, and will have the rights and powers provided in the Bankruptcy Code, in addition to any rights and powers granted herein and in the Confirmation Order. Without limiting the foregoing, the Wind-Down Officer will be the successor-in-interest to the Debtors with respect to all interests constituting Post-Confirmation Estate Assets and with respect to the creditors holding Claims under the Lender Plan. The Wind-Down Officer shall act in a fiduciary capacity for the holders of all Allowed Claims under the Lender Plan. The Wind-Down Officer shall assume all of the responsibilities, duties and obligations of the Debtors' former officers, directors, managers or managing members that arise on or after the Effective Date, and is empowered and authorized to satisfy such responsibilities, duties and obligations without further corporate or limited liability company authority as may have been required prior to the Effective Date. The Wind-Down Officer will pay from the Post-Confirmation Estate Assets (other than the Assets) all ordinary and necessary costs of protecting, preserving, disposing, liquidating and realizing upon the Post-Confirmation Estate Assets. The Wind-Down Officer will liquidate and administer the Post-Confirmation Estate Assets, including making distributions therefrom, all in accordance with the terms of the Lender Plan. Unless otherwise excused or exempted from doing so by the Bankruptcy Code, the Wind-Down Officer will abide by all laws, including tax laws. The Wind-Down Officer shall have sole and exclusive authority for the

retention of professionals to assist in any manner on and after the Effective Date.

(ii) The Wind-Down Officer will have the power to take any and all actions which, in the business judgment of the Wind-Down Officer, are necessary or appropriate to fulfill its obligations under the Lender Plan, including, but not limited to, each of the powers set forth below:

(A) hold, manage, protect, administer, collect, sell, liquidate, prosecute, transfer, resolve, settle, adjust, invest, distribute or otherwise dispose of any Post-Confirmation Estate Assets solely for the benefit of holders of Allowed Claims and solely in accordance with the Lender Plan and, as to the Assets, the Bid Procedures, including without limitation executing deeds, assignments and similar conveyance instruments with respect to the Assets;

(B) make all distributions to be funded under the Lender Plan;

(C) assume control over all of the Post-Confirmation Estate Assets;

(D) pay all necessary expenses incurred in connection with the duties and responsibilities of the Wind-Down Officer under the Lender Plan to the extent of available funds, including funds in the Wind-Down Reserve;

(E) administer, implement and enforce all provisions of the Lender Plan;

(F) administer the Lender Plan and the Post-Confirmation Estate Assets;

(G) abandon any Post-Confirmation Estate Assets (other than the Assets);

(H) to invest Cash in accordance with Section 345 of the Bankruptcy Code or otherwise as permitted by order of the Bankruptcy Court;

(I) to purchase and carry all insurance policies and pay all premiums and costs deemed necessary and advisable;

(J) undertake such other responsibilities as are reasonable and appropriate in connection with the Lender Plan; and

(K) take all actions necessary to effectuate the Auction of the Assets and the disposition of the Sale Proceeds in accordance with the terms hereof and the Bid Procedures.

(c) Compensation. The Wind-Down Officer shall be compensated as specified in the Wind-Down Officer Agreement and shall be paid by the Estates.

(d) Wind-Down Officer Exculpation. The Wind-Down Officer, together with its partners, members, officers, directors, employees, agents and representatives, are exculpated pursuant to the Lender Plan from all Persons, entities (as defined in the Bankruptcy Code), holders of Claims and Interests, and all other parties in interest, from any and all causes of action, of any kind or nature, arising out of the discharge by the Wind-Down Officer of the powers and duties conferred upon the Wind-Down Officer by the Lender Plan, any Final Order of the Bankruptcy Court entered

pursuant to or in the furtherance of the Lender Plan, or applicable law, except solely for actions or omissions arising out of the Wind-Down Officer's gross negligence, willful misconduct, or actual fraud. No Holder of a Claim or an Interest, or representative thereof, shall have or pursue any cause of action (i) against the Wind-Down Officer or its partners, members, officers, directors, employees, agents and representatives for making Plan Distributions in accordance with the Lender Plan, or (ii) against any holder of a Claim for receiving or retaining Plan Distributions as provided for by the Lender Plan. Nothing contained in this section shall preclude or impair any holder of an Allowed Claim from bringing an action in the Bankruptcy Court to compel the making of Distributions contemplated by the Lender Plan on account of such Allowed Claim.

(e) Miscellaneous. Upon the completion of all acts required to be performed by the Wind-Down Officer under the Lender Plan and the filing by the Wind-Down Officer of a certification to that effect with the Bankruptcy Court (which may be included in the application for entry of the Final Decree), the Wind-Down Officer shall be relieved of its duties under the Lender Plan for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Wind-Down Officer or payments to be made in connection therewith. From and after the Effective Date, the Wind-Down Officer shall not be required to file any document, or take any action, to withdraw the Debtors' business operation from any States where the Debtors previously conducted business operations.

As soon as practicable after final distributions under the Lender Plan, the Wind-

Down Officer shall wind up the affairs of the Debtors, pay all applicable taxes, file final tax returns, arrange for storage of its records and dissolve the Debtors pursuant to applicable law. As soon as practicable thereafter, the Wind-Down Officer shall file with the Bankruptcy Court a final report of distributions and perform such other duties as are specified in the Lender Plan, whereupon the Wind-Down Officer shall have no further duties under the Lender Plan. Without limitation on the foregoing, in connection with filing final tax returns on behalf of the Debtors' Estates, the Debtors' members, managers, officers and directors, in each instance who held such positions prior to the Confirmation Date, shall reasonably cooperate with the Wind-Down Officer in the filing of all tax returns for periods prior to the Effective Date of the Lender Plan.

Dissolution of the Debtors. Pursuant to the Confirmation Order, the Wind-Down Officer shall be authorized, in its sole and absolute discretion, to take all actions reasonably necessary to manage and dissolve the Debtors and their subsidiaries under applicable laws, including the laws of the jurisdictions in which they may be organized or registered, notwithstanding any applicable consent requirements or other restrictions contained in any agreements or other documents to which any Debtor is a party. In this regard, the notices of the filing of these bankruptcy cases and the Lender Plan to creditors, the opportunity provided to creditors to file Proofs of Claims in these Chapter 11 Cases and the provisions for payments to creditors provided under the Lender Plan shall be deemed to constitute and effectuate the dissolution and winding-up of the Debtors' business as contemplated under applicable non-bankruptcy law for dissolved limited liability companies

without any further action or notice by (i) the Debtors or their former or existing members, managers, officers, directors, representatives or employees, or (ii) the Wind-Down Officer. All applicable regulatory or governmental units or agencies shall accept any certificates or other documents filed by the Wind-Down Officer and shall take all steps necessary or appropriate to allow and effect the prompt dissolution and/or winding-up of the Debtors as herein provided. The Wind-Down Officer is authorized to pay all reasonable costs and expenses in connection with such dissolutions, including the costs of preparing or filing any necessary paperwork or documentation. Whether or not dissolved, the Debtors shall have no authorization to implement the provisions of the Lender Plan from and after the Effective Date except as specifically provided otherwise in the Lender Plan.

On the Effective Date, all Interests and other instruments evidencing Interests in the Debtors shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule, and the Interests evidenced thereby shall be extinguished; provided however that this shall not affect the right to distributions (if any) to Classes 5 and 8 under the Lender Plan.

Preservation of Causes of Action. Except as otherwise provided in the Lender Plan, or in any contract, instrument, release or other agreement entered into or effected in connection with or pursuant to the Lender Plan, in accordance with Section 1123(b) of the Bankruptcy Code, any and all Claims and Causes of Action that were owned by the Debtors or their Estates as of the Effective Date, including all Avoidance Actions, shall vest in the Estates on the Effective Date, and the Wind-Down Officer shall have the exclusive right to pursue and enforce such Claims and Causes of Action. Notwithstanding

the foregoing, in consideration for its acting as Plan Proponent, no such Claims or Causes of Action shall be brought against RWN and/or its Related Persons.

Execution of Documents.

(a) On the Effective Date, the Wind-Down Officer and any necessary party thereto, shall execute, release and deliver all documents reasonably necessary to consummate the transactions contemplated by the terms and conditions of the Lender Plan.

(b) Pursuant to Sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, the Wind-Down Officer shall be authorized to execute, in the name of any necessary party any estoppel certificate, or any notice of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved in the Lender Plan and deliver such notices to any and all federal, state and local governmental agencies or departments for filing and recordation.

Filing of Documents. Pursuant to Sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, each and every federal, state and local governmental agency or department, shall be directed to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transactions contemplated by the Lender Plan, and any and all notices of satisfaction, release or discharge or assignment of any Lien, Claim or encumbrance not expressly preserved by the Lender Plan.

MISCELLANEOUS PROVISIONS

Orders in Aid of Consummation. Pursuant to Sections 105, 1141, 1142 and 1143 of the Bankruptcy Code, the Bankruptcy Court may enter one or more Orders in aid of Confirmation directing the implementation of matters or actions required by the Lender Plan, including any orders that are necessary in connection with the terms of the Asset Purchase Agreement or Credit Bid Agreement, as applicable.

Compliance with Tax Requirements. In connection with the Lender Plan, the Wind-Down Officer shall comply with all withholding and reporting requirements imposed by federal, state and local taxing authorities and distributions under the Lender Plan shall be subject to such withholding and reporting requirements; provided, however, that the transfer of any Cash, or other assets or interests hereunder shall not be subject to any federal, state or local tax to the fullest extent provided under Section 1146 of the Bankruptcy Code.

Due Authorization by Creditors. Each and every Creditor who accepts the distributions provided for under the Lender Plan warrants that it is the lawful owner of such Claim and is authorized to accept the distributions provided for in the Lender Plan and that there are no outstanding Liens, encumbrances, commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights released, conveyed or modified by the Lender Plan, or obligations undertaken by such Creditor under the Lender Plan.

Amendments. The Lender Plan may be altered, amended or modified by the Plan Proponent, at any time before the Confirmation Date and any time prior to substantial confirmation, subject to the restrictions provided in Sections 1101 and 1127 of the

Bankruptcy Code and Bankruptcy Rule 3019. Any substantive modification shall require notice and a hearing before the Bankruptcy Court for approval of the proposed modification of the Lender Plan.

Revocation. The Plan Proponent reserves the right to amend, revoke or withdraw the Lender Plan at any time prior to entry of the Confirmation Order. If the Lender Plan is amended, revoked or withdrawn or if no Confirmation Order is entered, the Lender Plan shall be null and void, and nothing contained in the Lender Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtors; or (ii) prejudice in any manner the rights of the Plan Proponent or any other party in any further proceedings involving the Debtors or their Estates.

Request for Relief Under Section 1129(b). If the Lender Plan is accepted by one or more, but not all, impaired Classes of Claims, the Plan Proponent may request confirmation under Section 1129(b) of the Bankruptcy Code of any Class of Claims, subject to any modification of the Lender Plan made pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

Filing of Additional Documents. Except as otherwise provided in the Lender Plan, on or before the Effective Date, the Plan Proponent may file with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Lender Plan, including, but not limited to, the Plan Supplement.

Section Headings. The section headings contained in the Lender Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Lender Plan.

Computation of Time. In computing any period of time prescribed or allowed by the Lender Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

Successors and Assigns. The rights, benefits and obligations of any entity named or referred to in the Lender Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules or other Federal law are applicable, the rights and obligations arising under the Lender Plan shall be governed by, and construed and enforced in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

Other Actions. Nothing contained herein shall prevent the Plan Proponent or Disbursing Agent from taking such actions as may be reasonably necessary to consummate the Lender Plan, although such actions may not specifically be provided for within the Lender Plan.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, until the Case is closed, the Bankruptcy Court shall retain and have original, but not exclusive, jurisdiction to:

(a) Insure that the Lender Plan is consummated, and to enter any Order pursuant to Section 1142(b) of the Bankruptcy Code, to compel the Debtors, the Interest

Holders and any other necessary party, to take such action and execute such documents to effectuate the Lender Plan;

(b) Consider any modification of the Lender Plan proposed pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019;

(c) Allow, disallow, determine, liquidate, classify or establish the priority, secured or unsecured status of any Claim or Interest, including, without limitation, the resolution of any request for payment of any Administrative Expense, the resolution of any and all objections to the allowance or priority of Claims or Interests, and the resolution of any adversary proceeding;

(d) Grant or deny any and all applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Lender Plan, for any period ending on or before the Closing Date;

(e) Resolve any motions pending on the Closing Date, to assume, assume and assign or reject any Executory Contract or Unexpired Lease to which the Debtors are a party or with respect to which the Debtors may be liable and to hear, determine and if necessary, liquidate, any and all Claims arising therefrom;

(f) Ensure that distributions to Holders of Allowed Claims and Allowed Interests are accomplished in accordance with the provisions of the Lender Plan;

(g) Decide or otherwise resolve any and all applications, motions, adversary proceedings, contested or litigated matters, and any other matters or grant or deny any applications involving the Debtors that may be pending on the Effective Date;

(h) Enter such Orders as may be necessary or appropriate to implement or consummate the provisions of the Lender Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Lender Plan or Disclosure Statement or to enforce all orders, judgments, injunctions, and rulings entered in connection with the Case, including, but not limited to any Order necessary to enforce the provisions of Article 6 of the Lender Plan;

(i) Resolve any and all controversies, suits or issues that may arise in connection with the consummation, interpretation or enforcement of the Lender Plan, including but not limited to the results of the Auction, or any entity's obligations incurred in connection with the Lender Plan;

(j) Modify the Lender Plan before or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code, or to modify the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Lender Plan or Disclosure Statement;

(k) Remedy any defect or omission or reconcile any inconsistency in any Order, the Lender Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Lender Plan, to the extent authorized herein or in the Bankruptcy Code;

(l) Issue any injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of the Lender Plan, including the Confirmation Order or any other order of the Bankruptcy Court;

(m) Enter and implement such Orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

(n) Determine any dispute arising under or related to the Lender Plan, including, without limitation, any dispute concerning the scope or effect of any release or discharge provided for by the Lender Plan or the Confirmation Order;

(o) Determine any other matters that may arise in connection with or relate to the Lender Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Lender Plan or Disclosure Statement;

(p) To adjudicate any disputes related to the Confirmation Order, the Sale or alternatively, any auction and sale process as well as disputes relating to the Bid Procedures; and

(q) Enter a Final Order or decree concluding the Chapter 11 Cases.

RISK FACTORS

BROWNFIELD CLEANUP PROGRAM

The Debtors are also party to that certain Brownfield Cleanup Agreement with the New York State Department of Environmental Conservation (the “DEC”) which provides for acceptance and enrollment of the Real Property into the New York State Brownfield Cleanup Program. This program provides large tax credits for Real Property owners that cleanup certain polluted property in New York City, which are very valuable to the Estates.

On May 2, 2017, the DEC sent a letter to the Debtors indicating its dissatisfaction with the Debtors' remediation progress and threatened the removal of the Real Property from the Brownfield Cleanup Program. Both the Debtors and RWN sent response letters to the DEC on May 15, 2017, informing the DEC of the Debtors' Chapter 11 Cases and an impending sale of the Assets. The DEC responded on May 29, 2017, informing the Debtors and RWN that it would adjourn its decision on whether the Real Property would remain in the Brownfield Cleanup Program to June 30, 2017. RWN is filing the Lender Plan, in part, to address the concerns of the DEC over the lack of action by the Debtors and the prior assurances to the DEC provided by the Debtors (and RWN based upon the agreement with the Debtors) that the Auction was scheduled to occur by June 21st.

