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interest to iStar FM Loans LLC

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

In re:
RCC SOUTH, LLC,
Debtor.

Chapter 11
Case No. 2:10-bk-23475-SSC

**SFI BELMONT LLC'S PLAN OF
REORGANIZATION DATED
SEPTEMBER 2, 2011, AS NON-
ADVERSELY MODIFIED ON
NOVEMBER 23, 2011**

SFI Belmont LLC ("Belmont"), creditor and party-in-interest in the above-captioned Chapter 11 proceedings (the "Reorganization Case") of RCC South, LLC ("Debtor"), proposes the following Plan of Reorganization (the "Plan") pursuant to the provisions of Chapter 11 of the Bankruptcy Code.

I.

INTRODUCTION

BELMONT URGES ALL CREDITORS TO CONSULT BELMONT'S DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THIS LENDER PLAN. THE DEBTOR ALSO SUBMITTED A "FOURTH AMENDED DISCLOSURE STATEMENT RELATING TO FOURTH AMENDED PLAN OF REORGANIZATION, AS MODIFIED BY

1 THE COURT'S OCTOBER 26, 2011 RULING" FILED BY THE DEBTOR ON NOVEMBER 3,
2 2011 (THE "DEBTOR'S DISCLOSURE STATEMENT") THAT WAS APPROVED BY THE
3 BANKRUPTCY COURT. AMONG OTHER INFORMATION, THE DEBTOR'S
4 DISCLOSURE STATEMENT CONTAINS DISCUSSIONS OF THE DEBTOR, THE
5 HISTORICAL BACKGROUND OF THE REORGANIZATION CASE AND THE
6 PREPETITION PERIOD. BELMONT'S DISCLOSURE STATEMENT CONTAINS THE
7 DATA GERMANE TO THIS LENDER PLAN. NO SOLICITATION MATERIALS, OTHER
8 THAN BELMONT'S DISCLOSURE STATEMENT AND RELATED MATERIALS
9 TRANSMITTED THEREWITH, AND THE DEBTOR'S DISCLOSURE STATEMENT, HAVE
10 BEEN AUTHORIZED BY THE BANKRUPTCY COURT OR BY THE BANKRUPTCY CODE
11 FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.

12 BELMONT DID NOT PREPARE THE DISCLOSURES CONTAINED IN THE
13 DEBTOR'S DISCLOSURE STATEMENT AND DOES NOT MAKE ANY
14 REPRESENTATIONS REGARDING THE ACCURACY OR ANY OTHER ASPECT OF THE
15 SAME.

16 The Court has scheduled a Confirmation Hearing on this Lender Plan on December 6,
17 2011, at the time and place set forth in the Notice of Confirmation Hearing accompanying this
18 Lender Plan.

19 II.

20 CONSTRUCTION AND INTERPRETATION OF PLAN; DEFINITIONS

21 A. Construction and Interpretation of Plan.

22 The words "herein," "hereof," and other words of similar import refer to this Plan as a
23 whole, not to any particular section, subsection, or clause, unless the context requires otherwise.

24 Any term used in an initially capitalized form in the Plan will have the defined meaning
25 ascribed to it in Article 2 hereof unless the context otherwise requires. Any term used in the Plan
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1 that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules will
2 have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules.

3 The defined terms stated in Article 2 also are substantive terms of the Plan, and Article 2
4 will be deemed incorporated throughout the rest of the Plan to convey the substantive provisions
5 included in the defined terms.

6 Whenever it appears appropriate from the context, each term stated in the singular or the
7 plural includes the singular and the plural, and each pronoun stated in the masculine, feminine, or
8 neuter includes the masculine, feminine, or neuter.

9 The rules of construction set forth in Section 102 of the Bankruptcy Code will apply to the
10 Plan, unless superseded herein or in the Confirmation Order.

11 Unless otherwise specified, all section, article, and exhibit references in the Plan are to the
12 respective section in, article of, or exhibit to the Plan, as the same may be amended, waived, or
13 modified from time to time. The headings and captions of the Plan (including the headings of the
14 defined terms) are for convenience or reference only and will not limit or otherwise affect the
15 provisions hereof.

16 **B. Definitions.**

17 1. Administrative Claim. This term will refer to and mean: (a) every cost or expense
18 of administration of the Reorganization Case which is allowable pursuant to Bankruptcy Code
19 § 503, including any actual and necessary postpetition expenses of preserving the Estate; (b) any
20 actual and necessary postpetition expenses of operating the Debtor; (c) all administrative fees and
21 costs approved by the Bankruptcy Court pursuant to interim and final allowances in accordance
22 with Bankruptcy Code §§ 330, 331, and 503(b); (d) every Tenant Security Deposit Claim; and
23 (e) all fees and charges assessed against the Estate under Chapter 123 of Title 28, United States
24 Code prior to the Effective Date.

25 2. Allowed (Claim). This term will refer to and mean every Claim (including
26 Administrative Claims and Priority Claims) against the Debtor: (a)(i) as to which a proof of such

1 Claim or application for allowance has been filed within the time fixed by the Bankruptcy Court
2 or, if such Claim arises from the rejection of an Executory Contract pursuant to the Plan, on or
3 before the first Business Day which is thirty (30) days after the Confirmation Date, or (ii) which
4 the Debtor has scheduled as liquidated in amount and undisputed; and in either event: (b)(i) as to
5 which no objection to the allowance of such Claim has been filed within any applicable time
6 period fixed by the Bankruptcy Court or the Plan, or (ii) as to which the order allowing such
7 Claim has become final and non-appealable without any appeal, review, or other challenge of any
8 kind to that order having been taken or being still timely, or (iii) if an appeal has been timely
9 taken, as to which a mandate of the appellate court has issued allowing such Claim and as to
10 which no further appeal is allowed pursuant to the Bankruptcy Code, the United States Code, or
11 applicable federal or Bankruptcy Rules. If any Claim, or the Creditor holding such Claim, is
12 subject to any defense, setoff, counterclaim, recoupment, or other adverse claim of any kind of
13 Belmont, the Debtor or the Plan Administrator, that Claim will be deemed a Disputed Claim,
14 unless such adverse claim is acknowledged by Belmont in the Plan or in accordance with the
15 terms of the Plan; and it will not become an Allowed Claim unless and until all such matters are
16 resolved or adjudicated fully and finally, with all appellate rights and remedies having been
17 exhausted.

18 3. Assets. This term will refer to and mean each and every item of Property and
19 every interest of the Debtor and Estate therein as of the Effective Date, whether tangible or
20 intangible, legal or equitable, liquidated or unliquidated, and includes without limitation: (a) all
21 Cash; (b) all rights, claims, demands, or causes of action, whether arising by statute or common
22 law, and whether arising under the laws of the United States, other countries, or applicable state
23 or local law, including without limitation those arising under Bankruptcy Code §§ 542-553, and
24 all defenses of the Debtor or the Estate, including those arising under Bankruptcy Code § 558;
25 (c) any and all amounts owed to the Debtor, including accounts receivable, contract rights, or
26 other rights, including without limitation rights to payment, contribution or distribution from

1 Insiders, including, but not limited to, the amounts owed to the Debtor by CMC and CMS,
 2 whether due prior or subsequent to the Petition Date; (d) all of the Debtor's books, records, and
 3 privileges; and (e) all Executory Contracts, and other contracts, agreements, licenses, and leases.
 4 For purposes of clarity, this term includes but is not limited to the Debtor's interest in the
 5 Belmont Cash Collateral.

6 4. Ballot. This term will refer to and mean the ballot accompanying the Plan and
 7 Disclosure Statement which will be sent to all Creditors entitled to vote on the Plan, on which
 8 such Creditors will indicate their vote to accept or reject the Plan. The Ballot, to the extent
 9 necessary, will be approved by the Bankruptcy Court.

10 5. Bankruptcy Case. This term will refer to and mean the case under Chapter 11 of
 11 the Bankruptcy Code which was commenced by the filing of a voluntary Chapter 11 petition by
 12 the Debtor on the Petition Date.

13 6. Bankruptcy Code. This term will refer to and mean Title 11 of the United States
 14 Code, 11 U.S.C. §§ 101, et seq., including any amendments thereto, which is in effect during the
 15 Reorganization Case.

16 7. Bankruptcy Court or Court. These terms are completely synonymous and
 17 interchangeable and will refer to and mean the United States Bankruptcy Court for the District of
 18 Arizona, Phoenix Division, or such other court which exercises jurisdiction over part or all of the
 19 Reorganization Case, to the extent that the reference of part or all of the Reorganization Case is
 20 withdrawn.

21 8. Bankruptcy Rules. This term will refer to and mean the Federal Rules of
 22 Bankruptcy Procedure promulgated under Title 28, United States Code, § 2075, including any
 23 amendments thereto, as they may be amended from time to time during the Reorganization Case.

24 9. Belmont. This term will refer to and mean SFI Belmont LLC, successor-in-
 25 interest to iStar FM Loans LLC, which holds a valid, first-priority, properly perfected, fully
 26 enforceable Security Interest in substantially all the Assets. This term also refers to and means

1 SFI Raintree - Scottsdale LLC, the entity which Belmont has designated to take title to the Assets
 2 in accordance with the Plan. In the event that Belmont may identify any other designee to receive
 3 notice, Property, or otherwise act on its behalf with respect to the Plan, or in the event that
 4 Belmont may assign or transfer its Claim and Belmont's rights under the Plan, this term will refer
 5 to and mean such designee, assignee, transferee, or other successor-in-interest.

6 10. Belmont Cash Collateral. This term will refer to and mean all of the cash
 7 collateral held by the Debtor pursuant to the "Stipulated Order Authorizing Debtor's Use of Cash
 8 Collateral, Granting Post-Petition Liens, Modifying Automatic Stay, and Granting Related
 9 Relief" as modified by the "Order Approving Extended Budget Pursuant to Stipulated Cash
 10 Collateral Order," "Order Approving Motion for Continued Authorization to Use Cash Collateral
 11 Through April 30, 2011," and the "Stipulated Order Approving Extended Budget Through
 12 July 31, 2011 Pursuant to Stipulated Cash Collateral Order" [Dkt. Nos. 51, 75, 115, and 212].