LIS PENDENS¹⁰

The Debtors and the Plan Proponent deem the filed claims of John O. Desmond, Chapter 7 trustee of Ameritrans, Ventures 76, LLC for itself and as Agent and USHA SOHA Terrace LLC, both individually as well as well as derivatively on behalf of each of SOHA Terrace, LLC and 2280 FDB, LLC (individually and collectively, the "**Objectors**"), to be improper claims as filed against the Debtors. Because the Debtors believe that these claims, as filed, are improper, the Plan Proponent does not believe it should have to escrow amounts on account of these claims. However, to the extent the Court determines otherwise, the Debtors have asserted that the claims should be estimated at no more than \$100,000.00. The Objectors dispute the foregoing.

¹⁰ This discussion is based upon language provided by the Debtors and the Objectors, as discussed with the Bankruptcy Court at the hearing on June 20, 2017.

The Objectors seek to, *inter alia*, invalidate as *ultra vires* and *void ab initio*, a transfer from 2280 FDB LLC to the Debtors for allegedly no consideration, a reservation of thirty (30) parking spaces in the 2280 garage facility for the benefit of prospective tenants purchasing units in the Debtors' planned condominium project (the "**Parking Declaration**"). In the event the Parking Declaration is not declared void or otherwise voided, the Objectors each value the Parking Declaration at over \$10,000,000, notwithstanding that the entirety of the 2280 garage condominium unit was listed in the offering plan for \$1,000,000, never appraised for more than \$1,000,000 but sold for \$1,275,000 on August 25, 2016 subject to the Parking Declaration. This valuation of the Objectors is based, in part, on alleged representations made by Debtors in connection with the issuance of New York City Board of Standards and Appeals application approval CEQR #12-BSA-098M (and supporting application) (the "**Application**"), wherein the Debtors asserted that it would be "too costly" to construct the Ladera project without certain variances in part made available as a result of the Parking Declaration. The Debtors and the Plan Proponent dispute the Objectors' claims and valuation.

The Objectors' asserted claims include those attached to a lis pendens filed against the Real Property in connection with the case of USHA SOHA Terrace LLC in *USHA Terrace LLC v. Hans Futterman* (Index No. 656196/16), pending the Supreme Court of the State of New York, County of New York the ("**Lis Pendens**"). The Plan Proponent contends that the Lis Pendens shall be deemed cancelled as of record upon entry of the Confirmation Order and anticipates that the Confirmation Order shall provide for such provision. The Objectors dispute this cancellation.

The Objectors intend to continue to pursue objections to the Sale of the Assets, which the Objectors allege are owned by 2280 FDB LLC and not the Debtors. The Objectors will demand that any order approving the Sale of the Assets require that the Purchaser take title to the Assets subject the Lis Pendens and to their respective claims, including the claims, derivatively, on behalf of 2280 FDB LLC, seeking to void all transfers of assets from 2280 FDB LLC to the Debtors. The Debtors and the Plan Proponent do not believe that these asserted claims and objections will have a net effect on the Debtors' Estates.

CONFIRMATION OF THE LENDER PLAN

All distributions to Creditors are contingent on the Lender Plan being confirmed by the Court. Otherwise, the Plan Proponent and/or the Disbursing Agent are not obligated, in any way, to make the payments required hereunder. Any obligations of RWN, as Plan Proponent, under the Plan Funding are contingent upon RWN (or its designee) being the Successful Purchaser under its Credit Bid Agreement and the sale of the Assets closing thereunder.

RISK OF SUBSEQUENT REORGANIZATION OR LIQUIDATION

As the Lender Plan provides for a liquidation of the Debtors, there is no risk for subsequent reorganization or liquidation after the closing of these Chapter 11 Cases.

VOTING INSTRUCTIONS

A Creditor who is entitled to vote may accept or reject the Lender Plan by executing and returning to the Balloting Agent (as defined below) the ballot (a "**Ballot**") that was sent out with this Disclosure Statement. See "VOTING INSTRUCTIONS -- Who May

Vote.” The following instructions govern the time and manner for filing Ballots accepting or rejecting the Lender Plan, withdrawing or revoking a previously filed acceptance or rejection, who may file a Ballot, and procedures for determining the validity or invalidity of any Ballot received by the Balloting Agent.

DEADLINE FOR RECEIPT OF BALLOTS

The solicitation period for votes accepting or rejecting the Lender Plan will expire at 5:00 p.m., Eastern Standard Time, _____, 2017 (the “**Voting Deadline**”). A Ballot accepting or rejecting the Lender Plan must be received no later than that date and time or it will not be counted in connection with the Confirmation of the Lender Plan or any modification thereof.

BALLOTING AGENT

All votes to accept or reject the Lender Plan must be cast by using the Ballot. Executed Ballots should be returned by _____, 2017 at 5:00 p.m. to:

KRAMER LEVIN NAFTALIS & FRANKEL LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: Alana Katz, Esq.

(the “**Balloting Agent**”). A Creditor entitled to vote who has not received a Ballot, or whose Ballot has been lost, stolen or destroyed, may contact the Balloting Agent at the address indicated above, or call Adam C. Rogoff at (212) 715-9285 to receive a replacement Ballot.

WHO MAY VOTE - IN GENERAL

Allowed Claims in Classes 2, 3, 4, 6 and 7 and the Interests in Classes 5 and 8 are impaired, and entitled to vote on the Lender Plan. Allowed Claims in Class 1 are unimpaired, are not entitled to vote, but are deemed to have accepted the Lender Plan.

Ballots Executed in a Representative or Fiduciary Capacity. Ballots executed by executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, must indicate the capacity in which such person executed the Ballot and, unless otherwise determined by the Plan Proponent, must submit proper evidence satisfactory to the Plan Proponent of their authority to so act.

Voting Multiple Claims. A single form of ballot is provided for each Class of Claims. Any Person who holds Claims in more than one Class is required to vote separately with respect to each Class in which such Person holds Claims. However, any Person who holds more than one Claim in one particular Class will be deemed to hold only a single Claim in such Class in the aggregate amount of all Allowed Claims in such Class held by such Person. Thus each Person need complete only one ballot for each Class.

DEFECTS OR IRREGULARITIES

ANY EXECUTED AND TIMELY FILED BALLOT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE LENDER PLAN SHALL NOT BE COUNTED.

Where more than one timely and properly completed Ballot is received, the Ballot which bears the latest date will be counted.

The Plan Proponent reserves the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the deadline for filing timely Ballots. Neither the Plan Proponent, the Balloting Agent, nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of

Ballots, nor will any of them incur any liability for failure to provide such notification. All questions as to the validity, form, eligibility (including the time of receipt), acceptance and revocation or withdrawal of Ballots will be determined by the Bankruptcy Court, upon motion and upon such notice and hearing as is appropriate under the circumstances. Unless otherwise directed by the Bankruptcy Court, delivery of Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots as to which any irregularities have not been cured or waived will not be counted toward the acceptance or rejection of the Lender Plan.

REVOCATION OF PREVIOUSLY FILED ACCEPTANCES OR REJECTIONS

Any Creditor who has delivered a valid Ballot for the acceptance or rejection of the Lender Plan may withdraw such acceptance or rejection by delivering a written notice of withdrawal to the Balloting Agent at any time prior to the Voting Deadline.

A notice of withdrawal, to be valid, must (i) describe the Claim, as the case may be, if appropriate, represented by such Claim, (ii) be signed by the Creditor in the same manner as the Ballot was signed and (iii) be received by the Balloting Agent on or before the Voting Deadline. The Plan Proponent reserves the absolute right to contest the validity of any such withdrawals of Ballots.

CONFIRMATION

CONFIRMATION HEARING

The Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing to consider confirmation of the Lender Plan. The Confirmation Hearing is scheduled to commence on _____, **2017 at 10:00 a.m.** in the United States Bankruptcy Court,

Southern District of New York, 1 Bowling Green, Alexander Hamilton Custom House, New York, New York. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing.

Any party in interest may object to Confirmation of the Lender Plan by filing a written objection, setting forth their identity and standing and the facts and authorities upon which any objection is based, in the Office of the Clerk of the Bankruptcy Court, no later than _____, 2017 and by delivering a courtesy copy to the Chambers of the presiding judge. Copies of all objections must also be served upon (i) Plan Proponent's counsel, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attention: Adam C. Rogoff, Esq. and P. Bradley O'Neill, and (ii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, New York 10014 so that they are received no later than _____, 2017. Any objection that is not timely filed and served as required will not be considered by this Court at the Confirmation Hearing.

REQUIREMENTS FOR CONFIRMATION

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Lender Plan. These requirements include determinations by the Bankruptcy Court that: (i) the Lender Plan has classified Claims and Interests in a permissible manner, (ii) the contents of the Lender Plan comply with various technical requirements of the Bankruptcy Code, (iii) RWN, as Plan Proponent, has proposed the Lender Plan in good faith, (iv) RWN has made disclosures concerning the

Lender Plan that are adequate and include information concerning all payments made or promised in connection with the Lender Plan and the Case, (v) the Lender Plan is in the “best interest” of all Creditors, (vi) the Lender Plan is feasible, and (vii) the Lender Plan has been accepted by the requisite number and amount of Creditors in each Class entitled to vote on the Lender Plan, or that the Lender Plan may be confirmed without such acceptances. The Plan Proponent believes all of these conditions have been or will be met prior to the Confirmation Hearing.

Best Interest Test. The so-called “best interest” test requires that each impaired Creditor and impaired Interest Holder either (a) accepts the Lender Plan or (b) receives or retains under the Lender Plan property of a value, as of the Effective Date of the Lender Plan, that is not less than the value such entity would receive or retain if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code.

To determine what the holders in each Impaired Class of Claims or Interests would receive if the Debtors were liquidated under chapter 7, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors’ assets and properties in a chapter 7 liquidation case. The amount that would be available for satisfaction of Allowed Claims against the Debtors would consist of the proceeds resulting from the disposition of the Property. Such amount would be reduced by the amount of any Claim or Claims secured by the Debtors’ assets, the costs and expenses of the liquidation, and such additional Administrative Claims and Priority Claims that may have accrued. Such value is then juxtaposed against the amount creditors are receiving under the Lender Plan to

determine if the value each impaired creditor is receiving is the same or more than such creditor would receive from a chapter 7 liquidation on the Confirmation Date.

The costs of liquidation under chapter 7 would become Administrative Claims with the highest priority against the proceeds of liquidation. Such costs would include the fees payable to a chapter 7 trustee, as well as those which might be payable to attorneys, appraisers, accountants, brokers and other professionals that such a trustee may engage to assist in the liquidation. In addition, chapter 7 costs would include any liabilities incurred or assumed pursuant to the transactions necessary to effectuate the liquidation. Moreover, claims entitled to administrative priority may arise by reason of any breach or rejection of any executory contracts entered into by the Debtors during the pendency of the Cases in chapter 11.

After satisfying Administrative Claims arising in the course of the chapter 7 liquidation, the proceeds of the liquidation would then be payable to satisfy any unpaid expenses incurred during the time the Case was pending under chapter 11, including compensation for attorneys, financial advisors, appraisers, accountants and other professionals retained by the Debtors or any official committee appointed pursuant to Section 1102 of the Bankruptcy Code.

After consideration of the effects that a chapter 7 liquidation would have on the proceeds available for distribution including (i) the increased costs and expenses of a chapter 7 liquidation arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) the erosion in value of the Property in a chapter 7 case in the context of the expeditious liquidation required under chapter 7 and the “forced sale”

atmosphere that would prevail, and (iii) the potential tax consequences that would arise from a sale of the Property in a chapter 7, the Plan Proponent believes that it would not receive payment in full on account of its Allowed Secured Claim and holders of Unsecured Claims would receive no distribution on account of their claims, as opposed to the possibility of a pro rata distribution of the sale proceeds in the context of a sale in the possibility of chapter 11, as provided for in the Lender Plan. Notably, were the Plan Proponent to credit bid its Allowed Secured Claim, it is possible that there would be insufficient funds to pay any costs or fees associated with a Chapter 7 case and that the Chapter 7 trustee might abandon the collateral to the secured creditor.

Liquidation Analysis. The Plan Proponent has concluded that the Lender Plan provides to each Creditor recovery with a present value at least equal to the present value of the distribution which such person would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. The Lender Plan provides for a sale of the Debtors' Assets, all holders of claims to receive payment on their claims in their statutory priorities, with a waterfall from Ladera to L.P. to the extent available. If any amounts are left over, the residual to be paid to the Holder of Interests. The Plan Proponent believes the sale process will provide for the possibility of at least a pro rata distribution to unsecured creditors as opposed to the 0 distribution in a chapter 7 liquidation.

The Plan Proponent believes that in the event the Debtors' assets were sold in chapter 7 liquidation, all of the proceeds would go to pay the Allowed RWN Ladera Secured Claim, chapter 7 administrative claims, bankruptcy fees, and the Other Secured Claims. In such event, no funds would be remaining for distribution to Unsecured Creditors. As such,

the Plan Proponent believes that no Creditors or interest holders would receive a distribution in a Chapter 7 case which is greater than the one they may be entitled to under the Lender Plan (which will be the result of a marketing process with a backstopped recovery and opportunity for the Assets to sell at a higher amount through the Auction).

The Plan Proponent further believes that the net effect of a conversion of these cases to chapter 7 would be to (i) increase the administrative expenses of the estate and (ii) decrease the funds available for non-administrative creditors.

The liquidation values stated herein assume that the Assets would be liquidated in the context of a chapter 7 case and assumes the present values of such liquidation values as of April 1, 2017. The assumptions utilized in the analysis considered the estimated liquidation value of the Property and estimated amount of Claims that would be allowed, together with an estimate of certain administrative costs and other expenses which would likely result during the liquidation process. While the Plan Proponent believes the assumptions underlying the Liquidation Analysis are reasonable, the validity of such assumptions may be affected by the occurrence of events, and the existence of conditions not now contemplated or by other factors, many of which will be beyond the control of the Bankruptcy Court, the Plan Proponent and, in chapter 7, any trustee appointed for the Debtors. The actual liquidation value of the Assets may vary from that considered herein and the variations may be material.

The Plan Proponent assumed that the Assets would be sold within six months in a Chapter 7 liquidation. There can be no assurance that any bid would exceed RWN's right to credit bid and therefore that any funds would be available for payment of claims, fees

or costs in connection with such Chapter 7 case. As such, the Plan Proponent projects that in a Chapter 7 liquidation, there would be no funds available for administrative expense claims in the Chapter 11 cases or general unsecured creditors and any payments in connection with the Chapter 7 cases would be as a result of any agreement reached between RWN and the Chapter 7 trustee to fund an orderly sale process in lieu of abandonment of the property to the secured creditor.

The Lender Plan contemplates possible payment to all classes of creditors by public auction, with the sale proceeds to be distributed to satisfy claims in accordance with Bankruptcy Code priorities. In a chapter 7 liquidation, there might be insufficient funds to satisfy the RWN Secured Claim in full, let alone other costs of the liquidation.

The Plan Proponent's assumption on the liquidation analysis are generally consistent with the assumption made by the Debtors in their plan.

Feasibility. For the Lender Plan to be confirmed, it must be demonstrated that consummation of the Lender Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless such liquidation is set forth in the Lender Plan. The Lender Plan calls for the wind down and liquidation of the Debtors. Accordingly, confirmation of the Lender Plan is not likely to be following by a further financial reorganization and, therefore, the Lender Plan is feasible.

Confirmation With the Acceptance of Each Impaired Class. The Lender Plan may be Confirmed if each impaired Class of Claims accepts the Lender Plan. Classes of Claims which are not impaired are deemed to have accepted the Lender Plan. A Class is impaired if the legal, equitable or contractual rights attaching to the Claims of that Class are

modified other than by curing defaults and reinstating maturities or by payment in full in cash.

Holders of Claims impaired by the Lender Plan are entitled to file Ballots accepting or rejecting the Lender Plan. Holders of Claims not impaired by the Lender Plan, are deemed to accept the Lender Plan, and may not vote to accept or reject the Lender Plan. Holders of Claims that will neither receive nor retain any property under the Lender Plan are deemed to reject the Lender Plan.

The Bankruptcy Code defines acceptance of a plan by a Class of Claims as acceptance by the holders of two-thirds in dollar amount and a majority in number of Claims of that Class who actually voted. Only those Claims, the holders of which actually vote to accept or reject the Lender Plan, are counted for the purpose of determining whether the requisite number and amount of acceptances have been received.

Confirmation Without the Acceptance of Each Impaired Class. In the event that any impaired Class of Claims does not accept the Lender Plan, the Bankruptcy Court may nevertheless confirm the Lender Plan at the Plan Proponent's request if (i) all other requirements of Section 1129(a) of the Bankruptcy Code are satisfied, (ii) at least one impaired Class of Claims votes to accept the Lender Plan without regard to any vote cast on account of a Claim held by "insiders" (as defined in the Bankruptcy Code) and (iii) as to each impaired Class which has not accepted the Lender Plan, the Bankruptcy Court determines that the Lender Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such non-accepting Class. The Plan Proponent believes that the Lender Plan is in the best interest of all Creditors and strongly recommends that all parties entitled to vote

cast their ballots in favor of accepting the Lender Plan. Nevertheless, out of an excess of caution, pursuant to the Lender Plan, the Plan Proponent has requested that the Court confirm the Lender Plan over the rejection of any non-accepting class in the event all other elements of Section 1129(a) are satisfied.

A plan “does not discriminate unfairly” if the legal rights of a non-accepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are intertwined with those of the non-accepting class, and no class receives payments in excess of that which it is legally entitled to receive for its Claims. RWN believes that under the Lender Plan all classes of Impaired Claims are treated in a manner that is consistent with the treatment of other classes of Claims with which their legal rights are intertwined, if any, and no class of Claims will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims in such class. Accordingly, the Plan Proponent believes the Lender Plan does not discriminate unfairly as to any impaired class of Claims.

Whether the Lender Plan is fair and equitable depends upon the application of the so-called “absolute priority rule.” Subject to certain exceptions, this rule, codified in Section 1129(b)(2) of the Bankruptcy Code, generally requires that an impaired Class of Claims that has not accepted the Lender Plan must be paid in full if a more junior class receives any distribution under the Lender Plan.

With respect to secured claims, the absolute priority rule allows the confirmation of a plan over the rejection of a class of secured claims if the holders of such claims retain their liens and each holder of a claim of such class receives on account of such

claim deferred cash payments, totaling at least the allowed amount of such claim, of a value, as of the effective date of a plan, of at least the value of such holder's interest in the property securing its claim. With respect to RWN, it is the Plan Proponent and it is agreeing to consensually impair its Claims to allow for the Plan Funding to be paid to implement the Lender Plan.

With respect to Unsecured Claims, the absolute priority rule allows the confirmation of a Lender Plan over the rejection of a class of Unsecured Claims if the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the Lender Plan on account of such junior claim or interest any property.

With respect to the Allowed Interests, Section 1129(b)(2)(C) requires that the holder of such interest receive any fixed liquidation preference, fixed redemption price or value of such interest, or that no junior interest will receive or retain any property on account of such junior interest. To the best of the Plan Proponent's knowledge, Interest Holders are not entitled to any fixed liquidation preference or redemption price and no junior interests are receiving or retaining any property under the Lender Plan. Accordingly, the Lender Plan complies with Section 1129(b)(2)(C) of the Bankruptcy Code.

If the Lender Plan is rejected by only one class of impaired creditors, the Plan Proponent requests that the Lender Plan be confirmed under Section 1129(b).

EFFECT OF CONFIRMATION

Binding Effect. On the Effective Date, the terms of the Lender Plan shall be immediately effective and enforceable and shall bind all holders of Claims against or Interests in the Debtors, whether or not such holders accept the Lender Plan.

No Discharge. Pursuant to Section 1141(d)(3) of the Bankruptcy Code, neither the Lender Plan nor confirmation of the Lender Plan shall discharge any Claim against any of the Debtors or any of their respective Related Persons, and nothing herein or in the Confirmation Order shall or shall be deemed to discharge, release or exculpate any of the Debtors or any of their respective Related Persons from any Claims, all of which Claims shall survive the confirmation and effectiveness of the Lender Plan.

INJUNCTION

EXCEPT (I) AS OTHERWISE PROVIDED UNDER A FINAL ORDER ENTERED BY THE BANKRUPTCY COURT OR (II) WITH RESPECT TO THE PLAN PROPONENTS' OBLIGATIONS UNDER THE LENDER PLAN, THE ENTRY OF THE CONFIRMATION ORDER SHALL FOREVER STAY, RESTRAIN AND PERMANENTLY ENJOIN, WITH RESPECT TO ANY CLAIM HELD AGAINST EITHER OF THE DEBTORS' ESTATES AS OF THE DATE OF ENTRY OF THE CONFIRMATION ORDER, (I) THE COMMENCEMENT OR CONTINUATION OF ANY ACTION, THE EMPLOYMENT OF PROCESS, OR ANY ACT TO COLLECT, ENFORCE, ATTACH, RECOVER OR OFFSET FROM THE ASSETS, OR FROM PROPERTY OF THE ESTATES THAT HAS BEEN OR IS TO BE DISTRIBUTED UNDER THE LENDER PLAN, AND (II) THE CREATION, PERFECTION OR ENFORCEMENT OF ANY LIEN OR ENCUMBRANCE AGAINST THE ASSETS AND ANY PROPERTY OF THE ESTATES THAT HAS BEEN OR IS TO BE, DISTRIBUTED UNDER THE LENDER PLAN. EXCEPT AS OTHERWISE PROVIDED IN THE CONFIRMATION ORDER, THE ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE AN INJUNCTION AGAINST THE COMMENCEMENT OR CONTINUATION OF ANY ACTION, THE EMPLOYMENT OF PROCESS, OR ANY ACT TO COLLECT, RECOVER OR OFFSET FROM THE ASSETS, OR FROM

PROPERTY OF THE ESTATES, ANY CLAIM, OBLIGATION OR DEBT THAT WAS HELD AGAINST THE ASSETS OR FROM PROPERTY OF THE ESTATES BY ANY PERSON OR ENTITY AS OF THE CONFIRMATION DATE EXCEPT PURSUANT TO THE TERMS OF THE LENDER PLAN. THE ENTRY OF THE CONFIRMATION ORDER SHALL PERMANENTLY ENJOIN ALL CREDITORS, THEIR SUCCESSORS AND ASSIGNS, FROM ENFORCING OR SEEKING TO ENFORCE ANY SUCH CLAIMS. FOR THE AVOIDANCE OF DOUBT, SECTION 8.3 OF THE LENDER PLAN SHALL NOT APPLY TO RWN IN ANY SUIT, ACTION, OR OTHER PROCEEDING TO ENFORCE ITS VALID AND ENFORCEABLE LIENS OR COLLECT UPON ANY GUARANTY RELATED TO THE ASSETS OR PROPERTY OF THE ESTATES AGAINST THE DEBTORS' INTEREST HOLDER AND ANY AFFILIATE OF THE DEBTORS OR MR. FUTTERMAN THAT IS NOT A DEBTOR IN THESE CHAPTER 11 CASES.

LIMITATION OF LIABILITY

SECTION 1125(E) OF THE BANKRUPTCY CODE, COMMONLY REFERRED TO AS THE "SAFE HARBOR," PROTECTS PERSONS ACTING IN GOOD FAITH, FROM CIVIL CLAIMS ARISING IN CONNECTION WITH SOLICITATIONS OF ACCEPTANCES OF PLANS OF REORGANIZATION OR PARTICIPATING IN THE OFFER, ISSUANCE, SALE OR PURCHASE OF A SECURITY UNDER THE LENDER PLAN. PURSUANT TO SECTION 1125(E), AS SET FORTH IN ARTICLE 8 OF THE LENDER PLAN, NEITHER THE PLAN PROPONENT, NOR ANY OF ITS OFFICERS, DIRECTORS, MEMBERS, GENERAL PARTNER, MANAGERS OR EMPLOYEES (ACTING IN SUCH CAPACITY), NOR ANY PROFESSIONAL PERSON EMPLOYED BY ANY OF IT (COLLECTIVELY, THE PLAN PROPONENT AND SUCH OTHER PARTIES, THE "RELEASED PARTIES") SHALL HAVE OR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY ACTION TAKEN

OR OMITTED TO BE TAKEN IN CONNECTION WITH OR RELATED TO THE FORMULATION, PREPARATION, DISSEMINATION, CONFIRMATION OR CONSUMMATION OF THE LENDER PLAN, THE DISCLOSURE STATEMENT OR ANY CONTRACT, INSTRUMENT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO, OR ANY OTHER ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH THIS CASE OR THE LENDER PLAN EXCEPT IN THE CASE OF FRAUD, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, MALPRACTICE, BREACH OF FIDUCIARY DUTY, CRIMINAL CONDUCT, UNAUTHORIZED USE OF CONFIDENTIAL INFORMATION THAT CAUSES DAMAGES, OR ULTRA VIRES ACTS. NOTHING CONTAINED HEREIN SHALL LIMIT THE LIABILITY OF PROFESSIONALS PURSUANT TO RULE 1.8(H)(1) OF THE NEW YORK STATE RULES OF PROFESSIONAL CONDUCT. FROM AND AFTER THE CLOSING DATE, A COPY OF THE CONFIRMATION ORDER AND THE LENDER PLAN SHALL CONSTITUTE, AND MAY BE SUBMITTED AS, A COMPLETE DEFENSE TO ANY CLAIM OR LIABILITY RELEASED PURSUANT TO ARTICLE 8 OF THE LENDER PLAN. NO LIMITATION OF LIABILITY SHALL APPLY TO THE DEBTORS OR THEIR RELATED PERSONS.

RELEASES BY HOLDERS OF CLAIMS AND INTERESTS

TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, EXCEPT AS OTHERWISE PROVIDED IN THE LENDER PLAN OR THE CONFIRMATION ORDER, UPON THE EFFECTIVE DATE, IN CONSIDERATION OF THE CASH AND OTHER PROPERTY TO BE DISTRIBUTED TO OR ON BEHALF OF THE HOLDERS OF CLAIMS AND INTERESTS UNDER THE LENDER PLAN, THE LENDER PLAN SHALL BE DEEMED TO RESOLVE ALL DISPUTES AND CONSTITUTE A SETTLEMENT AND RELEASE, BETWEEN AND AMONG THE RELEASED PARTIES, ON THE ONE HAND, AND EACH CREDITOR AND INTEREST HOLDER OF THE

DEBTORS ON THE OTHER, FROM ANY CLAIM OR LIABILITY, WHETHER LEGAL, EQUITABLE, CONTRACTUAL, SECURED, UNSECURED, LIQUIDATED, UNLIQUIDATED, DISPUTED, UNDISPUTED, MATURED, UNMATURED, FIXED OR CONTINGENT, KNOWN OR UNKNOWN, THAT THE DEBTORS, THEIR CREDITORS OR INTEREST HOLDERS EVER HAD OR NOW HAVE AGAINST THE RELEASED PARTIES THROUGH THE CLOSING DATE IN CONNECTION WITH THEIR CLAIM OR INTERESTS (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS THE DEBTORS MAY ASSERT ON THEIR OWN BEHALF OR ON BEHALF OF CREDITORS OR INTEREST HOLDERS PURSUANT TO SECTIONS 510 AND 542 THROUGH 553 OF THE BANKRUPTCY CODE, ANY CLAIMS CREDITORS OR INTEREST HOLDERS MAY HAVE ASSERTED DERIVATIVELY ON BEHALF OF THE DEBTORS ABSENT BANKRUPTCY, OR ANY CLAIMS BASED ON THE NEGOTIATION, SUBMISSION AND CONFIRMATION OF THE LENDER PLAN); PROVIDED HOWEVER, THAT THE FOREGOING RELEASES SHALL NOT OPERATE TO WAIVE OR RELEASE ANY RELEASED PARTY ON ACCOUNT OF LIABILITY THAT IS JUDICIALLY DETERMINED PURSUANT TO A FINAL ORDER TO HAVE RESULTED FROM SUCH RELEASED PARTY'S FRAUD, WILLFUL MISCONDUCT, GROSS NEGLIGENCE, OR BREACH OF FIDUCIARY DUTY (IF ANY). NEITHER THE DEBTORS NOR THEIR RELATED PERSONS SHALL RECEIVE ANY RELEASE PROVIDED FOR HEREIN.

PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE FOR GOOD AND VALUABLE CONSIDERATION, ON AND AFTER THE EFFECTIVE DATE, THE RELEASED PARTIES AND EACH OF THEIR PROFESSIONALS ARE DEEMED RELEASED BY THE DEBTORS FROM ANY AND ALL CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS,

ASSERTED OR ASSERTABLE ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY OR OTHERWISE, THAT THE DEBTORS OR THE ESTATES WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER PERSON, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE CASES, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE LENDER PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN ANY DEBTOR AND ANY OF THE FOREGOING RELEASES, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THE LENDER PLAN OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS, OR UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE. NEITHER THE DEBTORS NOR THEIR RELATED PERSONS SHALL RECEIVE ANY RELEASES AS PROVIDED FOR HEREIN.

ALTERNATIVES TO THE LENDER PLAN

If the Lender Plan is not confirmed by the Bankruptcy Court, the alternatives may include (a) liquidation of the Debtors under chapter 7 of the Bankruptcy Code; (b) the formulation, promulgation and confirmation of an alternative plan of reorganization premised upon exit financing, or a sale of the Assets; or (c) dismissal of the Debtors' cases. RWN may also seek relief under Section 362(d)(3) which, if granted, would most likely lead

to the dismissal of the Debtors' Cases. In the case of dismissal, RWN would likely proceed with a foreclosure sale and seek to take ownership of the Assets or would seek to re-notice its UCC Sale.

The Plan Proponent believes that the Lender Plan provides a recovery to all Creditors equal to or greater than would be obtainable in a chapter 7 liquidation.

The Plan Proponent believes that the Lender Plan enables Creditors to realize the most value under the circumstances.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following summary of certain U.S. Federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon the particular circumstances pertaining to each holder of an Allowed Claim. Each holder of an Allowed Claim is urged to consult his own tax advisors. This summary does not cover all potential U.S. federal income tax consequences that could possible arise under the Lender Plan and does not address the Lender Plan's U.S. federal income tax consequences for any holder of an Allowed Claim that is a partnership (or other pass-through entity) or otherwise subject to special tax rules.