13 11. Belmont Claim. This term will refer to and mean every Claim against the Debtor
 14 now and hereafter held by Belmont, including the sum of approximately \$76,877,198.82 owed to
 15 Belmont by the Debtor pursuant to the Belmont Loan Documents, as well as any other sum which
 16 Belmont claims to be owed by the Debtor as of the Petition Date, including all interest, costs,
 17 expenses, attorneys' fees or other charges properly chargeable by Belmont.

18 12. Belmont Plan Funding. This term will refer to and mean (i) the amount necessary
 19 to make the payments required under the Plan **plus** (ii) the amount required to pay the fees, costs
 20 and expenses to be incurred by the Plan Administrator in consummating the Plan, obtaining the
 21 Final Decree and closing the Estate **minus** the amount of Belmont Cash Collateral and Excess
 22 Cash on hand as of the Effective Date.

23 13. Belmont Loan Documents. This term will refer to and mean all of the documents
 24 evidencing the loan from Belmont's predecessor-in-interest to the Debtor in the original principal
 25 sum of \$79,000,000.00 dated as of December 21, 2006, and all of the documents evidencing the
 26 assignment of the loan, documents, and all accompanying right, title, and interest thereto.

1 14. Belmont Releasees. This term will refer to and mean Belmont and all its
 2 members, officers, directors, employees, agents, managers, attorneys, accountants, financial
 3 advisors and all its other representatives and professionals, and their successors and assigns.

4 15. Belmont Secured Claim. This term will refer to and mean \$55,000,000 of the
 5 Belmont Claim which will be treated and satisfied as a Secured Claim under the Plan.

6 16. Belmont Unsecured Claim. This term will refer to and mean the balance of the
 7 Belmont Claim which is not included as part of the Belmont Secured Claim.

8 17. Business Day. This term will refer to and mean every day except Saturdays,
 9 Sundays, federal holidays, and Arizona state holidays observed by the Bankruptcy Court.

10 18. Cash. This term will refer to and mean cash, cash equivalents, bank deposits, and
 11 negotiable instruments payable on demand.

12 19. Causes of Action. This term will refer to and mean any and all of the Estate's and
 13 the Debtor's actions, Claims, demands, rights, defenses, counterclaims, suits, causes of action,
 14 liabilities, obligations, debts, judgments, remedies, damages, recoupments, cross claims,
 15 counterclaims, third party claims, indemnity claims, contribution claims, and any other claims,
 16 whether known or unknown, foreseen or unforeseen, direct or indirect/derivative, choate or
 17 inchoate, in law, equity or otherwise, including all avoidance actions and rights to recover
 18 transfers voidable or recoverable under Bankruptcy Code §§ 502, 542, 543, 544, 545, 547, 548,
 19 549, 550, 551, and/or 553, and any and all other claims or rights of any value whatsoever, at law
 20 or in equity, against any Creditor or other third party, including any and all claims against any
 21 Insiders, members, officers, directors, managers or employees of the Debtor; provided, however,
 22 that, when used in the Plan, the term "Causes of Action" does not include any Claims,
 23 obligations, suits, judgments, damages, rights, remedies, causes of action, charges, costs, debts,
 24 indebtedness, or liabilities released or waived pursuant to Article 9 of the Plan or by order of the
 25 Bankruptcy Court. When used in the Plan, the term "Causes of Action" will also specifically
 26 include any claims, demands, rights, and causes of action that may only be asserted by a Person

1 other than the Debtor (including the Holder of a Claim or Interest) on a derivative or other basis.
 2 A Cause of Action will not under any circumstances be waived as a result of the failure of the
 3 Debtor or Belmont to describe such Cause of Action with specificity in the Plan or the Disclosure
 4 Statement. Causes of Action will include, but not be limited to, those payments and other
 5 transactions identified in the Statement of Financial Affairs filed by the Debtor on August 20,
 6 2010 [Dkt. No. 32], a copy of which is attached to the Disclosure Statement. Nothing in the Plan
 7 operates as a release of any of the Causes of Action. Causes of Action will not include any
 8 Causes of Action, if any, against Belmont.

9 20. Claim. This term will refer to and mean “claim” as defined in Bankruptcy Code
 10 § 101(5).

11 21. Claim Payment Date. This term will refer to and mean, in respect of an Allowed
 12 Claim that is not an Allowed Claim as of the Effective Date, the later of the applicable date
 13 payment is to be made pursuant to the Plan after the Effective Date or the date such Claim
 14 becomes an Allowed Claim by a Final Order.

15 22. Class. This term will refer to and mean each of the classifications of Claims and
 16 Interests described in Article 3, Section B of the Plan.

17 23. CMC. This term will refer to and mean Cavan Management Company, LLC, a
 18 Delaware limited liability company.

19 24. CMS. This term will refer to and mean Cavan Management Services, LLC, an
 20 Arizona limited liability company.

21 25. Confirmation Date. This term will refer to and mean the date on which the
 22 Bankruptcy Court enters the Confirmation Order on the Court’s docket.

23 26. Confirmation Hearing. This term will refer to and mean the hearing held by the
 24 Bankruptcy Court regarding confirmation of the Plan, as such may be continued from time to
 25 time.

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1 27. Confirmation Order. This term will refer to and mean the order of the Bankruptcy
2 Court confirming the Plan pursuant to Bankruptcy Code § 1129.

3 28. Contingent. This term will refer to and mean, with reference to a Claim, a Claim
4 that has not accrued or is not otherwise payable and the accrual of which or the obligation to
5 make payment on which is dependent upon a future event that may or may not occur.

6 29. Creditor. This term will refer to and mean “creditor” as defined in Bankruptcy
7 Code § 101(10).

8 30. Debtor. This term will refer to and mean RCC South, LLC, a Delaware limited
9 liability company.

10 31. Debtor’s Disclosure Statement. This term will refer to and mean the “Fourth
11 Amended Disclosure Statement Relating to Fourth Amended Plan of Reorganization, as Modified
12 by the Court’s October 26, 2011 Ruling” dated November 3, 2011, [Dkt. No. 318] as approved by
13 the Bankruptcy Court pursuant to Order dated November 4, 2011 [Dkt. No. 321].

14 32. Deed. This term will refer to and mean the document by which the Real Property
15 will be transferred to Belmont free and clear of all Claims, Security Interests, other Interests and
16 encumbrances, other than Permitted Encumbrances, which is satisfactory to Belmont in its sole
17 discretion.

18 33. Disallowed. This term, when referring to a Claim, will refer to and mean a Claim
19 or any portion of a Claim which has been disallowed or expunged by a Final Order.

20 34. Disclosure Statement. This term will refer to and mean the Disclosure Statement
21 presented by Belmont with respect to the Plan, including, but not limited to, any restatements,
22 amendments, modifications, and additional disclosures (if any) provided by Belmont to comply
23 with Bankruptcy Code § 1125 or orders of the Bankruptcy Court and which has been approved by
24 the Bankruptcy Court.

25 35. Disputed Claim. This term will refer to and mean every Claim, or portion thereof,
26 which is not an Allowed Claim, to which an objection (formal or informal) has been made, or

1 which the Debtor's Schedules listed as contingent, unliquidated, or disputed, and which has not
 2 yet been Disallowed.

3 36. Distribution. This term will refer to and mean the amounts to be paid on account
 4 of Claims as set forth herein, in full and final satisfaction of such Claims.

5 37. Effective Date. This term will refer to and mean the first Business Day on which
 6 the conditions specified in Article 2, Section 16 of the Plan have been satisfied or waived.

7 38. Estate. This term will refer to and mean the bankruptcy estate of the Debtor
 8 created under Bankruptcy Code § 541.

9 39. Excess Cash. This term will refer to and mean all Cash held by the Plan
 10 Administrator in excess of (i) the amount necessary to make the payments required under the Plan
 11 **plus** (ii) the amount required to pay the fees, costs and expenses to be incurred by the Plan
 12 Administrator in consummating the Plan, obtaining the Final Decree and closing the Estate. All
 13 such Excess Cash will be remitted to Belmont either (x) upon receipt, if designated herein as
 14 Excess Cash, or (y) at such time as the Plan Administrator determines it to be Excess Cash.

15 40. Executory Contract. This term will refer to and mean every Lease, every other
 16 unexpired Lease, and every other contract which is subject to being assumed or rejected by the
 17 Debtor under Bankruptcy Code § 365, pursuant to the Plan or pursuant to separate motion.

18 41. Fennemore Craig. This term will refer to and mean the law firm of Fennemore
 19 Craig, P.C., an Arizona professional corporation.

20 42. Fennemore Craig Prepetition Retainer. This term will refer to and mean the
 21 \$25,000 retainer the Debtor contends was paid to Fennemore Craig before the Petition Date.

22 43. Fennemore Craig Secured Claim. This term will refer to and mean the Secured
 23 Claim of Fennemore Craig arising out of Fennemore Craig's right of offset of its Claim against
 24 the Fennemore Craig Prepetition Retainer.

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1 44. Final Decree. This term will refer to and mean the Bankruptcy Court’s final
 2 decree pursuant to 11 U.S.C. § 350(a) and Bankruptcy Rules 3022 and 5009 closing the
 3 Bankruptcy Case after the Estate has been fully administered.

4 45. Final Order. This term will refer to and mean any order of the Bankruptcy Court
 5 as to which (a) the time for appeal has expired and no appeal has been timely taken; (b) any
 6 appeal that has been timely taken has been finally determined or dismissed; or (c) an appeal has
 7 been timely taken but such order has not been stayed.

8 46. General Unsecured Claim. This term will refer to and mean every Unsecured
 9 Claim against the Debtor (including, but not limited to, every such Claim arising from the
 10 rejection of an Executory Contract, which is not an Administrative Claim, a Priority Unsecured
 11 Claim, or a Priority Tax Claim or a Secured Claim).