The Plan Proponent has not requested any ruling from the Internal Revenue Service or any other taxing authority with respect to such matters nor will the Plan Proponent, with respect to the federal income tax consequences of the Lender Plan, obtain any opinion of counsel. Consequently, there can be no assurance that the treatment set forth in the following discussion will be accepted by the IRS. The Plan Proponent offers no statements or opinions that are to be relied upon by the creditors as to the treatment of

creditors' claims under the Lender Plan. Matters not discussed in this Disclosure Statement may affect the tax consequences of the Lender Plan on any particular holder of a Claim or Equity Interest

This summary is based upon the laws in effect on the date of this Disclosure Statement and existing judicial and administrative interpretations thereof, all of which are subject to change, possibly with retroactive effect. Holders of Allowed Claims should consult their own tax advisors as to the Lender Plan's specific federal, state, local and foreign income and other tax consequences.

The tax consequences to Creditor and Interest Holders will differ and will depend on factors specific to each Creditor and Interest Holder, including but not limited to: (i) whether the Claim or Interest (or portion thereof) constitutes a claim for principal or interest; (ii) the origin of the Claim or Interest; (iii) the type of consideration received by the Creditor and Interest Holder in exchange for the Claim; (iv) whether the Creditor and Interest Holder is a United States person or foreign person for tax purposes; (v) whether the Creditor and Interest Holder reports income on the accrual or cash basis method; (vi) whether the Creditor and Interest Holder has taken a bad debt deduction or otherwise recognized loss with respect to a Claim.

THERE ARE MANY FACTORS WHICH WILL DETERMINE THE TAX CONSEQUENCES TO EACH CREDITOR AND INTEREST HOLDER. FURTHERMORE, THE TAX CONSEQUENCES OF THE LENDER PLAN ARE COMPLEX, AND IN SOME CASES, UNCERTAIN. THEREFORE IT IS IMPORTANT THAT EACH CREDITOR AND INTEREST HOLDER OBTAIN HIS,

HER OR ITS OWN TAX ADVICE REGARDING THE TAX CONSEQUENCES TO SUCH CREDITOR AND INTEREST HOLDER AS A RESULT OF THE LENDER PLAN.

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY CREDITOR AND INTEREST HOLDER FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON A TAX PAYER. THE DISCUSSION HEREIN WAS WRITTEN TO SUPPORT THE TRANSACTIONS DESCRIBED IN THIS DISCLOSURE STATEMENT. EACH CREDITOR AND INTEREST HOLDER SHOULD SEEK ADVICE BASED UPON THE CREDITOR AND INTEREST HOLDER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

ADDITIONAL INFORMATION

Requests for information and additional copies of this Disclosure Statement, the Ballots and the other materials delivered together herewith and all deliveries, correspondence and questions, as the case may be, relating to the Lender Plan should be directed to the Plan Proponent's counsel, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attention: Adam C. Rogoff, Esq. (212) 715-9285 and P. Bradley O'Neill, Esq. (212) 715-7583.

Copies of all pleadings, orders, lists, schedules, proofs of claims or other documents submitted in these cases are on file in the Office of the Clerk of the United States Bankruptcy Court at 1 Bowling Green, Alexander Hamilton Custom House, New York, New York, and are available for public inspection Monday through Friday, between the hours of

9:00 a.m. and 4:00 p.m. and are also available for viewing on the Internet at
<http://www.nysb.uscourts.gov>.

CONCLUSION

The Plan Proponent believes the Lender Plan is in the best interests of all Creditors and should be confirmed.

Dated: New York, New York
_____, 2017

RWNIH-DL 122nd Street 1 LLC

By: _____
Name:
Title:

Exhibit A

The Lender Plan

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

LADERA PARENT LLC and
LADERA, LLC,

Case No.: 16-13382 and
16-13383-mew
(Jointly Administered)

Debtors.

-----X

**CHAPTER 11 PLAN OF LIQUIDATION FILED
BY LENDER, RWNH-DL 122ND STREET 1 LLC**

KRAMER LEVIN NAFTALIS &
FRANKEL LLP
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Dated: New York, New York
June 23, 2017

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 11

LADERA PARENT LLC and
LADERA, LLC,

Case No.: 16-13382 and
16-13383-mew
(Jointly Administered)

Debtors.

-----X

**CHAPTER 11 PLAN OF LIQUIDATION FILED
BY LENDER, RWNH-DL 122ND STREET 1 LLC**

RWNH-DL 122nd Street 1 LLC (“**RWN**” or the “**Plan Proponent**”), the secured lender in the Chapter 11 cases of Ladera Parent LLC (“**L.P.**”) and Ladera, LLC (“**Ladera**” and, collectively, the “**Debtors**”), proposes the following Plan of Liquidation pursuant to sections 1121(a), 1122 and 1123 of title 11 of the United States Code. The treatment of Claims and Interests will be based upon the results of the Auction (as discussed below).

**ARTICLE 1
DEFINITIONS**

Unless the context otherwise requires (i) the following terms shall have the following meanings when used in this Plan; (ii) any capitalized term that is used in this Plan and not defined in this Article 1 but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning set forth therein; (iii) terms stated in the singular shall include the plural and vice versa; (iv) pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (v) all section, article and exhibit references in the Plan are to the respective section of, article of or exhibit to the Plan; (vi) any reference to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions, means that such document shall be substantially in such form or substantially on such terms and conditions except as stated otherwise in the Plan; (vii) any reference to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented; (viii) the words “herein”, “hereof”, “hereto” or “hereunder” and other words of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan; (ix) the rules of construction set forth in Section 102 of the Bankruptcy Code shall govern construction of the Plan; and (x) any reference contained herein to the Bankruptcy Code, or to any section of the Bankruptcy Code, refers to the Bankruptcy Code, or such section of the Bankruptcy Code, as it is existing and effective on the Petition Date, except to the extent, if any, that any post-Petition Date amendment to the Bankruptcy Code applies retroactively to cases filed on the Petition Date.

1.1 “Administrative Claim Bar Date” means the first Business Day that is at least thirty (30) days after the Closing Date.

1.2 “Administrative Claim” means a Claim for, or request for payment of, an Administrative Expense, including, but not limited to, Administrative Tax Claims (i) as to which no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (ii) as to which any objection has been resolved by a Final Order allowing such claim in whole or in part, to the extent such claim is Allowed.

1.3 “Administrative Expense” means any cost or expense of administration of the Debtors’ Chapter 11 Cases, other than Bankruptcy Fees, allowable under Sections 503(b), 330 or 331 of the Bankruptcy Code.

1.4 “Administrative Tax Claim” means an Administrative Claim for a tax due to a Governmental Unit.

1.5 “Allowed Claim” means a Claim, other than an Administrative Claim, that is: (a) listed in the Debtors’ schedules, including any amendments thereto, filed in these Chapter 11 Cases as of the Effective Date and not listed as “disputed,” “contingent,” “unliquidated,” or “unknown” and as to which no objection to the allowance thereof is filed; (b) set forth in a Proof of Claim timely and properly filed in these Chapter 11 Cases on or before the deadline fixed by the Bankruptcy Court, or by applicable rule or statute, as the last day for filing such Proof of Claim, or late filed with leave of the Bankruptcy Court after notice and opportunity for hearing having been given, and as to which no objection to the allowance thereof is filed; or (c) determined to be allowed by Final Order of the Bankruptcy Court. To the extent permitted under Section 506(b) of the Bankruptcy Code, an Allowed Claim may include unpaid postpetition interest on such Claim and any reasonable unpaid postpetition fees, costs or charges provided for under the agreements under which such Claim arose.

1.6 “Allowed ... Claim” means an Allowed Claim of the type described.

1.7 “Allowed Interest” means an Interest in the Debtors that has not been disallowed and is not a disputed Interest with respect to which (i) a Proof of Interest has been timely filed or, (ii) if no Proof of Interest has been timely filed, that has been or hereafter is listed by the Debtors in their Schedules.

1.8 “Assets” means the Real Property together with the Development Rights and Plans and Approvals, as further described below and in the Credit Bid Agreement.

1.9 “Asset Purchase Agreement” means the Asset Purchase Agreement pursuant to which some or all of the Assets would be sold to a Third Party Purchaser in accordance with the Plan, the Confirmation Order, and the Bid Procedures. The form of the Asset Purchase Agreement shall be generally consistent with the form previously circulated by the Debtors to potential bidders in connection with the Bid Procedures with such modifications as are acceptable to the Plan Proponent or the Wind Down Officer.

1.10 “Auction” means the auction held pursuant to the Bid Procedures.

1.11 “Available Cash” at any time means the aggregate amount of cash held by the Disbursing Agent at such time less the sum of (i) cash to be distributed to holders of Allowed

Administrative Claims or holders of Allowed Claims in Classes 1, 2, 3 and 6 and (ii) the amount of Cash in the Disputed Claims Reserve at such time.

1.12 “Avoidance Actions” means any Claims, rights, defenses or other causes of action arising under any section of Chapter 5 of the Bankruptcy Code, including Sections 502, 510, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including state fraudulent transfers laws, whether or not prosecution of such actions has commenced as of the Confirmation Date or the Effective Date.

1.13 “Bankruptcy Code” means title 11 of the United States Code, as amended from time to time and effective as to cases filed on the Petition Date.

1.14 “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York or the United States District Court for the Southern District of New York to the extent it withdraws the reference over all or any portion of this Chapter 11 Case pursuant to Section 157(d) of title 28 of the United States Code.

1.15 “Bankruptcy Fees” means all fees and charges assessed against the Estates under Section 1930 of title 28 of the United States Code.

1.16 “Bankruptcy Rules” means (i) the Federal Rules of Bankruptcy Procedure and (ii) the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, in effect on the Petition Date, together with any and all amendments and modifications thereto that were subsequently made applicable to these Chapter 11 Cases.

1.17 “Bar Date” means March 29, 2017.

1.18 “Bid Procedures” means the terms of sale of Assets approved by the Bankruptcy Court in the Bid Procedures Order and which will govern the Auction process for the sale of the Assets.

1.19 “Bid Procedures Order” means the order of the Bankruptcy Court approving Bid Procedures in connection with the Sale, in form and substance acceptable to the Plan Proponent, which order may be that certain Order dated May 17, 2017 as modified by the Bankruptcy Court at the request of the Plan Proponent.

1.20 “BCA” means the Brownsfield Cleanup Agreement executed by the New York State Department of Environmental Conservation and Ladera that enrolls the Real Property into the New York State Brownfield Cleanup Program.

1.21 “BSA Approvals” means the zoning variances and approvals obtained on behalf of Ladera from the New York City Board of Standard and Appeals in connection with the Plans.

1.22 “Business Day” means any day other than a Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required by law to close, or other Legal Holiday.

1.23 “Cash” means, on any Business Day, cash and cash equivalents in immediately available funds, in United States dollars, which may be spent or transferred without restriction no later than the next Business Day.

1.24 “Chapter 11 Cases” means these cases under Chapter 11 of the Bankruptcy Code commenced by the Debtors on December 4, 2016, and styled “In re Ladera Parent LLC and Ladera, LLC, Case No.: 16-13382 and 16-13383-MEW (Jointly Administered).”

1.25 “Claim” means a “claim” against the Debtors or property of the Debtors, as defined in section 101(5) of the Bankruptcy Code.

1.26 “Class” means a category of substantially similar Claims or Allowed Interests as established pursuant to Article 3 of the Plan.

1.27 “Closing Date” means the date that the consummation of the Sale of the Debtors’ Assets to the Successful Purchaser takes place.

1.28 “Combined Zoning Lot” means the one zoning lot comprised of the Real Property and the parcels of land located at 311 West 121st Street, New York, New York (Tax Map Block 1948, Lot 24), 309 West 121st Street, New York, New York (Tax Map Block 1948, Lot 25), 307 West 121st Street (Tax Map Block 1948, Lot 26), and 302 West 122nd Street (Tax Map Block 1948, Lots 1001-1006) and merged with the property known as 301 West 121st Street, New York, New York (Tax Map Block 1948, Lot 29) to create a single, combined zoning lot.

1.29 “Confirmation” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

1.30 “Confirmation Date” means the date on which the Confirmation Order is entered by the Bankruptcy Court.

1.31 “Confirmation Order” means an Order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

1.32 “Credit Bid” means any credit bid submitted by RWN or its designee to acquire some or all of the Assets on account of the RWN Ladera Secured Claim and RWN L.P. Secured Claim under the RWN Security Documents.

1.33 “Credit Bid Agreement” means the purchase agreement submitted by RWN or its designee in connection with any Credit Bid.

1.34 “Creditor” means a Holder of an Allowed Claim.

1.35 “Cure Amount” means any amount required, pursuant to Sections 365(b)(1)(A) and 365(b)(1)(B) of the Bankruptcy Code, to cure any defaults or compensate the non-debtor party to any Executory Contract or Unexpired Lease for any actual pecuniary loss resulting from a default in respect of an Executory Contract or Unexpired Lease.

1.36 “Debtors” mean L.P. and Ladera, with mailing addresses at c/o RGS Holdings, LLC 205 West 122nd Street, Unit C, New York, New York 10027.

1.37 “Development Rights” means all zoning and development rights owned by or available to the Debtors and/or to which the Debtors have a right, title and interest in, including but not limited to, certain development rights transferred to Ladera from the parcels of land located at 311 West 121st Street, New York, New York (Tax Map Block 1948, Lot 24), 309 West 121st Street, New York, New York (Tax Map Block 1948, Lot 25), 307 West 121st Street (Tax Map Block 1948, Lot 26), 301 West 121st Street, New York, New York (Tax Map Block 1948, Lot 29), and 302 West 122nd Street (Tax Map Block 1948, Lots 1001-1006), including pursuant to the ZLDAs.

1.38 “Disbursing Agent” means the Wind-Down Officer, acting in its capacity as a disbursing agent.

1.39 “Disclosure Statement” means the Disclosure Statement for the Plan including all exhibits, attachments or amendments thereto, approved by Final Order of the Bankruptcy Court.

1.40 “Disputed Claim” means a Claim that is not yet an Allowed Claim, including because such Claim is unliquidated; provided, however, that a Disputed Claim shall not include any portion of the Claim that is an Allowed Claim.

1.41 “Disputed Claim Reserve” means the reserve established on the later of the Closing Date or the Effective Date, or as soon thereafter as reasonably practicable, and maintained by the Disbursing Agent, funded with cash to pay holders of Disputed Claims, if and when such Disputed Claims become Allowed Claims, as set forth more fully in Article 7 of the Plan.

1.42 “Effective Date” means the first Business Day upon which each of the conditions specified in Section 11.2 of this Plan have been satisfied or waived as provided herein.

1.43 “Estates” means the Estates of the Debtors created on the Petition Date pursuant to Section 541 of the Bankruptcy Code.

1.44 “Executory Contract” means an executory contract within the meaning of Section 365 of the Bankruptcy Code.

1.45 “Final Order” means a judgment, order, ruling or other decree of the Bankruptcy Court (or court of competent jurisdiction) entered by the Clerk on the docket of the Chapter 11 Cases (or on the docket of any court of competent jurisdiction) that has not been reversed, vacated or stayed and as to which (i) the time to appeal, petition for certiorari proceeding or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari proceeding, or other proceedings for a new trial, reargument or rehearing shall then be pending, or (ii) if an appeal, writ of certiorari, new trial, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for

certiorari or move for a new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Bankruptcy Rule 9023 or Bankruptcy Rule 9024, or any analogous rule under the Bankruptcy Rules (or rule of a court of competent jurisdiction), may be filed relating to such order shall not cause such order not to be a Final Order.