12 47. Holder. This term will refer to and mean:

- 13 a. as to any Claim:
 - 14 (1) the owner or Holder of such Claim as such is reflected on the Proof
 - 15 of Claim filed with respect to such Claim;
 - 16 (2) if no Proof of Claim has been filed with respect to such Claim, the
 - 17 owner or Holder of such Claim as shown on the Schedules or books and
 - 18 records of the Debtor or as otherwise determined by order of the
 - 19 Bankruptcy Court; or
 - 20 (3) if the owner or Holder of such Claim has transferred the Claim to a
 - 21 third party, advised the Debtor or the Plan Administrator in writing of such
 - 22 transfer and transferee, and filed notice of the transfer and transferee with
 - 23 the Clerk of the Bankruptcy Court as required by Bankruptcy Rule 3001(e);
 - 24 and

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1 b. as to any Interest, all owners of any Interest in the Debtor, including any
 2 and all options, warrants, or similar instruments for the acquisition of such
 3 Interests, and any and all rights to subscribe to or convert into such Interests.

4 48. Insider. This term will refer to and mean both “affiliate” as defined in Bankruptcy
 5 Code § 101(2) and “insider” as defined in Bankruptcy Code § 101(31) and will include, but not
 6 be limited to, CMC, CMS and Raintree Owners’ Association.

7 49. Insider Claims. This term will refer to and mean any and all Claims which an
 8 Insider asserts against the Debtor.

9 50. Interest. This term will refer to and mean any equity interest in the Debtor,
 10 including without limitation any membership interest in the Debtor.

11 51. LarsonAllen. This term will mean and refer to the accounting firm of
 12 LarsonAllen, LLP, a Minnesota limited liability partnership.

13 52. LarsonAllen Prepetition Retainer. This term will refer to and mean the \$25,000
 14 retainer the Debtor contends was paid to LarsonAllen before the Petition Date.

15 53. LarsonAllen Secured Claim. This term will refer to and mean the Secured Claim
 16 of LarsonAllen arising out of LarsonAllen’s right of offset of its Claim against the LarsonAllen
 17 Prepetition Retainer.

18 54. Lease. This term will mean and refer to every agreement between the Debtor and
 19 another Person for the rental and use of space in the Real Property, whether office space, rooftop
 20 space, or any other portion of the Real Property, which is unexpired as of the Confirmation Date.

21 55. Permitted Encumbrances. This term will refer to and mean any encumbrances
 22 against the Property which Belmont, in its sole discretion, agrees may remain on the Property
 23 after its transfer to Belmont pursuant to the Plan. The Permitted Encumbrances will be a part of
 24 the Plan Documents and identified when the Plan Documents are filed in accordance with the
 25 Plan.

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1 56. Person. This term will refer to and mean “person” as defined in Bankruptcy Code
 2 § 101(41).

3 57. Petition Date. This term will refer to and mean July 27, 2010, which is the filing
 4 date of the voluntary Chapter 11 petition commencing the Bankruptcy Case.

5 58. Plan or Lender Plan. This term will refer to and mean “SFI Belmont LLC’s Plan
 6 of Reorganization dated September 2, 2011, as Non-Adversely Modified on November 23, 2011,”
 7 and every restatement, amendment, or modification thereof, if any, filed by Belmont.

8 59. Plan Administration Account. This term will refer to and mean the interest
 9 bearing account to be opened by the Plan Administrator at a federally insured financial institution
 10 into which the Belmont Plan Funding and the Belmont Cash Collateral will be deposited and
 11 maintained until entry of the Final Decree.

12 60. Plan Administrator. This term will refer to and mean the Person selected by
 13 Belmont and approved by the Court as part of the Confirmation Order, to, among other things,
 14 receive the Belmont Plan Funding, administer the Estate, and execute the Plan.

15 61. Plan Documents. This term will refer to and mean the Deed and all other
 16 documents and exhibits that aid in effectuating the Plan, as the same may be amended, modified,
 17 supplemented, or restated from time to time, which documents and exhibits will be filed by
 18 Belmont with the Court on or before a date that is five (5) days prior to the Confirmation Hearing
 19 or such other date as determined by the Court.

20 62. Priority Tax Claim. This term will refer to and mean every Unsecured Claim or
 21 portion thereof which is entitled to priority pursuant to Bankruptcy Code § 507(a)(8).

22 63. Priority Unsecured Claim. This term will refer to and mean every Unsecured
 23 Claim or portion thereof which is not an Administrative Claim, or a Priority Tax Claim, and
 24 which is entitled to priority under any applicable provision of Bankruptcy Code § 507, including,
 25 but not limited to, Tenant Security Deposit Claims.
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1 64. Pro Rata. This term will refer to and mean proportionate, and when applied to a
2 Claim, means that the ratio of the consideration distributed on account of an Allowed Claim in a
3 Class to the amount of such Allowed Claim is the same as the ratio of the amount of the
4 consideration distributed on account of all Allowed Claims in such Class to the amount of all
5 Allowed Claims in such Class.

6 65. Proof of Claim. This term will refer to and mean the form filed in the Bankruptcy
7 Court by a Creditor on which the specifics of a Claim are set forth as required by the Bankruptcy
8 Code and the Bankruptcy Rules.

9 66. Property. This term will refer to and mean all Assets, including without limitation
10 the Real Property, except that this term does not include any membership or other Interests in the
11 Debtor that may otherwise be Assets. To the extent any right of the Debtor or the Estate to
12 contribution or Distribution is linked to any such membership or other equity Interest, that
13 property right will be severed from the membership or other equity Interest as of the Effective
14 Date, and will be Property as defined herein, even though the membership or other equity Interest
15 is not itself Property.

16 67. Property Operations Materials. This term will refer to and mean all documents,
17 records, and information wherever located and however maintained, and on any medium,
18 pertaining to the Property, including, without limitation, all keys and security codes for the
19 Property, plans, specifications, blueprints, surveys, ledgers, banking records, books of account,
20 insurance policies, Executory Contracts and other unexpired contracts, draft contracts or leases,
21 licenses, permits, government approvals, inventory lists, budgets, rent rolls, vendor and Tenant
22 contact information, prospective tenant information, construction information, hazardous
23 materials information, inspections, checklists, proposals, orders, citations, fines, warnings,
24 notices, advances, security deposits, prepaid rents, late fees, assignments, and all other
25 information and items necessary for the transfer and successful operation of the Property in
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1 similar or better manner than the Property was operated prior to and during the pendency of the
 2 Bankruptcy Case.

3 68. Property Tax Administrative Claim. This term will refer to and mean every Claim
 4 of any state or local governmental unit which is an Administrative Claim for unpaid Real
 5 Property taxes, unpaid personal property taxes, or unpaid sales taxes or leasing taxes, and every
 6 prorated portion thereof arising on and after the Petition Date until the Effective Date. Property
 7 Tax Administrative Claims will be classified and paid under the Plan as the Plan provides for
 8 Administrative Claims.

9 69. Real Property. This term will refer to and mean the real property owned by the
 10 Debtor and all improvements thereon, which is fully encumbered by Belmont's lien, and which is
 11 located north of the northeast corner of Loop 101 (the Pima Freeway) and Raintree Drive in
 12 Scottsdale, Arizona, and any and all improvements, including, but not limited to, fixtures or other
 13 items so affixed thereto as to have become a part thereof.

14 70. Rejected Assets. This term will refer to and mean any Property that Belmont, in
 15 its sole and absolute discretion, may determine that it does not wish to own or possess.

16 71. Retained Claims. This term will refer to and mean all of the Debtor's and the
 17 Estate's Claims, demands, cross-claims, counterclaims, defenses, recoupments, setoffs,
 18 receivables, Security Interests, and Causes of Action of any kind or nature whatsoever held by,
 19 through, or on behalf of the Debtor and/or the Estate against any other Person or any property that
 20 is not an Asset herein, including without limitation the Causes of Action.

21 72. Schedules. This term will refer to and mean the Debtor's Schedules and Statement
 22 of Financial Affairs filed on August 20, 2010 [Dkt. No. 32].

23 73. Secured Claim. This term will refer to and mean every Claim or portion thereof
 24 which is asserted by the Creditor holding such Claim to be secured by a Security Interest or other
 25 interest encumbering property in which the Debtor has an interest, including without limitation
 26 any right to setoff asserted by a Creditor that is treated as a Secured Claim under the Bankruptcy

1 Code, but only to the extent of the validity, perfection, and enforceability of the claimed lien,
 2 Security Interest, or assignment, and the value of the interest of the Creditor holding such Claim
 3 against such Property of the Debtor.

4 74. Secured Creditor. This term will refer to and mean every Creditor which holds a
 5 Secured Claim in the Reorganization Case.

6 75. Security Deposit. This term will refer to and mean every deposit of funds by a
 7 Tenant, which is currently held by the Debtor or its agent or representative, and as to which the
 8 Tenant may have a right to return upon expiration or other termination of its Lease in accordance
 9 with that Tenant's Lease.

10 76. Security Deposit Claim. This term will refer to and mean the contingent Claim of
 11 a Tenant that may in the future arise on account of a Tenant's Security Deposit.

12 77. Security Interest. This term will refer to and mean the attribute of every Claim or
 13 Interest that renders it a Secured Claim or that otherwise allows the Holder of such Claim or
 14 Interest to repossess, seize, foreclose, sell, or otherwise realize its Claim from the property of
 15 another, including, without limitation, any lien, encumbrance, charge, escrow, assignment, and
 16 pledge.

17 78. Tenant. This term will refer to and mean every Person who is party to a Lease
 18 with the Debtor as of the Confirmation Date.

19 79. Trust. This term will refer to and mean the irrevocable trust established for the
 20 benefit of Holders of Allowed Claims and other Persons entitled to payment under the Plan,
 21 pursuant to the Trust Agreement, and which will be used to:

- 22 a. receive, hold and invest the Belmont Plan Funding and other Trust Assets
- 23 pursuant to the terms of the Plan;
- 24 b. issue payments and disburse funds as provided in the Trust Agreement and
- 25 the Plan; and
- 26

1 c. pay the administrative costs as provided in the Trust Agreement including
 2 the costs, fees and expenses of the Plan Administrator.