1.46 “Holder” means a Person holding a Claim or Interest.

1.47 “Independent Managers” means Julia A. McCullough and William G. Popeo, the independent managers appointed in L.P. and Ladera, respectively.

1.48 “Interest” means the equity interest in the Debtors.

1.49 “Interest Holder” means the Holder of an Allowed Interest in the Debtors.

1.50 “Legal Holiday” means a “Legal Holiday” as that term is defined in Bankruptcy Rule 9006(a).

1.51 “Lien” means a “lien” as defined in Section 101(37) of the Bankruptcy Code and, with respect to any asset, includes, without limitation, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest in respect of such asset.

1.52 “Other Secured Claims” means any other Secured Claim, including Claims secured by properly perfected mechanics’, materialmen’s, or similar liens, against property of any Debtor, but excluding the RWN L.P. Secured Claim and the RWN Ladera Secured Claim.

1.53 “Order” means an order of the Bankruptcy Court.

1.54 “Person” means a person as defined in Section 101(41) of the Bankruptcy Code.

1.55 “Petition Date” means December 4, 2016, the date on which these Chapter 11 Cases were commenced by the filing of voluntary petitions for relief under Chapter 11 of the Bankruptcy Code by the Debtors.

1.56 “Plan” means this Plan of Liquidation, as it may be amended, supplemented or modified from time to time, including any exhibits or schedules annexed hereto or required to be filed with the Bankruptcy Court pursuant hereto.

1.57 “Plan Funding” means \$950,000 less any amounts that may be funded by RWN prior to Confirmation on account of outstanding real estate taxes for the Real Property, which shall be contributed by RWN solely in the event that RWN is the Successful Purchaser following the Auction and which shall be paid on the later of (i) the Effective Date (or as soon thereafter as is reasonably practicable) or (ii) the Closing Date, and which funds shall be used to make distributions under the Plan.

1.58 “Plan Supplement” means a separate document to be filed with the Bankruptcy Court as a supplement to this Plan no later than ten (10) days prior to the Confirmation Date that shall contain the documents necessary to administer this Plan.

1.59 “Plans” means the development plans prepared for Ladera as work made for hire by PBDW Architects LLP.

1.60 “Plans and Approvals” means all regulatory plans and approvals associated with the Real Property, including but not limited to the Plans, the BSA Approvals, and the BCA.

1.61 “Post-Confirmation Estate Assets” means (i) prior to the Closing Date, the Assets, (ii) such additional or different corpus, assets or investments, if any, as the Wind-Down Officer may from time to time acquire and/or hold and administer under the provisions of the Plan, and (iii) any and all dividends, rents, royalties, income, proceeds and other receipts of, from or attributable to the foregoing.

1.62 “Priority Non-Tax Claim” means that portion of an Allowed Claim, other than a Priority Tax Claim, an Administrative Tax Expense Claim, a Secured Claim, or Bankruptcy Fees, entitled to priority in payment under Bankruptcy Code Section 507(a) or (b).

1.63 “Priority Tax Claim” means an Allowed Claim of a Governmental Unit of the kind specified in Section 507(a)(8) of the Bankruptcy Code.

1.64 “Professional Fee Claims” means Claims against the Debtors for compensation for services rendered and/or reimbursement of expenses incurred, by Professionals prior to the Closing Date, as allowed and awarded by Final Order following application, in accordance with Sections 330 and 331 of the Bankruptcy Code.

1.65 “Professional Fee Claims Bar Date” means 4:00 p.m. (prevailing Eastern Time) on the date that is thirty (30) days after the Effective Date.

1.66 “Professionals” means all attorneys, accountants, appraisers, consultants, brokers, auctioneers, financial advisors, investment bankers, and other professionals retained by the Debtors or the Independent Managers under Sections 105, 327, 363 or 330 of the Bankruptcy Code to render professional services in these Chapter 11 Cases pursuant to a Final Order.

1.67 “Proof of Claim” means a proof of Claim filed pursuant to Section 501 of the Bankruptcy Code and Part III of the Bankruptcy Rules.

1.68 “Proof of Interest” means a proof of an Interest filed pursuant to Section 501 of the Bankruptcy Code and Part III of the Bankruptcy Rules.

1.69 “Pro Rata” means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of all Allowed Claims or Allowed Interests in such Class.

1.70 “Purchaser” means the Person selected at the Auction, in accordance with the Bid Procedures, as having made the highest and best bid, in accordance with the Bid Procedures, to

purchase the Assets pursuant to, and on the terms and conditions set forth in either (i) with respect to a Third Party Purchaser, the Asset Purchase Agreement or (ii) with respect to RWN (or its designee), the Credit Bid Agreement.

1.71 “Real Property” means (i) the parcel of land located at 231/237 St. Nicholas Avenue a/k/a 300 West 122nd Street, New York, New York (being Lot 35, in Block 1948, as shown and set forth on the Tax Map of the City of New York, and (ii) the parcel of land located at 223/229 St. Nicholas Avenue a/k/a 305 West 121st Street, New York, New York (Tax Map Block 1948, Lot 30).

1.72 “Related Persons” means as to any person, such Person’s current and former direct and indirect equity holders, members, partners, subsidiaries, affiliates, funds, managers, investors, managing members, officers, directors, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives (including their respective equity holders, members, partners, subsidiaries, affiliates, funds, managers, managing members, officers, directors, employees, advisors, principals, attorneys, professionals, accountants, investment bankers, consultants, agents and other representatives).

1.73 “RWN” means RWNIH-DL 122nd Street 1 LLC, the holder of the RWN Note, RWN Ladera Secured Claim, RWN L.P. Secured Claim, and RWN Security Documents.

1.74 “RWN Deficiency Claim” means the aggregate amount of RWN’s Allowed Secured Claim for the RWN Ladera Secured Claim and the RWN L.P. Secured Claim less:

- a. if RWN (or its designee) is the Purchaser pursuant to the Credit Bid Agreement, the amount of RWN’s Credit Bid; or
- b. if RWN (or its designee) is not the Purchaser pursuant to the Credit Bid Agreement, the amount of Sale Proceeds that are actually received by RWN in respect of its Allowed Secured Claims in accordance with the Plan.

The RWN Deficiency Claim, if any, shall be treated in accordance with Claims in Class 4 of this Plan.

1.75 “RWN L.P. Secured Claim” means the Secured Claim held by RWN against L.P.’s membership interests in Ladera.

1.76 “RWN Ladera Secured Claim” means the Secured Claim held by RWN against Ladera or the Assets, on account of the RWN Note or the RWN Security Documents in the original principal amount of \$36,640,000.00 pursuant to (i) that certain Acquisition Loan Agreement, dated as of August 28, 2015, between Ladera and RWN and (ii) that certain Building Loan Agreement, dated as of August 28, 2015, between Ladera and RWN.

1.77 “RWN Note” means collectively, each and every agreement, promissory note, including any amendment or modification thereof, or allonge thereto, evidencing a Claim held by RWN.

1.78 “RWN Security Documents” means each and every mortgage, assignment of rents, security agreements, and/or any such other documents granting RWN a lien on the Assets or other collateral to secure the RWN Note.

1.79 “Schedules” mean the Schedules of Assets and Liabilities and the Statement of Financial Affairs filed by the Debtors with the Bankruptcy Court in accordance with Section 521(1) of the Bankruptcy Code and Rule 1007 of the Bankruptcy Rules and any amendments thereto.

1.80 “Sale” means the sale of the Assets in accordance with the Bid Procedures and the Confirmation Order and on the terms set forth in either the Credit Bid Agreement or the Asset Purchase Agreement, as applicable, which is effectuated through this Plan pursuant to Sections 363 and 1123 of the Bankruptcy Code.

1.81 “Sale Proceeds” means the proceeds received from the Sale (a) to a Third Party Purchaser pursuant to an Asset Purchase Agreement or (b) if and to the extent RWN (or its designee) acquires the Assets, the Plan Funding.

1.82 “Secured Claim” means an Allowed Claim, including all amounts, if any, (i) allowed pursuant to Section 506(b) of the Bankruptcy Code, to the extent that it is secured by a valid, perfected and enforceable Lien on any property of any Debtor that is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law or (ii) that is subject to set-off under Section 553 of the Bankruptcy Code, to the extent of the value of the Holder’s interest in the Estates’ interest in such Property or to the extent of the amount subject to set-off, as applicable.

1.83 “Secured Creditor” means the Holder of a Secured Claim.

1.84 “Successful Purchaser” means the successful purchaser of the Assets sold at Auction pursuant to the Bid Procedures and this Plan.

1.85 “Third Party Purchaser” means the Person who is not RWN (or its designee) and who is selected at the Auction, in accordance with the Bid Procedures, as having made the highest and best bid, in accordance with the Bid Procedures, to purchase the Assets pursuant to, and on the terms and conditions set forth in, the Asset Purchase Agreement.

1.86 “Transfer Taxes” means any and all stamp, real estate transfer, mortgage recording, or other similar taxes or governmental assessments in the United States or imposed by any other governmental unit with respect to the transfer of a property or interest therein.

1.87 “United States Trustee” means the United States Trustee for the Southern District of New York.

1.88 “United States Trustee Fees” means all fees and charges assessed against the Estates under Section 1930 of title 28 of the United States Code.

1.89 “Unsecured Claim” means any Claim or portion thereof (including the RWN L.P. Secured Claim and the RWN Ladera Secured Claim, in each case to the extent such Claims are

not Secured Claims) against the Debtors that is not an Administrative Claim, an Administrative Tax Claim, a Bankruptcy Fee, a Priority Tax Claim, a Priority Non-Tax Claim, or a Secured Claim.

1.90 “Unsecured Creditor” means the Holder of an Unsecured Claim.

1.91 “Unexpired Lease” means an unexpired lease within the meaning of Section 365 of the Bankruptcy Code.

1.92 “Wind-Down Officer” means such Person to be identified by the Plan Proponent in a Plan Supplement and to be appointed under the Plan to wind up the affairs of the Debtors as provided herein.

1.93 “Wind-Down Officer Agreement” means the agreement governing the terms and conditions of the employment of the Wind-Down Officer, dated as of the Effective Date, in the form included in the Plan Supplement.

1.94 “Wind Down Reserve” means and amount of Cash set aside from time to time by the Wind-Down Officer to fund the wind up of the Debtors and to pay costs, fees and expenses, and reserve for liabilities, including costs, fees, and expenses of the Estates payable after the Effective Date, which amount shall be funded from the Sale Proceeds (as applicable).

1.95 “ZLDAs” means certain zoning lot development agreements respecting the Combined Zoning Lot, including, without limitation, that certain Zoning Lot Development and Easement Agreement dated June 28, 2011, by and between John Phillips and LADERA, LLC, and recorded on July 22, 2011, at CRFN 2011000260207, that certain Zoning Lot Development and Easement Agreement dated June 28, 2011, by and between Jeffrey D. Macauley, Julie Gonthier and Alex Sarly, Gerald D'averso and Gerard Kobres, Michelle Pearson, Christopher Romero and Jennifer Mangels, Peter Deutch and Samantha Fransisco-Deutch, and the Board of Managers of the 302 West 122nd Street Condominium, and LADERA, LLC, and recorded on July 13, 2011, at CRFN 2011000245872, that certain Zoning Lot Development and Easement Agreement dated December 27, 2013, by and between 510 Manhattan Affordable Housing, L.P., and LADERA, LLC, and recorded on April 9, 2014, at CRFN 2014000120803, and that certain Zoning Lot Development and Easement Agreement dated December 27, 2013, by and between 510 Manhattan Affordable Housing, L.P. and LADERA, LLC, and recorded on September 14, 2015, at CRFN 2015000320833.

ARTICLE 2

TREATMENT OF UNCLASSIFIED CLAIMS

Pursuant to Section 1123(a)(1) of the Bankruptcy Code, the Plan does not classify Administrative Claims or Allowed Priority Tax Claims. Such Claims, to the extent Allowed, shall receive the treatment provided in this Article 2 in full satisfaction, release and discharge thereof.

2.1 **Administrative Claims.** A notice setting forth the Administrative Claim Bar Date will be filed on the Bankruptcy Court’s docket and served with the notice of the Effective Date. No other notice of the Administrative Claim Bar Date will be provided. All requests for

payment of Administrative Claims that accrued on or before the Effective Date (other than Professional Fee Claims) must be filed with the Bankruptcy Court and served on counsel for the Plan Proponent by the Administrative Claim Bar Date. Any requests for payment of Administrative Claims that are not properly filed and served by the Administrative Claim Bar Date shall be disallowed automatically without the need for any objection or any action by the Bankruptcy Court. Unless the Wind-Down Officer or the Plan Proponent objects to a timely filed and properly served Administrative Claim by the applicable objection deadline, or such Administrative Claim has been allowed by prior order of the Bankruptcy Court, then such Administrative Claim shall be deemed allowed in the amount requested. If the Wind-Down Officer or the Plan Proponent objects to an Administrative Claim, the parties may confer to try to reach a settlement and, failing that, the Bankruptcy Court shall determine whether such Administrative Claim should be allowed and, if so, in what amount.

Each Holder of an Allowed Administrative Claim (other than holders of Professional Fees or United States Trustee Fees) shall be paid in full, in cash, by the Disbursing Agent from the Sale Proceeds (as applicable) on or as soon as reasonably practicable after the later of the Effective Date, the Closing Date, and the date on which such Claim becomes an Allowed Administrative Claim, or on such other date and upon such other terms as may be agreed by the Holder of such Allowed Administrative Claim and the Disbursing Agent or ordered by the Bankruptcy Court. Holders of Administrative Claims are not entitled to vote on the Plan and are deemed to have accepted the Plan.

2.2 United States Trustee Fees. The United States Trustee Fees are unimpaired. All United States Trustee Fees incurred by the United States Trustee prior to the Effective Date and not yet paid shall be paid by the Disbursing Agent from the Plan Funding on or as soon as reasonably practicable after the Effective Date in accordance with the applicable schedule for payment of such fees. Until each of the Chapter 11 Cases is closed by entry of a final decree of the Bankruptcy Court, the Wind-Down Officer shall pay all additional United States Trustee Fees incurred in accordance with the applicable schedule for the payment of such fees.

2.3 Professional Fee Claims. All final applications for payment of Professional Fee Claims shall be filed with the Bankruptcy Court and served on the Plan Proponent and the Wind-Down Officer on or before the Professional Fee Claims Bar Date. Any Professional Fee Claim that is not asserted in accordance with this Section 2.3 shall be deemed disallowed under this Plan and the holder thereof shall be enjoined from commencing or continuing any action, employment of process, or act to collect, offset, recoup, or recover such Professional Fee Claim against any of the Estates, the Disbursing Agent, or any of their respective assets or property.

Each Holder of an Allowed Professional Fee Claim shall be paid in Cash in an amount equal to such Allowed Professional Fee Claim on or as soon as reasonably practicable after the first Business Day following the date upon which such Claim becomes an Allowed Claim by Final Order of the Bankruptcy Court, unless such Holder shall agree to a different treatment of such Claim.

2.4 Priority Tax Claims. Except as may be otherwise mutually agreed in writing between the Wind-Down Officer or the Plan Proponent and any applicable Governmental Units, all Allowed Priority Tax Claims shall be paid by the Disbursing Agent from the Sale Proceeds

(as applicable) in full, in Cash, on or as soon as reasonably practicable after the later of the Effective Date and the Closing Date.

ARTICLE 3
CLASSIFICATION OF CLAIMS AND INTERESTS

Except as otherwise provided in Article 2, Allowed Claims and Allowed Interests are classified as set forth in this Article 3. A Claim or Interest is in a particular Class designated herein only to the extent such Claim or Interest (i) fits within the description of such Class and is in such other and different Class or Classes to the extent that the remainder thereof fits within the description of such other Class or Classes and (ii) has not been paid, released or otherwise satisfied within 30 days of the Closing Date. *As provided herein, the treatment of Allowed Claims and Allowed Interests will be based upon the results of the Auction (as discussed below).*

- Class 1. Priority Non-Tax Claims.** Class 1 consists of all Priority Non-Tax Claims.
- Class 2. RWN Ladera Secured Claim.** Class 2 consists of the Allowed RWN Ladera Secured Claim.
- Class 3. Other Secured Claims.** Class 3 consists of all Allowed Other Secured Claims against Ladera.
- Class 4. Ladera Unsecured Claims.** Class 4 consists of all Allowed Unsecured Claims against Ladera.
- Class 5. Ladera Interests.** Class 5 consists of all Interests in Ladera.
- Class 6. RWN L.P. Secured Claim.** Class 6 consists of the Allowed RWN L.P. Secured Claim.
- Class 7. L.P. Unsecured Claims.** Class 7 consists of all Allowed Unsecured Claims against L.P.
- Class 8. L.P. Interests.** Class 8 consists of all Interest in L.P.

ARTICLE 4
TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

Allowed Claims in Classes 2, 3, 4, 6 and 7 and the Interests in Classes 5 and 8 are impaired, and entitled to vote on the Plan. Allowed Claims in Class 1 are unimpaired, are not entitled to vote, but are deemed to have accepted the Plan. The Allowed Claims and Allowed Interests in each Class shall receive the following treatment under the Plan in full satisfaction, release and discharge thereof.

4.1 **Class 1 – Priority Non-Tax Claims.** (Unimpaired). Each Holder of a Priority Non-Tax Claim will be paid in full on or as soon as reasonably practicable after the later of the Closing Date or the Effective Date.

4.2 **Class 2 – RWN Ladera Secured Claim .** (Impaired). Upon the sale of the Property, the RWN Ladera Secured Claim shall receive the following treatment:

(a) On the Closing Date, if RWN (or its designee) is the Purchaser of the Assets, then RWN (or its designee) shall receive the Assets free and clear of all Liens, claims, charges, encumbrances or interests of any kind or nature, as provided in the Credit Bid Agreement and the Confirmation Order; provided, however, that nothing in this Plan shall impair in any respect any Claim or cause of action that RWN has or may have against any other entity or Person relating to or arising in connection with any RWN Deficiency Claim or other Claims, or any right of RWN to pursue such Claims or causes of action, all of which shall survive the Confirmation and effectiveness of this Plan. For the avoidance of doubt, (i) under this scenario RWN will voluntarily forego participating in any distributions from the Plan Funding and (ii) nothing herein shall impair RWN's Claims in any other Class.

(b) Alternatively, if the Assets are sold to a Third Party Purchaser for an amount in excess of the RWN Ladera Secured Claim, then, on the Closing Date, the Disbursing Agent shall apply the Sale Proceeds to pay, in Cash, the aggregate amount of RWN's Allowed Secured Claims in Class 2 until fully paid, and to reimburse RWN for the Plan Funding (if such amounts have previously been funded by RWN). For the avoidance of doubt, nothing herein shall impair RWN's Claims in any other Class.

4.3 **Class 3 – Other Secured Claims.** (Unimpaired/Impaired). The Holders of the Class 3 Other Secured Claims shall receive the following treatment:

(a) To the extent an Other Secured Claim is senior in priority to the Claims in Class 2, such Holders shall be entitled to payment in full, in Cash, on or as soon as reasonably practicable after the later of the Closing Date or the Effective Date. Such Claims will be paid from the Sale Proceeds.

(b) To the extent an Other Secured Claim is not senior in priority to the Claims in Class 2, such Holders shall be entitled to receive their Pro Rata Share of Available Cash after payment in full to all Holders of senior Allowed Claims. If Sale Proceeds are sufficient, such Other Secured Claims shall receive interest at the federal judgment rate. To the extent that an Other Secured Claim is not an Allowed Secured Claim, it shall be treated as an Unsecured Claim.

4.4 **Class 4 – Ladera Unsecured Claims.** (Impaired). The Holders of the Class 4 Ladera Unsecured Claims against Ladera shall receive their Pro Rata Share of Available Cash after payment in full to all Holders of senior Allowed Claims. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.

4.5 **Class 5 – Ladera Interests.** (Impaired). After payment in full to all Ladera Creditors have been made under the Plan, and appropriate amounts have been reserved for Disputed Claims, any excess Available Cash shall be distributed to the Holders of Interests in Ladera, subject to the distribution obligations to Class 6.

4.6 **Class 6 – RWN L.P. Secured Claim.** (Impaired) After payment in full to all Holders of senior Allowed Claims, RWN shall receive all Available Cash until the payment in full of the RWN L.P. Secured Claim.

4.7 **Class 7 – L.P. Unsecured Claims.** (Impaired). After payment in full to all Holders of senior Allowed Claims, the Holders of the Class 7 L.P. Unsecured Claims against L.P. shall receive their Pro Rata Share of Available Cash. If Sale Proceeds are sufficient, Allowed Unsecured Creditors shall receive interest at the federal judgment rate.

4.8 **Class 8 – L.P. Interests.** (Impaired). After payment in full to all L.P. Creditors have been made under the Plan, and appropriate amounts have been reserved for Disputed Claims, any excess Available Cash shall be distributed to the Holders of Interests in L.P.

ARTICLE 5

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 **Assumption and Assignments of Executory Contracts and Unexpired Leases.** On the Closing Date, all Executory Contracts and Unexpired Leases, to which Debtor is a party, if any, shall be deemed rejected, including, but not limited to, that certain exclusive listing agreement between Ladera and Walker, Malloy & Company, Inc. dated September 12, 2016, which was an exclusive broker agreement in connection with the successful sale or lease of the commercial space, after development of the Real Property, except for those Executory Contracts and Unexpired Leases which are to be identified in the Asset Purchase Agreement or Credit Bid Agreement, which shall be deemed assumed and assigned to the Successful Purchaser in accordance with Section 365 of the Bankruptcy Code.

5.2 **Assumption Cure Payments.** Except as otherwise agreed to by the parties, on the Closing Date, the Successful Purchaser shall cure any and all undisputed defaults under any Executory Contract or Unexpired Lease that is assumed by the Successful Purchaser in accordance with Section 365 of the Bankruptcy Code. Unless the parties to the contract or lease agree otherwise, all disputed defaults that are required to be cured shall be cured by the later to occur of (i) ten (10) days after the entry of a Final Order determining the amount, if any, of the Debtors' liability with respect thereto and (ii) the Closing Date.

5.3 **Rejection Claims.** Allowed Claims arising from the rejection of any Executory Contract or Unexpired Lease of the Debtors shall be treated as an Unsecured Claim.

5.4 **Bar to Rejection Claims.** A Proof of Claim with respect to any Unsecured Claim for damages arising from the rejection of an Executory Contract or Unexpired Leases pursuant to the Plan shall not be timely filed unless it is filed with the Bankruptcy Court and served so that it is received by the Wind-Down Officer and the Plan Proponent no later than thirty (30) days after the later of (i) the date of entry of a Final Order approving such rejection (unless such Final Order expressly provides a Bar Date with respect to such Claim, in which event no Proof of Claim with respect to such Claim shall be deemed timely filed unless it is filed with the Bankruptcy Court and served in the manner provided in such Final Order), or (ii) the Closing Date. Any such Proof of Claim not timely filed and served shall be forever barred from

assertion and may not be enforced against the Debtors' Estates, their successors or their respective properties.

ARTICLE 6

IMPLEMENTATION OF THE PLAN

6.1 **Implementation.** The Plan Proponent shall take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan. The Confirmation Order shall contain appropriate provisions, consistent with Section 1142 of the Bankruptcy Code, directing the Debtors and any other necessary party to perform any act, including the satisfaction of any lien that is necessary for the consummation of the Plan. Additionally the Confirmation Order shall contain provisions approving either the Asset Purchase Agreement or the Credit Bid Agreement pursuant to Sections 363, 365, 1123(a)(5), 1123(b)(4) of the Bankruptcy Code. The Debtors' cases are not being substantively consolidated such that the priority and extent of Claims against each of the entities shall be unaffected and the distribution of Sale Proceeds shall be made in accordance with the priorities established by the Bankruptcy Code.

6.2 **Sale of Assets.** In order to fund distributions under the Plan, the Assets shall be sold pursuant to the Bid Procedures to the Successful Purchaser pursuant to Bankruptcy Code Sections 363 and 1123(a)(5), free and clear of any and all Liens, Claims, and encumbrances to the fullest extent provided by the Bankruptcy Code or other applicable law. The Auction shall take place on a date and place to be fixed by the Plan Proponent and approved by the Bankruptcy Court in accordance with the Bid Procedures. RWN shall be entitled to submit a Credit Bid at the Auction up to the full amount of its Allowed Secured Claims. RWN shall be deemed a qualified bidder at the Auction. In the event of any disputes arising from the Auction, such dispute shall be submitted to the jurisdiction of the Bankruptcy Court. To the extent requested by the Successful Purchaser, a separate order approving the results of the Auction and the Sale to the Successful Purchaser will be submitted to the Bankruptcy Court for approval.

6.3 **Vesting of Assets.** Except as otherwise provided in the Plan, on the Closing Date, to the fullest extent provided by the Bankruptcy Code or other applicable law, the Assets shall vest in the Successful Purchaser free and clear of all Liens, Claims and encumbrances and any other Liens, Claims and encumbrances that have not been expressly preserved under the Plan shall attach to the Sale Proceeds as of such date.

6.4 **Plan Funding.** The Plan shall be funded by the Sale of the Assets pursuant to the Bid Procedures and the Sale Proceeds. These funds shall be utilized to satisfy payments consistent with the terms of this Plan.

6.5 **Transfer Taxes.** Pursuant to Section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan and the making or delivery of an instrument of transfer of property or otherwise, pursuant to or in connection with the Plan, the Sale pursuant to the Asset Purchase Agreement or any Credit Bid Agreement shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax or governmental assessment in the United States or by any other governmental unit, and the Confirmation Order shall direct and be deemed to direct the appropriate federal, state or local (domestic or foreign) governmental officials or agents to forgo the collection of any such tax or governmental assessment and to

accept for filing and recordation instruments or other documents pursuant to or in connection with such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to the Sale of the Assets to the Successful Purchaser.

6.6 Wind Down of the Debtors. The Debtors shall continue to exist after the Effective Date for the purposes of making distributions to holders of Allowed Claims and Interests under the Plan, and to take any other steps in furtherance thereof or as may be reasonably necessary or appropriate to wind-down their affairs and their Estates and filing and prosecuting objections to Claims. The principal purpose of the Debtors shall be to implement the Plan, including the sale of the Assets and to liquidate, collect and maximize the Cash value of the any remaining assets of the Estates, and to make distributions on account of Allowed Claims in accordance with the terms of the Plan.

On the Effective Date, all existing officers, directors, managers and members of the Debtors shall be replaced by the Wind-Down Officer who shall be appointed to wind up the affairs of the Debtors, as provided herein.

The activities and operations of the Debtors and the Wind-Down Officer shall be funded through the Wind-Down Reserve to be established on or as soon as reasonably practicable after the Effective Date for the purpose of maintaining Cash from time to time necessary to satisfy the reasonable costs and expenses of the Wind-Down Officer, including fees and costs incurred in connection with (i) the implementation of the Plan, (ii) the resolution of Disputed Claims and causes of action, (iii) the winding down of the Estates and affairs of the Debtors, (iv) the reserves for potential liabilities and (v) compensation for the Wind-Down Officer and its professionals, advisors and other agents. The Wind-Down Reserve shall initially be funded as of the later of the Effective Date and the Closing Date from either (i) the Plan Funding in the event RWN is the Successful Purchaser or (ii) if a Third Party Purchaser is the Successful Purchaser, after the application of the Sale Proceeds pursuant to this Plan, the Wind-Down Officer from the remaining Sale Proceeds. Any cash released from the Wind-Down Reserve shall be available for distribution to holders of Allowed Claims.

The certificate of incorporation, by-laws, limited liability company agreement, operating agreement or similar corporate constituent documents of each Debtor shall be deemed amended, to the extent necessary, in order to effectuate the provisions of this Article 6, and to the extent such documents are deemed amended, such amendments are deemed to be approved pursuant to the Plan and require no further action or approval of any kind or nature.

6.7 Wind-Down Officer. The identity of the Wind-Down Officer selected by the Plan Proponent shall be disclosed in a Plan Supplement and will be subject to the approval of the Bankruptcy Court in the Confirmation Order. After the Effective Date, the Wind-Down Officer may be removed and/or replaced by order of the Bankruptcy Court. The Wind-Down Officer may appoint a successor reasonably acceptable to the Plan Proponent, it being understood that there shall exist no period of time in which no person or entity has assumed the rights, and is responsible for performing the duties and obligations, of the Wind-Down Officer hereunder. The Wind-Down Officer shall have the right to petition the Court to appoint a successor Wind-Down

Officer. Any such successor shall have and shall assume all of the rights, duties and obligations of the Wind-Down Officer as set forth in this Plan.

The Wind-Down Officer shall be deemed the representative of the Estates under Section 1123(b)(3)(B) of the Bankruptcy Code, and shall have all rights associated therewith. Pursuant to the terms of the Wind-Down Officer Agreement, the Wind-Down Officer shall have all duties, powers, and standing authority necessary to implement the Plan and to administer and liquidate the assets of the Estates for the benefit of the holders of Allowed Claims, and shall be entitled to indemnification and exculpation from the Estates, including the following:

- (a) Appointment of Wind-Down Officer. Effective immediately on the Effective Date, the Wind-Down Officer is hereby designated, appointed and vested with full authority and control over the Post-Confirmation Estate Assets and to effectuate and consummate the Sale of the Assets at the Auction in accordance with the terms of the Plan. The Wind-Down Officer will have the powers and responsibilities of a Disbursing Agent and trustee in all respects as it relates to all matters set forth in the Plan, including the Sale of the Assets in accordance with the terms hereof and the Bid Procedures and the distribution of any Sale Proceeds.
- (b) Duties and Powers.
 - (i) On the Effective Date, the Wind-Down Officer will be the representative of and successor to the Debtors, and will have the rights and powers provided in the Bankruptcy Code, in addition to any rights and powers granted herein and in the Confirmation Order. Without limiting the foregoing, the Wind-Down Officer will be the successor-in-interest to the Debtors with respect to all interests constituting Post-Confirmation Estate Assets and with respect to the creditors holding Claims under the Plan. The Wind-Down Officer shall act in a fiduciary capacity for the holders of all Allowed Claims under the Plan. The Wind-Down Officer shall assume all of the responsibilities, duties and obligations of the Debtors' former officers, directors, managers or managing members that arise on or after the Effective Date, and is empowered and authorized to satisfy such responsibilities, duties and obligations without further corporate or limited liability company authority as may have been required prior to the Effective Date. The Wind-Down Officer will pay from the Post-Confirmation Estate Assets (other than the Assets) all ordinary and necessary costs of protecting, preserving, disposing, liquidating and realizing upon the Post-Confirmation Estate Assets. The Wind-Down Officer will liquidate and administer the Post-Confirmation Estate Assets, including making distributions therefrom, all in accordance with the terms of the Plan. Unless otherwise excused or exempted from doing so by the Bankruptcy Code, the Wind-Down Officer will abide by all laws, including tax laws. The Wind-Down Officer shall have sole and exclusive authority for the retention of professionals to assist in any manner on and after the Effective Date.