3 80. Trust Agreement. This term will refer to and mean the agreement creating the
 4 Trust to be established in accordance with Article X, Section B of the Plan.

5 81. Trust Assets. This term will refer to and mean any and all Assets and funds to be
 6 held in the Trust pursuant to the Trust Agreement, including without limitation the Plan
 7 Administration Account and the Belmont Plan Funding.

8 82. Unimpaired. This term will refer to and mean the state of a Claim described in
 9 Bankruptcy Code § 1124(1)-(2).

10 83. Unsecured Claim. This term will refer to and mean every Claim or portion
 11 thereof, regardless of the priority of such Claim, which is not a Secured Claim.

12 84. Unsecured Creditor. This term will refer to and mean every Creditor which holds
 13 an Unsecured Claim in the Bankruptcy Case.

14 **III.**

15 **CLAIMS AGAINST THE DEBTOR**

16 **A. Unclassified, Non-Voting Claims.**

17 The Claims described in this Article 3, Section A are not classified under the Plan, and are
 18 Unimpaired. Therefore, each claimant holding a Claim described in this Section has no right to
 19 vote to accept or reject the Plan.

20 1. Administrative Claims. The Holder of an Allowed Administrative Claim,
 21 including a Property Tax Administrative Claim, will receive, in full satisfaction of such Claim,
 22 (a) a single Cash payment in the Allowed amount of the Claim on the Effective Date (or the
 23 applicable Claim Payment Date); or (b) such payment as otherwise agreed in writing by the
 24 Holder of the Allowed Claim or ordered by the Bankruptcy Court. Every Allowed
 25 Administrative Claim for an expense of operation of the Debtor incurred in the ordinary course of
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1 such operations will be paid fully and in Cash in the ordinary course of business (including any
 2 payment terms applicable to any such expense).

3 2. Priority Tax Claims. The Holder of any Allowed Priority Tax Claim, if any, will
 4 receive, in full satisfaction of such Claim, (a) a single Cash payment in the Allowed amount of
 5 the Claim on the Effective Date (or the applicable Claim Payment Date); or (b) such payment as
 6 otherwise agreed in writing by the Holder of the Allowed Claim or ordered by the Bankruptcy
 7 Court.

8 3. Other Priority Claims. The legal, equitable and contractual rights of Holders of
 9 Allowed Priority Unsecured Claims, including but not limited to Tenants holding Allowed
 10 Security Deposit Claims will (a) not be altered by the Plan; or (b) at Belmont’s option, be treated
 11 in any other manner that will result in such Allowed Claims being deemed Unimpaired,
 12 including, but not limited to, the retention by the Holder of an Allowed Security Deposit Claim of
 13 any lien on its Security Deposit to the extent of his/her/its Allowed Security Deposit Claim
 14 allowed by state law.

15 4. Elimination of Claims. To the extent there are no amounts owing on the Effective
 16 Date for any Priority Unsecured Claims and/or any Priority Tax Claims, such treatment as set
 17 forth above will be deemed automatically eliminated from the Plan.

18 **B. Classified Claims.**

19 1. Classification. All Claims are classified under the Plan as hereafter stated in this
 20 Article III; provided, however, that a Claim will be deemed classified in a particular Class only to
 21 the extent that the Claim qualifies within the description of that Class and will be deemed
 22 classified in a different Class to the extent that any remainder of the Claim qualifies within the
 23 description of such different Class. As of the Confirmation Hearing, any Class of Claims which
 24 does not contain any Creditor’s Claims will be deemed deleted automatically from the Plan, and
 25 any Class of Claims which does not contain an Allowed Claim (or a Claim temporarily or
 26

1 provisionally allowed by the Bankruptcy Court for voting purposes) will be deemed automatically
 2 deleted from the Plan with respect to voting on confirmation of the Plan.

3 2. Classes. For purposes of the Plan, Claims against the Debtor are hereby classified
 4 in the following classes in accordance with Bankruptcy Code § 1122(a) as follows:

- 5 Class 1: Fennemore Craig Secured Claim
- 6 Class 2: LarsonAllen Secured Claim
- 7 Class 3: Belmont Secured Claim
- 8 Class 4: Belmont Unsecured Claim
- 9 Class 5: General Unsecured Claims
- 10 Class 6: Insider Claims
- 11 Class 7: Membership Interests

12 **IV.**

13 **TREATMENT OF CLASSES OF UNIMPAIRED CLAIMS**

14 The Claims described in this Article IV, although classified under the Plan, are
 15 Unimpaired. Therefore, each claimant holding a Claim described in this Article has no right to
 16 vote to accept or reject the Plan.

17 **A. Class 1: Fennemore Craig Secured Claim.**

18 1. Treatment and Distribution. The Holder of the Class 1 Claim recently filed a
 19 notice of withdrawal of its Claim. Therefore, Belmont believes that the Fennemore Craig
 20 Secured Claim no longer exists. In the event that Fennemore Craig continues to hold the
 21 Fennemore Craig Prepetition Retainer as of the Effective Date, Fennemore Craig will remit the
 22 Fennemore Craig Prepetition Retainer to the Plan Administrator, which will be Excess Cash,
 23 within five (5) Business Days of the Effective Date.

24 2. Alternative Distribution. In the event the method of Distribution set forth above is
 25 not deemed by the Court to leave the legal, equitable, and contractual rights of the Holder of any
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1 Allowed Class 1 Claim unaltered, the Distribution to the Holder of any Class 1 Claim may be
 2 effected in any other manner that will result in such Allowed Claim being deemed Unimpaired.

3 **B. Class 2: LarsonAllen Secured Claim.**

4 1. Treatment. The Class 2 Claim, as and when it is an Allowed Claim, will be treated
 5 as a fully Secured Claim, and the legal, equitable and contractual rights of the Holder of any
 6 Allowed Class 2 Claim will not be altered by the Plan.

7 2. Distribution. LarsonAllen will have immediate relief from any and all stays and
 8 injunctions on the Effective Date, at which time the LarsonAllen Secured Claim, including all
 9 accrued interest and default interest, if any, to which it may be contractually entitled, will be set
 10 off against the LarsonAllen Prepetition Retainer, so as to be paid fully and in Cash, on the
 11 Effective Date. Furthermore:

12 a. Within five (5) Business Days of the Effective Date, LarsonAllen will
 13 remit the unused balance of the LarsonAllen Prepetition Retainer to the
 14 Plan Administrator, which balance will be Excess Cash.

15 b. Notwithstanding the foregoing, nothing herein will prejudice or otherwise
 16 preclude Belmont’s ability to assert any objection to the Class 2 Claims,
 17 including without limitation any objection based on LarsonAllen’s failure
 18 to obtain approval for its employment from the Bankruptcy Court.

19 3. Alternative Distribution. In the event the method of Distribution set forth above is
 20 not deemed by the Court to leave the legal, equitable, and contractual rights of the Holder of any
 21 Allowed Class 2 Claim unaltered, the Distribution to the Holder of any Class 2 Claim may be
 22 effected in any other manner that will result in such Allowed Claim being deemed Unimpaired.

23 **C. Class 5: General Unsecured Claims.**

24 1. Treatment and Distribution. Each Holder of a Class 5 General Unsecured Claim,
 25 as and when such General Unsecured Claim is or becomes an Allowed Claim, will be paid fully
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1 and in Cash on the Effective Date or the Claim Payment Date if a Class 5 General Unsecured
 2 claim is not an Allowed Claim on the Effective Date.

3 2. Alternative Distribution. In the event the method of Distribution set forth above is
 4 not deemed by the Court to leave the legal, equitable, and contractual rights of the Holders of
 5 Allowed Class 5 Claims unaltered, at Belmont’s option, determined in its sole discretion, the
 6 Distribution to the Holders of Allowed Class 5 Claims may be effected in any other manner that
 7 will result in such Allowed Claims being deemed Unimpaired.

8 **D. Class 6: Insider Unsecured Claims.**

9 1. Treatment and Distribution. Each Holder of a Class 6 Insider Unsecured Claim, as
 10 and when such Insider Unsecured Claim is or becomes an Allowed Claim, will be paid fully and
 11 in Cash on the Effective Date or the Claim Payment Date if a Class 6 Insider Unsecured Claim is
 12 not an Allowed Claim on the Effective Date. To the extent any Holder of a Class 6 Insider
 13 Unsecured Claim owes funds to the Estate as of the Effective Date, such amount will be deducted
 14 from the amount of the Holder’s Class 6 Insider Unsecured Claim prior to any Distribution.

15 2. Alternative Distribution. In the event the method of Distribution set forth above is
 16 not deemed by the Court to leave the legal, equitable, and contractual rights of the Holders of
 17 Allowed Class 6 Claims unaltered, at Belmont’s option, determined in its sole discretion, the
 18 Distribution to the Holders of Allowed Class 6 Claims may be effected in any other manner that
 19 will result in such Allowed Claims being deemed Unimpaired.

20 **V.**

21 **TREATMENT OF IMPAIRED CLAIMS**

22 The Claims described in this Article V are impaired. Therefore, each Holder of a Claim
 23 described in this Article has the right to vote to accept or reject the Plan.

24 **A. Class 3: Belmont Secured Claim.**

25 1. Treatment: The Class 3 Belmont Secured Claim will be treated as an impaired
 26 Allowed Secured Claim in the amount of \$55,000,000.

1 2. Distribution: On the Effective Date, all Property, including, but not limited to, all
 2 Real Property, and all Property Operations Materials will be transferred to Belmont free and clear
 3 of all liens, Claims, Interests and encumbrances, except for Permitted Encumbrances, in
 4 satisfaction of \$55,000,000 of the Belmont Claim and in consideration of Belmont’s agreed
 5 treatment of the Belmont Unsecured Claim and the Belmont Plan Funding.