- (ii) The Wind-Down Officer will have the power to take any and all actions which, in the business judgment of the Wind-Down Officer, are necessary or appropriate to fulfill its obligations under the Plan, including, but not limited to, each of the powers set forth below:
 - (A) hold, manage, protect, administer, collect, sell, liquidate, prosecute, transfer, resolve, settle, adjust, invest, distribute or otherwise dispose of any Post-Confirmation Estate Assets solely for the benefit of holders of Allowed Claims and solely in accordance with the Plan and, as to the Assets, the Bid Procedures, including without limitation executing deeds, assignments and similar conveyance instruments with respect to the Assets;
 - (B) make all distributions to be funded under the Plan;
 - (C) assume control over all of the Post-Confirmation Estate Assets;
 - (D) pay all necessary expenses incurred in connection with the duties and responsibilities of the Wind-Down Officer under the Plan to the extent of available funds, including funds in the Wind-Down Reserve;
 - (E) administer, implement and enforce all provisions of the Plan;
 - (F) administer the Plan and the Post-Confirmation Estate Assets;
 - (G) abandon any Post-Confirmation Estate Assets (other than the Assets);
 - (H) to invest Cash in accordance with Section 345 of the Bankruptcy Code or otherwise as permitted by order of the Bankruptcy Court;
 - (I) to purchase and carry all insurance policies and pay all premiums and costs deemed necessary and advisable;
 - (J) undertake such other responsibilities as are reasonable and appropriate in connection with the Plan; and
 - (K) take all actions necessary to effectuate the Auction of the Assets and the disposition of the Sale Proceeds in accordance with the terms hereof and the Bid Procedures.
- (c) Compensation. The Wind-Down Officer shall be compensated as specified in the Wind-Down Officer Agreement and shall be paid by the Estates.
- (d) Wind-Down Officer Exculpation. The Wind-Down Officer, together with its partners, members, officers, directors, employees, agents and representatives, are exculpated pursuant to the Plan from all Persons, entities (as defined in the Bankruptcy Code), holders of Claims and Interests, and all other parties in

interest, from any and all causes of action, of any kind or nature, arising out of the discharge by the Wind-Down Officer of the powers and duties conferred upon the Wind-Down Officer by the Plan, any Final Order of the Bankruptcy Court entered pursuant to or in the furtherance of the Plan, or applicable law, except solely for actions or omissions arising out of the Wind-Down Officer's gross negligence, willful misconduct, or actual fraud. No Holder of a Claim or an Interest, or representative thereof, shall have or pursue any cause of action (i) against the Wind-Down Officer or its partners, members, officers, directors, employees, agents and representatives for making Plan Distributions in accordance with the Plan, or (ii) against any holder of a Claim for receiving or retaining Plan Distributions as provided for by the Plan. Nothing contained in this section shall preclude or impair any holder of an Allowed Claim from bringing an action in the Bankruptcy Court to compel the making of Distributions contemplated by the Plan on account of such Allowed Claim.

- (e) **Miscellaneous.** Upon the completion of all acts required to be performed by the Wind-Down Officer under the Plan and the filing by the Wind-Down Officer of a certification to that effect with the Bankruptcy Court (which may be included in the application for entry of the Final Decree), the Wind-Down Officer shall be relieved of its duties under the Plan for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Wind-Down Officer or payments to be made in connection therewith. From and after the Effective Date, the Wind-Down Officer shall not be required to file any document, or take any action, to withdraw the Debtors' business operation from any States where the Debtors previously conducted business operations.
- (f) As soon as practicable after final distributions under the Plan, the Wind-Down Officer shall wind up the affairs of the Debtors, pay all applicable taxes, file final tax returns, arrange for storage of its records and dissolve the Debtors pursuant to applicable law. As soon as practicable thereafter, the Wind-Down Officer shall file with the Bankruptcy Court a final report of distributions and perform such other duties as are specified in the Plan, whereupon the Wind-Down Officer shall have no further duties under the Plan. Without limitation on the foregoing, in connection with filing final tax returns on behalf of the Debtors' Estates, the Debtors' members, managers, officers and directors, in each instance who held such positions prior to the Confirmation Date, shall reasonably cooperate with the Wind-Down Officer in the filing of all tax returns for periods prior to the Effective Date of the Plan.

6.8 Dissolution of the Debtors. Pursuant to the Confirmation Order, the Wind-Down Officer shall be authorized, in its sole and absolute discretion, to take all actions reasonably necessary to manage and dissolve the Debtors and their subsidiaries under applicable laws, including the laws of the jurisdictions in which they may be organized or registered, notwithstanding any applicable consent requirements or other restrictions contained in any agreements or other documents to which any Debtor is a party. In this regard, the notices of the filing of these bankruptcy cases and this Plan to creditors, the opportunity provided to creditors to file Proofs of Claims in these Chapter 11 Cases and the provisions for payments to creditors

provided under this Plan shall be deemed to constitute and effectuate the dissolution and winding-up of the Debtors' business as contemplated under applicable non-bankruptcy law for dissolved limited liability companies without any further action or notice by (i) the Debtors or their former or existing members, managers, officers, directors, representatives or employees, or (ii) the Wind-Down Officer. All applicable regulatory or governmental units or agencies shall accept any certificates or other documents filed by the Wind-Down Officer and shall take all steps necessary or appropriate to allow and effect the prompt dissolution and/or winding-up of the Debtors as herein provided. The Wind-Down Officer is authorized to pay all reasonable costs and expenses in connection with such dissolutions, including the costs of preparing or filing any necessary paperwork or documentation. Whether or not dissolved, the Debtors shall have no authorization to implement the provisions of this Plan from and after the Effective Date except as specifically provided otherwise in the Plan.

On the Effective Date, all Interests and other instruments evidencing Interests in the Debtors shall be deemed cancelled without further act or action under any applicable agreement, law, regulation, order or rule, and the Interests evidenced thereby shall be extinguished; provided however that this shall not affect the right to distributions (if any) to Classes 5 and 8 under the Plan.

6.9 Preservation of Causes of Action. Except as otherwise provided in the Plan, or in any contract, instrument, release or other agreement entered into or effected in connection with or pursuant to the Plan, in accordance with Section 1123(b) of the Bankruptcy Code, any and all Claims and Causes of Action that were owned by the Debtors or their Estates as of the Effective Date, including all Avoidance Actions, shall vest in the Estates on the Effective Date, and the Wind-Down Officer shall have the exclusive right to pursue and enforce such Claims and Causes of Action. Notwithstanding the foregoing, in consideration for its acting as Plan Proponent, no such Claims or Causes of Action shall be brought against RWN and/or its Related Persons.

6.10 Execution of Documents.

(a) On the Effective Date, the Wind-Down Officer and any necessary party thereto, shall execute, release and deliver all documents reasonably necessary to consummate the transactions contemplated by the terms and conditions of the Plan.

(b) Pursuant to Sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, the Wind-Down Officer shall be authorized to execute, in the name of any necessary party any estoppel certificate, or any notice of satisfaction, release or discharge of any Lien, Claim or encumbrance not expressly preserved in the Plan and deliver such notices to any and all federal, state and local governmental agencies or departments for filing and recordation.

6.11 Filing of Documents. Pursuant to Sections 105, 1141(c) and 1142(b) of the Bankruptcy Code, each and every federal, state and local governmental agency or department, shall be directed to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transactions contemplated by the Plan,

and any and all notices of satisfaction, release or discharge or assignment of any Lien, Claim or encumbrance not expressly preserved by the Plan.

ARTICLE 7
PROVISIONS GOVERNING DISTRIBUTIONS

7.1 **Disbursing Agent.** The Disbursing Agent shall distribute all Cash or other property to be distributed under the Plan and may employ or contract such third parties as may be necessary to assist in or perform the distribution of Cash or other property under the Plan. Pending the final distribution of all sums distributable under the terms of the Plan, the Disbursing Agent shall have full authority to sign checks on any bank account of the Debtors to the extent necessary to make any payment or distribution contemplated by the Plan.

7.2 **Timing of Distributions Under the Plan.** Subject to Sections 7.6 and 7.8 of the Plan, any payments, distributions or other performance to be made pursuant to the Plan on account of any Disputed Claim shall be deemed to be timely made if made as provided for under this Plan on the Closing Date, on or within five days following the later of (i) the expiration of any applicable objection deadline with respect to such Disputed Claim or (ii) such other times provided in the Plan.

7.3 **Method of Payment.** Unless otherwise expressly agreed, in writing, all Cash payments to be made pursuant to the Plan shall be made by check drawn on a domestic bank, or wire transfer, if requested.

7.4 **Claims Objection Deadline.** Subject to further extension by the Plan Proponent or the Wind-Down Officer, objections to the allowance of any Claim may be filed no later than the later to occur of (i) sixty (60) days after the Effective Date or (ii) sixty (60) days after the date proof of such Claim or Interest or a request for payment of such Claim is filed.

7.5 **Prosecution of Objections.** After the Confirmation Date, only the Plan Proponent and the Wind-Down Officer shall have authority to file, settle, compromise, withdraw or litigate to judgment objections to Disputed Claim. The Plan Proponent and the Wind-Down Officer may comprise any objections to Disputed Claims without further order of the Court.

7.6 **No Distribution Pending Allowance.** Notwithstanding any other provision of the Plan, no payment or distribution of any kind shall be made with respect to any portion of a Claim that is a Disputed Claim unless and until all objections to such Claim are resolved by Final Order. For the avoidance of doubt, any portion of a Claim that is an Allowed Claim shall be timely paid pursuant to the provisions of the Plan.

7.7 **Escrow of Cash Distributions.** On any date that distributions are to be made under the terms of the Plan, the Disbursing Agent shall deposit in one or more segregated accounts, Cash or property equal to 100% of the Cash that would be distributed on such date on account of Disputed Claims, plus any and all interest that would accrue on the Disputed Claims during the pendency of any such dispute, as if each such Disputed Claim were an Allowed Claim but for the pendency of a dispute with respect thereto, including, but not limited to (i) Disputed Claims that may be entitled to treatment as Administrative Claims or as Priority Non-Tax Claims pursuant to Sections 503 and 507 of the Bankruptcy Code, (ii) claims of Governmental Units for

any tax, (iii) any disputed Cure Amount, and (iv) any amount due but not payable on the Closing Date, on account of Administrative Claims or claims entitled to priority pursuant to Sections 503 and 507 of the Bankruptcy Code. The Disbursing Agent shall also segregate any interest, dividends or other proceeds of such Cash. Such Cash together with any interest, dividends or proceeds thereof, be held in trust for the benefit of the Holders of all such Disputed Claims pending determination of their entitlement thereto.

7.8 Distribution After Allowance. Within five (5) days after the entry of a Final Order resolving an objection to a Disputed Claim, the Disbursing Agent shall distribute all Cash or other property, including any interest, dividends or proceeds thereof, to which a Holder is then entitled with respect to any formerly Disputed Claim that has become an Allowed Claim.

7.9 Investment of Segregated Cash. To the extent practicable, the Disbursing Agent may invest any Cash segregated on account of a Disputed Claim, disputed Interest, undeliverable distribution, or any proceeds thereof (i) in a manner that will yield a reasonable net return taking into account the safety of the investment or (ii) in any manner permitted by Section 345 of the Bankruptcy Code; *provided, however*, that the Disbursing Agent shall be under no obligation to so invest such Cash or proceeds and shall have no liability to any party for any investment made or any omission to invest such Cash or proceeds. Segregated Cash shall be maintained in an authorized depository.

7.10 Distribution After Disallowance. Subject to Section 7.7 of the Plan, the Cash segregated on account of Disputed Claims, including the allocable portion of the net return yielded from any investment thereof, if any, remaining after all Disputed Claims have been resolved by Final Order shall revert to the Estates for distribution pursuant to the terms of this Plan.

7.11 Surrender of Instruments; Execution of Satisfactions and Releases.

(a) Except as to the Plan Proponent which shall not be subject to the terms of this Section 7.11, notwithstanding any other provision of the Plan, no Creditor that holds a note or other instrument evidencing such Creditor's Claim may receive any distribution with respect to such Claim, unless and until the original note or other original instrument evidencing such Claim shall have been validly surrendered to the Disbursing Agent.

(b) Any Cash or property to be distributed pursuant to the Plan on account of any such Claim shall, pending surrender, be treated as an undeliverable distribution pursuant to Section 7.13 of the Plan.

(c) In the event any Creditor is unable to surrender a note or other instrument evidencing a Claim against the Debtors that has been destroyed, lost or stolen, such entity may receive a distribution with respect to such Claim by presenting to the Disbursing Agent, in a form acceptable to the Disbursing Agent: (i) proof of such entity's title to such Claim; (ii) an affidavit to the effect that the same has been lost and after diligent search cannot be located; and (iii) such indemnification as may be required by the Disbursing Agent and all other entities deemed appropriate by the Disbursing Agent from any loss, action, suit or any claim whatsoever which may be made as a result of such entity's receipt of a distribution under the Plan.

(d) All questions as to the validity, form or eligibility of any note or other instrument evidencing a Claim so surrendered shall be resolved by Final Order of the Bankruptcy Court. The Disbursing Agent shall not be under any duty to give notification of defects in such tender or shall incur liability for failure to give notification of such defects.

7.12 Delivery of Distributions. Except as provided in Sections 7.13, 7.14 and 7.15 of the Plan, distributions to Holders of Allowed Claims and Allowed Interests shall be made: (1) at the addresses set forth on the respective Proofs of Claim or Proofs of Interests filed by such Holders; (2) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim; or (3) at the address reflected in the Schedules if no Proof of Claim or Proof of Interest is filed and the Disbursing Agent has not received a written notice of a change of address.

7.13 Undeliverable Distributions.

(a) If the distribution to the Holder of any Claim or Interest is returned to the Disbursing Agent as undeliverable, no further distribution shall be made to such Holder unless and until the Disbursing Agent is notified in writing of such Holder's then current address. Undeliverable distributions shall remain in the possession of the Disbursing Agent until the earlier of (i) such time as a distribution becomes deliverable or (ii) such undeliverable distribution becomes an unclaimed distribution pursuant to Section 7.14 of the Plan.

(b) Until such time as an undeliverable distribution becomes an unclaimed distribution pursuant to Section 7.14 of the Plan, within 30 days after the end of each calendar quarter following the Closing Date, the Disbursing Agent shall make distributions of all Cash that has become deliverable during the preceding quarter. Each such distribution shall include the net return yielded from the investment of any undeliverable Cash from the date such distribution would have been due had it then been deliverable to the date that such distribution becomes deliverable.

(c) Nothing contained in the Plan shall require the Disbursing Agent to attempt to locate any Holder of an Allowed Claim or an Allowed Interest.