6 3. Refusal of Rejected Assets. Notwithstanding the foregoing, Belmont will also
 7 have the absolute right to refuse the receipt of any Property or Property Operations Materials that
 8 it determines, in its sole discretion, that it does not wish to own or possess. Any such Rejected
 9 Assets will be transferred to the Plan Administrator to be liquidated and disposed of in
 10 accordance with the terms of the Plan.

11 **B. Class 4: Belmont Unsecured Claim.**

12 Treatment and Distribution: The amount of the Class 4 Belmont Unsecured Claim will be
 13 the difference between the amount of the Allowed Belmont Secured Claim and the total amount
 14 of the Belmont Claim, which will be treated as an impaired Allowed Unsecured Claim. Belmont
 15 will not receive or retain anything on account of the Belmont Unsecured Claim under the Plan.

16 **C. Class 7: Membership Interests.**

17 Treatment and Distribution. On the Effective Date, all Interests in the Debtor will be
 18 cancelled and no Holder of a membership Interest will receive or retain anything under the Plan
 19 on account of their Interest.

20 **VI.**

21 **MEANS OF IMPLEMENTATION OF THE PLAN**

22 **A. General.**

23 1. Belmont Plan Funding. On or before the Effective Date, Belmont will pay the
 24 Belmont Plan Funding to the Plan Administrator. To the extent that the Belmont Cash Collateral
 25 exceeds the amount necessary to fund the Plan, no additional Belmont Plan Funding will be
 26 required. On or before the Effective Date, the Plan Administrator will open the Plan

1 Administration Account, an interest bearing account at a federally insured financial institution
2 into which the Belmont Plan Funding will be deposited and maintained, as well as all of the
3 Belmont Cash Collateral. Any funds remaining on deposit after consummation of the Plan, entry
4 of the Final Decree and closing of the Estate, will be Excess Cash that the Plan Administrator will
5 remit to Belmont within five (5) days after satisfaction of the last obligation owing under the
6 Plan, if not sooner.

7 2. Injunction Against Interference. On and after the Confirmation Date, the Debtor
8 and its management, members, and Insiders, and any agents or representatives of same, will be
9 enjoined from taking any action or engaging in any failure to act that could damage or otherwise
10 impair the Property or the benefits Belmont might realize therefrom. This includes, without
11 limitation, an injunction against (a) neglecting to repair or maintain, or damaging any Property;
12 (b) transferring any Property, including Cash, to any Person or entity other than Belmont or its
13 designee, unless authorized to do so in writing by Belmont, (c) taking any action or engaging in
14 any omission to de-value the Property, including, without limitation, failing to collect rents,
15 modifying Leases, creating poor Tenant relations, disparaging Belmont, or otherwise taking any
16 action to interfere with, limit, or impair, Belmont's operation of the Property, and (d) engaging in
17 any other act that is contrary to the Debtor's obligations with respect to the Property under the
18 Loan Documents. Nothing herein will or will be deemed to enjoin the Debtor or any of its
19 Insiders from operating businesses and/or assets that are unrelated to the Assets, the Real
20 Property, or this Bankruptcy Case, whether or not such businesses or assets may compete with the
21 Property, so long as such operations are not contrary to the injunction provided herein.

22 3. Reasonable Cooperation. On and after the Confirmation Date, the Debtor and its
23 management, members, and Insiders, and any agents or representatives of same, shall cooperate
24 with Belmont and its designee(s) to effectuate a smooth and orderly transition for management of
25 the Property, including without limitation by making promptly available to Belmont upon the
26 Confirmation Date and thereafter all Property Operations Materials and all other materials

1 necessary for transfer of the Property and operation of the Property in similar or better manner as
2 it was operated prior to and during the pendency of the Bankruptcy Case.

3 **B. Automatic Disallowance of Claims.**

4 From and after the Effective Date, any and all Claims which the Debtor's Schedules
5 indicate are contingent, unliquidated, or disputed, and as to which no Proof of Claim was timely
6 filed, will be automatically Disallowed on the Effective Date unless the Holder of such Claim has
7 filed a motion to allow such Claim prior to that time, in which case such Claim will be a Disputed
8 Claim.

9 **C. Determination of Claims.**

10 From and after the Effective Date, the Plan Administrator will have the exclusive
11 authority to, and will, file, settle, compromise, withdraw, or litigate to judgment all objections to
12 Claims except the Belmont Claim which will be Allowed as part of Belmont's proposed treatment
13 under the Plan. Except as to any late-filed Claims and Claims resulting from the rejection of
14 Executory Contracts, if any, all objections to Claims will be filed with the Bankruptcy Court by
15 no later than ninety (90) days following the Effective Date (unless such period is extended by the
16 Bankruptcy Court upon motion of the Plan Administrator, and the Confirmation Order will
17 contain appropriate language to that effect). Objections to Claims resulting from the rejection of
18 Executory Contracts or unexpired Leases will be filed ninety (90) days following the Effective
19 Date unless such date is extended by order of the Bankruptcy Court upon motion from the Plan
20 Administrator.

21 Disputed Claims will be fixed or liquidated in the Bankruptcy Court as core proceedings
22 within the meaning of 28 U.S.C. § 157(b)(2)(B) unless the Bankruptcy Court orders otherwise.
23 Prior to the Effective Date, Belmont may, at any time, request that the Bankruptcy Court estimate
24 any contingent or unliquidated Claim pursuant to Bankruptcy Code § 502(c) regardless of
25 whether the Debtor previously objected to such Claim or whether the Bankruptcy Court has ruled
26 on any such objection. The Bankruptcy Court will retain jurisdiction to estimate any Claim at any

1 time during litigation concerning any objection to any Claim, including during the pendency of
2 any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any
3 contingent or unliquidated Claim, such estimated amount will constitute either the Allowed
4 Amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy
5 Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtor or
6 the Plan Administrator may elect to pursue any supplemental proceedings to object to any
7 ultimate allowance of such Claim. The determination of Claims in estimation hearings will be
8 binding for purposes of establishing the maximum amount of the Claim for purposes of allowance
9 and Distribution. All of the aforementioned Claims objection, estimation and resolution
10 procedures are cumulative and not exclusive of one another. Procedures for specific estimation
11 hearings, including provisions for discovery, will be set by the Bankruptcy Court giving due
12 consideration to applicable Bankruptcy Rules and the need for prompt determination of the
13 Disputed Claim.

14 **D. Distributions.**

15 Each Holder of an Allowed Unsecured Claim in Class 5 and an Allowed Insider
16 Unsecured Claim in Class 6 (to the extent any Claim exists after any amounts owed to the Debtor
17 are set off against such Claim) will receive a Cash Distribution, on the later of the Effective Date
18 or the Claim Payment Date.

19 Notwithstanding any provision herein to the contrary, no Distribution will be made to the
20 Holder of a Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim.

21 Distributions to Holders of Allowed Claims will be sent to the address of such Holder set
22 forth in the Schedules or in the books and records of the Debtor at the time of the Distribution,
23 unless the Debtor or the Plan Administrator have been notified in writing of a change of address,
24 including by the filing of a Proof of Claim or statement pursuant to Bankruptcy Rule 3003 by
25 such Holder that contains an address for such Holder different than the address for such Holder as
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1 set forth in the Schedules. The Plan Administrator will not be liable for any Distribution sent to
2 the address of record of a Holder in the absence of the written change thereof as provided herein.

3 **E. Unclaimed Distributions.**

4 If the Holder of an Allowed Claim fails to negotiate a check issued to such Holder within
5 sixty (60) days of the date such check was issued, then the Plan Administrator will provide
6 written notice to such Holder stating that, unless such Holder negotiates such check within thirty
7 (30) days of the date of such notice, the amount of Cash attributable to such check will be deemed
8 to be unclaimed, such Holder will be deemed to have no further Claim in respect of such check,
9 such Holder's Allowed Claim will no longer be deemed to be Allowed, and such Holder will not
10 be entitled to participate in any further Distributions under the Plan in respect of such Claim.

11 If a check for a Distribution made pursuant to the Plan to any Holder of an Allowed Claim
12 is returned to the Plan Administrator due to an incorrect or incomplete address for the Holder of
13 such Allowed Claim, and no claim is made in writing to the Plan Administrator as to such check
14 within sixty (60) days of the date such Distribution was made, then the amount of Cash
15 attributable to such check will be deemed to be unclaimed, such Holder will be deemed to have
16 no further Claim in respect of such check, such Holder's Allowed Claim will no longer be
17 deemed to be Allowed, and such Holder will not be entitled to participate in any further
18 Distributions under the Plan in respect of such Claim.

19 Any unclaimed Distribution as described above sent by the Plan Administrator will be
20 refunded to Belmont as Excess Cash within thirty (30) days after the Plan Administrator
21 determines that the Distribution is unclaimed, and the Claim of any Holder or successor to such
22 Holder with respect to such property, will be discharged and forever barred, notwithstanding any
23 federal or state escheat or other law to the contrary.

24 **F. Corporate Action.**

25 On the Effective Date, all implementation and consummation actions provided for under
26 the Plan that would otherwise require approval of the directors, members, or managers of the

1 Debtor, including, without limitation the authorization to transfer the Property or file motions to
 2 assume or reject any Executory Contracts, may occur without any requirement of further action
 3 by such directors, members, or managers of the Debtor, and Belmont will be authorized to take
 4 any such actions in its sole and absolute discretion on the Debtor's behalf as the Plan proponent.

5 **G. Payments Effective Upon Tender.**

6 Whenever the Plan requires payment to be made, and except as otherwise provided herein,
 7 such payment will be deemed made and effective upon tender thereof by Belmont or the Debtor
 8 to the Creditor to whom payment is due. If any Creditor refuses a tender, the amount tendered
 9 and refused will be held by Belmont for the benefit of that Creditor pending final adjudication of
 10 the dispute. However, when and if the dispute is finally adjudicated and the Creditor receives the
 11 funds previously tendered and refused, the Creditor will be obliged to apply the funds in
 12 accordance with the Plan as of the date of the tender; and while the dispute is pending and after
 13 adjudication thereof, the Creditor will not have the right to claim interest or other charges or to
 14 exercise any other rights which would be enforceable by the Creditor, if Belmont or the Debtor
 15 failed to pay the tendered payment.