7.14 Unclaimed Distributions. Any Cash or other assets to be distributed under the Plan shall revert to the Estates and distributed in accordance with the terms of this Plan if it is not claimed by the entity entitled thereto before the later of (i) one year after the Closing Date; (ii) one year after such scheduled payment to such entity under Article 4 of this Plan; or (iii) one year after an Order allowing the Claim of that entity becomes a Final Order, and such entity's claim shall be reduced to zero.

7.15 Set-offs. The Disbursing Agent, may, but shall not be required to, set-off against the distributions to be made pursuant to the Plan, the claims, obligations, rights, causes of action and liabilities of any nature that the Debtors may hold against the Holder of an Allowed Claim, *provided, however,* that neither the failure to effect such a set-off nor the allowance of any claim hereunder shall constitute a waiver or release by the Debtors of any such claims, obligations, rights, causes of action and liabilities that the Debtors may have against such Holder. To the extent the Disbursing Agent elect to effectuate a set-off, it shall notify the Holder of the Allowed

Claim in writing at least ten (10) days prior to effectuating the set-off. To the extent the Holder of an Allowed Claim objects to the set-off, a written objection shall be provided to the Disbursing Agent, no later than three (3) days prior to the set-off date or the objection shall be waived. This Section 7.15 shall not apply to the Plan Proponent.

7.16 Estimation of Claims. The Wind-Down Officer and/or the Plan Proponent may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Wind-Down Officer and/or the Plan Proponent, as applicable, may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court. This Section 7.16 shall not apply to the Plan Proponent.

ARTICLE 8

INJUNCTION AND EXCULPATION

8.1 Binding Effect. On the Effective Date, the terms of this Plan shall be immediately effective and enforceable and shall bind all holders of Claims against or Interests in the Debtors, whether or not such holders accept the Plan.

8.2 No Discharge. Pursuant to Section 1141(d)(3) of the Bankruptcy Code, neither the Plan nor confirmation of the Plan shall discharge any Claim against any of the Debtors or any of their respective Related Persons, and nothing herein or in the Confirmation Order shall or shall be deemed to discharge, release or exculpate any of the Debtors or any of their respective Related Persons from any Claims, all of which Claims shall survive the confirmation and effectiveness of the Plan.

8.3 Injunction. *Except (i) as otherwise provided under a Final Order entered by the Bankruptcy Court or (ii) with respect to the Plan Proponents' obligations under the Plan, the entry of the Confirmation Order shall forever stay, restrain and permanently enjoin, with respect to any Claim held against either of the Debtors' Estates as of the date of entry of the Confirmation Order, (i) the commencement or continuation of any action, the employment of process, or any act to collect, enforce, attach, recover or offset from the Assets, or from property of the Estates that has been or is to be distributed under the Plan, and (ii) the creation, perfection or enforcement of any Lien or encumbrance against the Assets and any property of the Estates that has been or is to be, distributed under the Plan. Except as otherwise provided in the Confirmation Order, the entry of the Confirmation Order shall constitute an injunction against the commencement or continuation of any action, the*

employment of process, or any act to collect, recover or offset from the Assets, or from property of the Estates, any Claim, obligation or debt that was held against the Assets or from property of the Estates by any person or entity as of the Confirmation Date except pursuant to the terms of the Plan. The entry of the Confirmation Order shall permanently enjoin all Creditors, their successors and assigns, from enforcing or seeking to enforce any such Claims. For the avoidance of doubt, this Section 8.3 shall not apply to RWN in any suit, action, or other proceeding to enforce its valid and enforceable Liens or collect upon any guaranty related to the Assets or property of the Estates against the Debtors' Interest Holder and any affiliate of the Debtors or Mr. Futterman that is not a Debtor in these Chapter 11 Cases.

8.4 Limitation of Liability. *Section 1125(e) of the Bankruptcy Code, commonly referred to as the "safe harbor," protects persons acting in good faith, from civil claims arising in connection with solicitations of acceptances of plans of reorganization or participating in the offer, issuance, sale or purchase of a security under the Plan. Pursuant to Section 1125(e), as set forth in this Article 8 of the Plan, neither the Plan Proponent, nor any of its officers, directors, members, general partner, managers or employees (acting in such capacity), any professional person employed by it, nor any of its other Related Persons (collectively, the Plan Proponent and such other parties, the "Released Parties") shall have or incur any liability to any entity for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, Confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with this case or the Plan except in the case of fraud, gross negligence, willful misconduct, malpractice, breach of fiduciary duty, criminal conduct, unauthorized use of confidential information that causes damages, or ultra vires acts. Nothing contained herein shall limit the liability of professionals pursuant to Rule 1.8(h)(1) of the New York State Rules of Professional Conduct. From and after the Closing Date, a copy of the Confirmation Order and the Plan shall constitute, and may be submitted as, a complete defense to any claim or liability released pursuant to this Article 8 of the Plan. No limitation of liability shall apply to the Debtors or their Related Persons.*

8.5 Releases by Holders of Claims and Interests. *To the fullest extent permissible under applicable law, except as otherwise provided in the Plan or the Confirmation Order, upon the Effective Date, in consideration of the Cash and other property to be distributed to or on behalf of the holders of Claims and Interests under the Plan, the Plan shall be deemed to resolve all disputes and constitute a settlement and release, between and among the Released Parties, on the one hand, and each Creditor and Interest Holder of the Debtors on the other, from any claim or liability, whether legal, equitable, contractual, secured, unsecured, liquidated, unliquidated, disputed, undisputed, matured, unmatured, fixed or contingent, known or unknown, that the Debtors, their Creditors or Interest Holders ever had or now have against the Released Parties through the Closing Date in connection with their Claim or Interests (including, without limitation, any claims the Debtors may assert on their own behalf or on behalf of Creditors or Interest Holders pursuant to Sections 510 and 542 through 553 of the Bankruptcy Code, any claims Creditors or Interest Holders may have asserted derivatively on behalf of the Debtors absent bankruptcy, or any claims based on the negotiation, submission and confirmation of the Plan); provided however, that the foregoing releases shall not operate to waive or release any Released Party on account of liability that is judicially*

determined pursuant to a Final Order to have resulted from such Released Party's fraud, willful misconduct, gross negligence, or breach of fiduciary duty (if any). Neither the Debtors nor their Related Persons shall receive any release provided for herein.

Pursuant to Section 1123(b) of the Bankruptcy Code for good and valuable consideration, on and after the Effective Date, the Released Parties and each of their professionals are deemed released by the Debtors from any and all claims, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors or the estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Cases, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any of the foregoing releases, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan or related agreements, instruments or other documents, or upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date. Neither the Debtors nor their Related Persons shall receive any release provided for herein.

ARTICLE 9

MISCELLANEOUS PROVISIONS

9.1 **Orders in Aid of Consummation.** Pursuant to Sections 105, 1141, 1142 and 1143 of the Bankruptcy Code, the Bankruptcy Court may enter one or more Orders in aid of Confirmation directing the implementation of matters or actions required by the Plan, including any orders that are necessary in connection with the terms of the Asset Purchase Agreement or Credit Bid Agreement, as applicable.

9.2 **Compliance with Tax Requirements.** In connection with the Plan, the Wind-Down Officer shall comply with all withholding and reporting requirements imposed by federal, state and local taxing authorities and distributions under the Plan shall be subject to such withholding and reporting requirements; *provided, however*, that the transfer of any Cash, or other assets or interests hereunder shall not be subject to any federal, state or local tax to the fullest extent provided under Section 1146 of the Bankruptcy Code.

9.3 **Due Authorization by Creditors.** Each and every Creditor who accepts the distributions provided for under the Plan warrants that it is the lawful owner of such Claim and is authorized to accept the distributions provided for in the Plan and that there are no outstanding Liens, encumbrances, commitments, agreements, or understandings, express or implied, that may or can in any way defeat or modify the rights released, conveyed or modified by the Plan, or obligations undertaken by such Creditor under the Plan.

9.4 **Amendments.** The Plan may be altered, amended or modified by the Plan Proponent, at any time before the Confirmation Date and any time prior to substantial confirmation, subject to the restrictions provided in Sections 1101 and 1127 of the Bankruptcy

Code and Bankruptcy Rule 3019. Any substantive modification shall require notice and a hearing before the Bankruptcy Court for approval of the proposed modification of the Plan.

9.5 **Revocation.** The Plan Proponent reserves the right to amend, revoke or withdraw the Plan at any time prior to entry of the Confirmation Order. If the Plan is amended, revoked or withdrawn or if no Confirmation Order is entered, the Plan shall be null and void, and nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtors; or (ii) prejudice in any manner the rights of the Plan Proponent or any other party in any further proceedings involving the Debtors or their Estates.

9.6 **Request for Relief Under Section 1129(b).** If the Plan is accepted by one or more, but not all, impaired Classes of Claims, the Plan Proponent may request confirmation under Section 1129(b) of the Bankruptcy Code of any Class of Claims, subject to any modification of the Plan made pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

9.7 **Filing of Additional Documents.** Except as otherwise provided in the Plan, on or before the Effective Date, the Plan Proponent may file with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, including, but not limited to, the Plan Supplement.

9.8 **Section Headings.** The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

9.9 **Computation of Time.** In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

9.10 **Successors and Assigns.** The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

9.11 **Notices.** All notices and other communications to be given or made hereunder shall be in writing and shall be deemed to have been given or made when mailed or as otherwise set forth herein:

(a) if to the Debtors, at Robinson Brog Leinwand Greene Genovese & Gluck, P.C., 875 Third Avenue, 9th floor, New York, New York 10022, Attention: Robert M. Sasloff, Esq.;

(b) if to RWN or the Plan Proponent, at Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attention: Adam C. Rogoff, Esq. and P. Bradley O'Neill, Esq.

(c) if to any Creditor or Interest Holder, at (i) the addresses set forth on the respective Proofs of Claim or Proofs of Interests filed by such Holders; (ii) the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim; or (iii) the address reflected in the Schedules if no Proof of Claim or

Proof of Interest is filed and the Disbursing Agent has not received a written notice of a change of address;

(d) if to any entity that has filed a notice of appearance, at the addresses set forth on such notice of appearance.

9.12 **Governing Law.** Except to the extent that the Bankruptcy Code or Bankruptcy Rules or other Federal law are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of New York without giving effect to the principles of conflict of laws thereof.

9.13 **Other Actions.** Nothing contained herein shall prevent the Plan Proponent or Disbursing Agent from taking such actions as may be reasonably necessary to consummate the Plan, although such actions may not specifically be provided for within the Plan.

9.14 **Severability.** In the event any provision of the Plan is determined to be unenforceable such determination shall in no way limit or affect the enforceability and operative effect of any or all other provisions of the Plan.

9.15 **Business Day.** In the event that the Plan requires an act to be performed on a day that is not a Business Day, such act shall be performed on the first Business Day thereafter.

ARTICLE 10

RETENTION OF JURISDICTION

10.1 **Retention of Jurisdiction.** Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, until the Case is closed, the Bankruptcy Court shall retain and have original, but not exclusive, jurisdiction to:

(a) Insure that the Plan is consummated, and to enter any Order pursuant to Section 1142(b) of the Bankruptcy Code, to compel the Debtors, the Interest Holders and any other necessary party, to take such action and execute such documents to effectuate the Plan;

(b) Consider any modification of the Plan proposed pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019;

(c) Allow, disallow, determine, liquidate, classify or establish the priority, secured or unsecured status of any Claim or Interest, including, without limitation, the resolution of any request for payment of any Administrative Expense, the resolution of any and all objections to the allowance or priority of Claims or Interests, and the resolution of any adversary proceeding;

(d) Grant or deny any and all applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for any period ending on or before the Closing Date;

(e) Resolve any motions pending on the Closing Date, to assume, assume and assign or reject any Executory Contract or Unexpired Lease to which the Debtors are a party or

with respect to which the Debtors may be liable and to hear, determine and if necessary, liquidate, any and all Claims arising therefrom;

(f) Ensure that distributions to Holders of Allowed Claims and Allowed Interests are accomplished in accordance with the provisions of this Plan;

(g) Decide or otherwise resolve any and all applications, motions, adversary proceedings, contested or litigated matters, and any other matters or grant or deny any applications involving the Debtors that may be pending on the Effective Date;

(h) Enter such Orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan or Disclosure Statement or to enforce all orders, judgments, injunctions, and rulings entered in connection with the Case, including, but not limited to any Order necessary to enforce the provisions of Article 6 of the Plan;

(i) Resolve any and all controversies, suits or issues that may arise in connection with the consummation, interpretation or enforcement of the Plan, including but not limited to the results of the Auction, or any entity's obligations incurred in connection with the Plan;

(j) Modify the Plan before or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code, or to modify the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan or Disclosure Statement;

(k) Remedy any defect or omission or reconcile any inconsistency in any Order, the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan, to the extent authorized herein or in the Bankruptcy Code;

(l) Issue any injunctions, enter and implement other Orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of the Plan, including the Confirmation Order or any other order of the Bankruptcy Court;

(m) Enter and implement such Orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

(n) Determine any dispute arising under or related to the Plan, including, without limitation, any dispute concerning the scope or effect of any release or discharge provided for by the Plan or the Confirmation Order;

(o) Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or Disclosure Statement;

(p) To adjudicate any disputes related to the Confirmation Order, the Sale or alternatively, any auction and sale process as well as disputes relating to the Bid Procedures; and

(q) Enter a Final Order or decree concluding the Chapter 11 Cases.

10.2 Post-Closing Jurisdiction. Notwithstanding the entry of a final decree or an order closing the Chapter 11 Cases, the Bankruptcy Court shall retain jurisdiction to reopen the Chapter 11 Cases for the purpose of enforcing, by injunction or otherwise, the terms of the Plan, the Confirmation Order and any final decree, including, without limitation, the enforcement of any rights of the Debtors or Plan Proponent.

ARTICLE 11 **CONDITION TO THE EFFECTIVE DATE**

11.1 Conditions Precedent to Confirmation. It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied or waived in accordance with the terms of the Plan:

(a) The Bankruptcy Court shall have approved the Disclosure Statement in form and substance acceptable to the Plan Proponent;

(b) The Bankruptcy Court shall have entered any modifications as may be requested by the Plan Proponent to the Bid Procedures Order in form and acceptable to the Plan Proponent;

(c) The Plan shall be in form and substance acceptable to the Plan Proponent;
and

(d) The Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Plan Proponent.

11.2 Conditions Precedent to Effectiveness. It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived in accordance with the terms of the Plan:

(a) The Bankruptcy Court shall have entered the Confirmation Order, which shall grant final approval of the Plan;

(b) The Confirmation Order shall be in full force and effect and not subject to any stay, modification or injunction;

(c) Except to the extent not required under the Confirmation Order or other order of the Bankruptcy Court, all governmental and material third party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions contemplated by the Plan shall have been obtained or entered, not be subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that could restrain, prevent or otherwise impose materially adverse conditions on such transactions;

(d) All documents and agreements necessary to implement the Plan, as listed and set forth in the Plan Supplement, will have (a) been tendered for delivery and (b) been effected or executed by all entities party thereto, or will be deemed executed and delivered by virtue of the effectiveness of the Plan as expressly set forth herein, and all conditions precedent to the effectiveness of such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements; and

(e) All conditions to the effectiveness of the Asset Purchase Agreement or Credit Bid Agreement, as applicable, have been satisfied.

Dated: New York, New York
June 23, 2017

RWNIH-DL 122nd Street 1 LLC,
a Delaware limited liability company

By: /s/ Jon Singer
Name: Jon Singer