16 **H. Special Provisions Governing Unimpaired Claims.**

17 Except as otherwise provided in the Plan, nothing will affect Belmont's or the Debtor's
 18 rights and defenses with respect to any Unimpaired Claims, including, but not limited to, all
 19 rights with respect to legal and equitable defenses to, or setoffs or recoupments against, such
 20 Unimpaired Claims.

21 **I. Operative Documents/Documents Evidencing Binding Nature of Plan.**

22 Belmont will prepare any documents which it deems necessary or appropriate to execute
 23 the Plan or are provided for under the Plan, including, but not limited to, the Plan Documents. If
 24 there is any dispute regarding the reasonableness or propriety of any such documents after
 25 reasonable and good faith efforts by Belmont to negotiate and obtain approval of the documents
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1 by the other affected Person(s), any such dispute will be presented to the Bankruptcy Court for
 2 determination, at or in conjunction with the Confirmation Hearing.

3 **J. Return of Deposits.**

4 To the extent that the Debtor was required to and did pay deposits to any Creditor(s) either
 5 before or after the Petition Date, including, without limitation, as a condition of or as security for
 6 utility service (which includes, but is not limited to, deposits paid to utility companies for
 7 adequate assurance pursuant to Bankruptcy Code § 366), then, upon satisfaction of the Claims of
 8 such Creditor(s) pursuant to the Plan or if such Creditor(s) did not have any Claims against the
 9 Debtor, any such deposits, together with any interest or other income earned thereon, if any, will
 10 be tendered to the Plan Administrator within seven (7) days of the occurrence of the Effective
 11 Date. The Plan Administrator may later remit any such returned deposits, which will be Excess
 12 Cash, to Belmont in accordance with the terms of the Plan.

13 **K. Administrative Claims Bar Date.**

14 All requests for payment of administrative costs and expenses incurred prior to the
 15 Effective Date pursuant to Bankruptcy Code §§ 507(a)(1) and 503(b) will be served and filed
 16 with the Bankruptcy Court in accordance with Bankruptcy Code § 330 no later than twenty-eight
 17 (28) days after the Confirmation Date. Any such Claim which is not served and filed within this
 18 time period will be forever barred. Any charges for fees, costs and expenses incurred by the
 19 Debtor's administrative or other professionals after the Effective Date will be the sole
 20 responsibility of the Debtor.

21 **L. Satisfaction of Administrative Claims.**

22 Within twenty-eight (28) days after entry of a Final Order of the Bankruptcy Court
 23 approving an application for an Administrative Claim, Belmont will pay such Allowed
 24 Administrative Claims. Notwithstanding the foregoing or anything contained herein, Belmont's
 25 rights to object to any application for administrative costs and expenses are expressly preserved.
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VII.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts.

On the Effective Date, except as otherwise provided herein, all Executory Contracts of the Debtor will be deemed rejected in accordance with the provisions and requirements of Bankruptcy Code §§ 365 and 1123, except for those Executory Contracts that: (a) are Leases, all of which will be deemed assumed and assigned to Belmont as of the Effective Date unless expressly subject to a motion filed by Belmont to reject the same; (b) have already been assumed by order of the Bankruptcy Court; (c) are subject to a motion to assume that is pending on the Effective Date; or (d) are subject to a motion to reject pursuant to which the requested effective date of such rejection is after the Confirmation Date. Belmont will have the authority to file a motion to assume any Executory Contract with such motion to be heard at the Confirmation Hearing and any such assumption to be effective as of the Effective Date. All of the Debtor’s right, title and interest in any Executory Contract which is assumed will be assigned to Belmont as of the Effective Date pursuant to Bankruptcy Code § 365(f). To the extent necessary, the Confirmation Order will effect any such assignment.

B. Effect of Assumption and Assignment of Executory Contracts.

Each Executory Contract assumed and assigned pursuant to this Article VII will vest in and be fully enforceable by Belmont in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable law.

C. Claims Based on Rejection of Executory Contracts.

Every Claim asserted by a Creditor arising from the rejection of an Executory Contract pursuant to the Plan must be filed with the Bankruptcy Court no later than the first Business Day which is twenty-eight (28) days after the Effective Date or the first Business Day that is twenty-eight (28) days after entry of the Final Order of the Bankruptcy Court approving rejection, if such

1 Final Order is entered after the Confirmation Date. Every such Claim which is timely filed, as
 2 and when it becomes an Allowed Claim, will be treated as a General Unsecured Claim under
 3 Class 5 of the Plan. Every such Claim which is not timely filed by the deadline stated above will
 4 be forever barred, unenforceable, and discharged, and the Creditor holding the Claim will not
 5 receive or be entitled to any Distribution under the Plan on account of such Claim.

6 **VIII.**

7 **CONDITIONS TO EFFECTIVE DATE**

8 **A. Conditions to Occurrence of Effective Date.**

9 Each of the following is a condition to the Effective Date, which must be satisfied or, in
 10 the alternative, waived by Belmont in its sole and absolute discretion:

- 11 1. The Confirmation Order has been entered by the Bankruptcy Court. The Court
 12 may be requested to waive the fourteen-day stay that would otherwise ordinarily prevent the
 13 Confirmation Order from becoming immediately effective.
- 14 2. The Confirmation Order is in form and substance satisfactory to Belmont in its
 15 sole and absolute discretion.
- 16 3. The Plan Documents are in form and substance satisfactory to Belmont in its sole
 17 and absolute discretion.
- 18 4. All actions, documents, and agreements necessary to implement the Plan will have
 19 been effected or executed, including, but not limited to, the Plan Documents.

20 **B. Obligation to Cause Effective Date to Occur.**

21 Upon satisfaction of, or waiver of, the conditions to the Effective Date and occurrence of
 22 the Effective Date, Belmont will remit the Belmont Plan Funding to the Plan Administrator (if
 23 any funds are required from Belmont to fund the Belmont Plan Funding). On the Effective Date,
 24 the Debtor will remit all Belmont Cash Collateral to the Plan Administrator.

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1 **C. Waiver of Conditions.**

2 Belmont, in its sole discretion, may waive any of the conditions to the occurrence of the
3 Effective Date including waiver of the conditions regarding the effectiveness of the Confirmation
4 Order in Section A.1. above, any time, from and after the Confirmation Date. In that event,
5 Belmont will be entitled to receive or render any or all of its performance under the Plan, and all
6 other Persons will be entitled and compelled to receive or render any or all of their performance
7 under the Plan, prior to what otherwise would be the Effective Date if the above-referenced
8 conditions were not waived. The foregoing includes, but is not limited to, the right to perform
9 under any circumstances which would moot any appeal, review, or other challenge of any kind to
10 the Confirmation Order, if the Confirmation Order is not stayed pending such appeal, review, or
11 other challenge.

12 **D. Effect of Non-Occurrence of Conditions.**

13 If the consummation of the Plan does not occur, the Plan will be null and void in all
14 respects and nothing contained in the Plan or the Disclosure Statement will: (a) constitute a
15 waiver or release of any Claims by Belmont; (b) prejudice in any manner the rights of Belmont;
16 (c) constitute an admission, acknowledgement, offer, or undertaking by Belmont in any respect,
17 including, but not limited to, in any proceeding or case against Belmont; or (d) be admissible in
18 any action, proceeding or case against Belmont in any court or other forum.

19 **E. Merger; Choice of Law.**

20 Except as otherwise provided in Article VIII, Section F, all obligations of the Debtor to all
21 Creditors will be merged into the Plan, the Plan Documents and any other documents executed in
22 connection with confirmation of the Plan and the occurrence of the Effective Date and delivered
23 to the respective affected Creditors. Unless otherwise provided therein, such documents will be
24 governed by and construed in accordance with Arizona law.

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1 **F. Other Obligations of the Debtor.**

2 To the extent the Debtor may incur any obligations not authorized under the then-current
3 cash collateral order, or any obligations incurred outside the ordinary course of its operations
4 between the date this Plan is filed and the Effective Date, without Belmont's or the Court's
5 approval, the Debtor, and not Belmont, will be solely responsible for satisfying such obligations,
6 prosecution and enforcement of which will not be discharged as part of this Plan; nor will any
7 such Claims be paid by Belmont or the Plan Administrator but all such Claims will be
8 Disallowed. The filing of this Plan and Disclosure Statement will be deemed to constitute actual
9 notice of the same to all potential Creditors of the Debtor.

10 **IX.**

11 **PURSUIT OF CAUSES OF ACTION**

12 The following will apply to the Causes of Action transferred to Belmont on the Effective
13 Date:

14 **A. Transfer of Causes of Action and Retained Claims on Effective Date.**

15 On the Effective Date, the Causes of Action and Retained Claims will be deemed
16 transferred to Belmont without further action by any party, except to the extent a Creditor or other
17 third party has been specifically released from any Cause of Action by the terms of the Plan or by
18 a Final Order of the Bankruptcy Court. Belmont will have the right, in its sole and absolute
19 discretion, to pursue, not pursue, settle, release or enforce any Cause of Action without seeking
20 any approval from the Bankruptcy Court. For purposes of providing notice, Belmont states that
21 any party in interest that engaged in business or other transactions with the Debtor prior to the
22 Petition Date or that received payments from the Debtor prior to the Petition Date or that received
23 any transfers from the Debtor after the Petition Date that were not authorized by a Final Order of
24 the Bankruptcy Court or were received in the ordinary course of the business of the Debtor
25 pursuant to Bankruptcy Code § 363(c), may be subject to litigation to the extent that applicable
26 bankruptcy or non-bankruptcy law supports such litigation.

1 **B. No Waiver and Cooperation.**

2 A Cause of Action will not, under any circumstances, be waived as a result of the failure
 3 of the Debtor or Belmont to describe such Cause of Action with specificity in the Plan or in the
 4 Debtor’s Disclosure Statement or the Belmont Disclosure Statement; nor will Belmont, as a result
 5 of such failure, be estopped or precluded under any theory from pursuing such Cause of Action.
 6 Nothing in the Plan operates as a release of any of the Causes of Action. The Debtor will provide
 7 any assistance that Belmont deems necessary or appropriate, including providing all books and
 8 records of the Debtor to Belmont in order to assist Belmont in investigating all Causes of Action.

9 **C. Rights of Belmont to Pursue Causes of Action.**

10 Belmont does not presently know the full extent of the Causes of Action and, for purposes
 11 of voting on the Plan, all Creditors are advised that Belmont will have substantially the same
 12 rights that a Chapter 7 trustee would have with respect to the Causes of Action. Accordingly,
 13 neither a vote to accept the Plan by any Creditor nor the entry of the Confirmation Order will act
 14 as a release, waiver, bar or estoppel of any Cause of Action against such Creditor or any other
 15 Person, unless such Creditor or Person is specifically identified by name as a released party in the
 16 Plan, in the Confirmation Order, or in any other Final Order of the Bankruptcy Court.
 17 Confirmation of the Plan and entry of the Confirmation Order is not intended to and will not be
 18 deemed to have any res judicata or collateral estoppel or other preclusive effect that would
 19 precede, preclude, or inhibit prosecution of such Causes of Action following confirmation of the
 20 Plan.

21 **D. Causes of Action Against Belmont.**

22 While Belmont is not aware of any Causes of Action against it, in consideration of the
 23 Belmont Plan Funding and other undertakings under the Plan, including, but not limited to, the
 24 waiver of the Belmont Unsecured Claim, any Causes of Action, if any exist, are hereby released
 25 and the Confirmation Order will specifically provide for such a release.

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X.

PLAN ADMINISTRATOR

A. Appointment of Plan Administrator.

The Plan Administrator will be nominated by Belmont, subject to any objection by any Holder of an Allowed Claim, and approved by the Bankruptcy Court. The Plan Administrator will be independent of the Debtor. Belmont will file a notice with the Bankruptcy Court on a date that is not less than ten (10) days prior to the Confirmation Hearing designating the Person who it has selected as Plan Administrator and seeking approval of such designation. The Person designated as Plan Administrator will file an affidavit demonstrating that such Person is disinterested as defined in Bankruptcy Code § 101(14). Notice of the selection will be given by Belmont to the Holders of Allowed Claims who will have five (5) days after the notice to file an objection to the selection of the Plan Administrator by Belmont. If any such objection is not resolved prior to the Confirmation Hearing, the Bankruptcy Court will determine whether Belmont’s selection should be approved. If approved by the Bankruptcy Court, the Person so designated will become the Plan Administrator on the Effective Date. The Plan Administrator will have and perform all of the duties, responsibilities, rights and obligations set forth in the Trust Agreement and in the Plan and Bankruptcy Code § 1123(b)(3).

B. Establishment of Trust.

On the Effective Date, the Trust and the Trust Agreement will be deemed effective without any further action by any party. The Trust Agreement will establish the Trust which will be a distinct legal entity from the Debtor. By virtue of the Plan and the Confirmation Order, as of the Effective Date, the Debtor will be deemed to transfer, assign and deliver all of the Estate’s right, title, and interest in and to the Trust Assets (excluding the Causes of Action and Retained Claims) to the Trust, which will consist of the Belmont Cash Collateral and the Belmont Plan Funding (or the Plan Administration Account, if those amounts are already contained in the Plan Administration Account). Upon the request of the Plan Administrator, the Debtor will execute

1 and deliver such other documentation deemed reasonably necessary by the Plan Administrator or
 2 its counsel to assure the proper transfer, assignment and delivery of title to the Trust Assets to the
 3 Trust. The Confirmation Order will also contain appropriate language transferring, assigning, and
 4 delivering title to the Trust Assets to the Trust and will further provide that such transfer,
 5 assignment and delivery will be effective without further action by any party.

6 **C. Irrevocable Trust.**

7 Any and all funds or assets in the Trust (including the Trust Assets) will be held in an
 8 irrevocable trust for Distribution to Holders of Allowed Claims. Such Distributions will be made
 9 in accordance with the procedures set forth in Article VI, Section D of the Plan and the terms of
 10 the Trust Agreement, and the Confirmation Order will contain appropriate language to that effect.
 11 Once funds or assets are deposited into the Trust, they will no longer be Property of the Debtor or
 12 any other Person and neither the Debtor nor any other Person will have any claim to said funds or
 13 assets; provided, however, that Belmont will be entitled to a refund of any Trust Assets remaining
 14 after full performance by the Plan Administrator under the Plan.

15 **D. Duties of Plan Administrator.**

16 The Plan Administrator will have the following duties under the Trust Agreement:

- 17 a. resolve any pending objections to Claims, and file or otherwise assert any
- 18 objections or adversary proceedings necessary or appropriate to resolve all
- 19 Disputed Claims;
- 20 b. make any required Distribution from the Trust to the Holders of Allowed
- 21 Claims, including Allowed Administrative Claims, in accordance with the
- 22 terms and provisions of the Plan and the Trust Agreement;
- 23 c. resolve and pay all fees and charges assessed against the Estate under
- 24 Chapter 123 of Title 28, United States Code, 28 U.S.C. §§ 1911-1930 from
- 25 the period from the Effective Date through the Final Decree date; and
- 26

1 d. such other duties as may be set forth in the Trust Agreement or elsewhere
 2 in the Plan.

3 The Trust Agreement will also provide for the Plan Administrator to perform duties
 4 commonly performed by, and have the powers commonly provided to, such administrators, as
 5 more specifically set forth in the Trust Agreement, including, among other things, obtaining tax
 6 identification number(s) for the Trust, preparing and filing appropriate federal and state tax
 7 returns for the Trust, opening bank accounts for the Trust, maintaining records pertaining to the
 8 beneficial interest of the Holders of all Allowed Claims in the Trust, and retaining professionals
 9 to represent the interests of the Trust. For purposes of performing all of the foregoing, as well as
 10 for purposes of prosecuting to conclusion objections to Claims and Trust actions only, the Plan
 11 Administrator will have hereunder the status of a representative of the Estate under 11 U.S.C. §
 12 1123(b)(3)(B). Until the Bankruptcy Case is closed, the Plan Administrator will submit any
 13 proposed actions or compromises to the Bankruptcy Court as required by the terms of the Trust
 14 Agreement, upon notice to the entities entitled to notice and such other parties as the Bankruptcy
 15 Court may direct (including any Holders of Allowed Claims who provide the Plan Administrator
 16 with written notice of their request to receive notice of such activities). The United States Trustee
 17 will not be required to supervise the Plan Administrator, but will have standing to seek removal of
 18 the Plan Administrator.

19 The Plan Administrator is authorized to retain such professionals of his/her choosing
 20 (including legal counsel) as may be necessary to perform his/her duties under the Plan.

21 **E. Expenses of the Trust.**

22 All costs and expenses associated with the administration of the Trust (including the
 23 expenses of the Plan Administrator and the Trust) will be the sole responsibility of and paid by
 24 the Trust. The income from the Trust Assets will first be used to pay such expenses and fees. To
 25 the extent such income is not sufficient to pay the expenses and fees, any excess Belmont Plan
 26 Funding will be used. Any fees and expenses not covered by the income from the Trust Assets

1 and the Belmont Plan Funding will be paid by Belmont but only subject to a budget approved by
2 Belmont in advance of incurring the fees and expenses.

3 **F. Investment of Funds.**

4 The Plan Administrator will invest the funds in the Trust; provided, however, that the
5 investment will only be in United States government securities with a maturity date of ninety (90)
6 days or less, money market funds or other similar short-term liquid investments. Any and all
7 interest earned on the funds in the Trust will be used first to pay the fees and expenses of the
8 Trust in accordance with Paragraph E above and thereafter will be added to the principal amount
9 of the funds in the Trust and will be available, together with the principal amount, for
10 Distributions in accordance with the provisions of the Plan.

11 **G. Federal Income Tax Treatment.**

12 For federal income tax purposes, it is intended that the Trust be classified as a liquidating
13 trust under Section 301.7701-4 of the Procedure and Administration Regulations and that such
14 Trust is owned by its beneficiaries. Accordingly, for federal income tax purposes, it is intended
15 that the beneficiaries (i.e., Holders of Allowed Claims) be treated as if they had received a
16 Distribution of an undivided interest in the Trust Assets and then contributed such interests to the
17 Trust.

18 **H. Termination of Trust.**

19 The Trust will terminate as provided in the Trust Agreement.

20 **XI.**

21 **EFFECTS OF CONFIRMATION**

22 **A. Binding Effect.**

23 The rights, benefits and obligations of any Person named or referred to in the Plan will be
24 binding upon, and will inure to the benefit of, the heir, executor, administrator, successor or
25 assign of such Person.
26

1 **B. No Discharge.**

2 Pursuant to Bankruptcy Code § 1141(d)(3), the Confirmation Order will not provide for
 3 any discharge, but the transfer of the Property will be free and clear of all Claims and
 4 membership Interests in the Debtor.

5 **C. Preservation and Vesting of Property and Retained Claims.**

6 Except as otherwise provided in the Plan or in the Confirmation Order, on the Effective
 7 Date, Belmont will be vested with all Property free and clear of all Claims, liens, encumbrances,
 8 Interests, charges and other interests of Creditors and Interest Holders, and Belmont will,
 9 thereafter, hold, use, dispose or otherwise deal with such Property, or operate its business, free of
 10 any restrictions imposed by the Bankruptcy Code or by the Court. All Retained Claims, including
 11 all Causes of Action, are hereby preserved in full for Belmont’s benefit. Furthermore, after the
 12 Effective Date, Belmont will own and retain, and may prosecute, enforce, compromise, settle,
 13 release, or otherwise dispose of, the Retained Claims. Belmont will also be entitled to assign
 14 such rights.

15 To the extent Belmont or its designee, SFI Raintree - Scottsdale LLC may take title to the
 16 Real Property and any other Assets prior to the Effective Date pursuant to Arizona law, any
 17 provisions herein that would otherwise accomplish such transfer will be stricken from the Plan.
 18 The remainder of the Plan will continue to be effective as drafted, or as otherwise provided in the
 19 Confirmation Order.

20 **D. Release of Security Interests and Claims.**

21 Except as otherwise specifically provided in or contemplated by the Plan, or in any Plan
 22 Document:

- 23 1. Turnover of Property Subject to Security Interests and Claims. Each Holder of:
 24 (a) any Secured Claim, including, without limitation, Claims for Real Property taxes; (b) any
 25 Claim that is purportedly secured; and/or (c) any judgment, personal property or ad valorem tax,
 26 mechanics’ or similar lien Claim, in each case regardless of whether such Claim is an Allowed

1 Claim, will, on or immediately before the Effective Date and regardless of whether such Claim
 2 has been scheduled or a Proof of Claim with respect to such Claim has been filed, turn over and
 3 release to Belmont any and all Property that secures or purportedly secures such Claim.

4 2. Release of Security Interests and Claims. Any such Security Interest or Claim will
 5 automatically, and without further action by Belmont, the Estate, or the Debtor, be deemed
 6 released; and each Holder of any such lien or Claim will, on or immediately before the Effective
 7 Date, execute such documents and instruments required to evidence such Claim Holder's release
 8 of such Property or lien, and if such Holder refuses to execute appropriate documents or
 9 instruments, the Plan Administrator or Belmont (as applicable) may, in their discretion, file a
 10 copy of the Confirmation Order in the appropriate recording office, which will serve to release
 11 any Claim Holder's rights in such Property.

12 3. Transfer of Title Free and Clear of Security Interests and Claims. On the Effective
 13 Date, except as otherwise provided herein, all right, title and interest in Property will revert or be
 14 transferred to Belmont free and clear of all Security Interests, Claims, and any other interests of
 15 any kind. This provision shall apply only to the extent such Property has not already been
 16 transferred to Belmont or SFI Raintree - Scottsdale LLC.

17 **E. Injunction.**

18 Except as otherwise expressly provided in the Plan or the Confirmation Order, as of the
 19 Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have
 20 held, hold or may hold Claims against or Interests in the Debtor or who assert rights in or against
 21 the Debtor or the Property, along with their respective present or former Insiders, employees,
 22 agents, officers, directors, principals or representatives are permanently enjoined, with respect to
 23 any such Claims, Interests or any rights asserted in or against any of the Property, as of the
 24 Confirmation Date but subject to the occurrence of the Effective Date, from (a) commencing,
 25 conducting or continuing in any manner, directly or indirectly, any suit, action or other
 26 proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral,

1 administrative or other forum) against or affecting the Debtor, the Estate, the Property, the Trust,
2 the Plan Administrator or any of their property, or any direct or indirect transferee of any property
3 of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of
4 any such transferee or successor; (b) enforcing, levying, attaching (including, without limitation,
5 any pre-judgment attachment), collecting or otherwise recovering by any manner or means,
6 whether directly or indirectly, any judgment, award, decree or order against the Debtor, the
7 Estate, the Trust, or the Plan Administrator or any of their property, or any direct or indirect
8 transferee of any property of, or direct or indirect successor in interest to, any of the foregoing
9 Persons, or any property of any such transferee or successor; (c) creating, perfecting or otherwise
10 enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor,
11 the Estate, the Trust, or the Plan Administrator or any of their property, or any direct or indirect
12 transferee of any property of, or successor in interest to, any of the foregoing Persons; (d) acting
13 or proceeding in any manner, in any place whatsoever, that does not conform to or comply with
14 the provisions of the Plan to the full extent permitted by applicable law, including asserting
15 Claims or Causes of Action against any Person released under the Plan; (e) taking any actions to
16 interfere with the implementation or consummation of the Plan; and (f) commencing or
17 continuing, in any manner or in any place, any action that does not comply with or is inconsistent
18 with the provisions of the Plan, such as commencing or continuing in any manner, any action or
19 other proceeding of any kind with respect to any Claims and Causes of Action which are
20 extinguished or released pursuant to the Plan; provided, however, that nothing contained herein
21 will preclude such Persons from exercising their rights pursuant to and consistent with the terms
22 of the Plan.

23 **F. Permanent Injunction Against Interference with Plan.**

24 Upon entry of the Confirmation Order, the Debtor and its members, managers, Insiders,
25 officers, directors, affiliates, and representatives will be permanently enjoined from taking any
26 action or engaging in any failure to act that could damage or otherwise impair the Property, or the

1 benefits that Holders of Claims, the Trust or its beneficiaries might realize therefrom, including,
2 but not limited to: (a) neglecting to repair or maintain any of the Property; (b) damaging any of
3 the Property; (c) transferring any Property, including Cash, to any Person or entity other than the
4 Trust or the Plan Administrator or their respective designee, unless authorized to do so in writing
5 by the Plan Administrator; (c) taking any action or engaging in any acts or omission which have
6 or may have the effect of de-valuing the Property, including, without limitation, creating poor
7 broker relations, disparaging the Property, the Trust, Belmont or the Plan Administrator or their
8 actions, or otherwise taking any action to interfere with, limit, or impair, the consummation and
9 effect of the Plan.

10 **G. Exculpation and Limitation of Belmont's Liability.**

11 Except as otherwise provided herein, as of the Effective Date, each and every Holder of a
12 Claim and every other party in interest and any of their respective agents, employees, officers,
13 directors, representatives, financial advisors, attorneys, or affiliates, or any of their successors or
14 assigns, will release, waive and discharge the Belmont Releasees from any and all Claims,
15 counterclaims, cross-claims, defenses, demands, damages, Causes of Action, costs and expenses
16 arising prior to the Effective Date in connection or arising out of the Reorganization Case, the
17 pursuit of confirmation of the Plan, or the administration, furtherance, or consummation of the
18 Plan or the Property to be distributed under the Plan, except for claims arising from any willful
19 misconduct of the Belmont Releasees; and in all respects Belmont will be entitled to reasonably
20 rely upon the advice of counsel with respect to its duties and responsibilities under the Plan or in
21 the context of the Reorganization Case. Belmont will not be deemed to have assumed any of the
22 Debtor's liabilities notwithstanding its payment as authorized herein of any such obligations. The
23 Belmont Releasees will not be held liable or otherwise responsible for any past or future act or
24 omission of the Debtor, or any of its respective Insiders members, managers, directors, officers,
25 agents, or employees. Similarly, to the extent not already released, the Debtor, and any agents,
26 managers, Insiders and affiliates thereof will release, waive and discharge the Belmont Releasees

1 from any and all Claims, counterclaims, cross-claims, defenses, demands, damages, Causes of
2 Action, costs and expenses arising prior to the Effective Date in connection or arising out of the
3 Reorganization Case, the pursuit of confirmation of the Plan, or the administration, furtherance,
4 or consummation of the Plan or the Property to be distributed under the Plan, except for those
5 arising from any willful and malicious tortious or criminal misconduct by the Belmont Releasees.
6 To the extent the Court determines that any provision of this release is inconsistent with
7 established judicial authority or the Bankruptcy Code, such release may be limited by the Court in
8 the Confirmation Order. Moreover, nothing herein will be deemed to create any relationship of
9 joint venture, partnership, or agency between Belmont and the Debtor, or any Holder of a Claim
10 or Interest.

11 XII.

12 MODIFICATION OF PLAN

13 The Plan may be modified by Belmont from time to time in accordance with, and pursuant
14 to Bankruptcy Code § 1127. The Plan may be modified by Belmont at any time before the
15 Confirmation Date, provided that the Plan, as modified, meets the requirements of Bankruptcy
16 Code §§ 1122 and 1123, and Belmont has complied with Bankruptcy Code § 1125. Each Holder
17 of a Claim that has accepted the Plan will be deemed to have accepted such Plan as modified if
18 the proposed alteration, amendment or modification does not adversely change the treatment of
19 the Claim of such Holder. Each Holder of a Claim that votes in favor of the Plan authorizes
20 Belmont to modify, at any time prior to the Effective Date and without the requirement of further
21 solicitation, the treatment provided to the Class of Claims such Claims are classified in, provided
22 that the Bankruptcy Court determines that such modification is not material.

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XIII.

RETENTION OF JURISDICTION

A. In General.

The Bankruptcy Court will retain jurisdiction to determine the allowance and payment of any Claims upon any objections thereto (or other appropriate proceedings) by Belmont or the Plan Administrator. As part of such retained jurisdiction, the Bankruptcy Court will continue to determine the allowance of Administrative Claims and any request for payment thereof, including Administrative Claims for professional charges. Provided, however, that to the extent any such matter does not stem from the Debtor’s Bankruptcy Case or would not necessarily be resolved in the Claims allowance process, the matter may be heard and decided by the federal District Court for the District of Arizona or a state court having jurisdiction over the matter, rather than the Bankruptcy Court, at Belmont's option. The foregoing applies whether or not such matters are designated as “core” proceedings pursuant to 28 U.S.C. § 157(b).

B. Plan Disputes, Interpretation, and Enforcement.

Subject to the limitations set forth in Section A above, the Bankruptcy Court will retain jurisdiction to determine any dispute which may arise regarding the interpretation of any provision of the Plan. The Bankruptcy Court will also retain jurisdiction to enforce any provisions of the Plan and any and all Plan Documents, including, but not limited to, any actions to enforce the discharge, releases and injunctions provided for in Articles VI and XI of the Plan. The Bankruptcy Court will also retain jurisdiction over any matter relating to the implementation, effectuation, and/or consummation of the Plan as expressly provided in any provision of the Plan.

C. Further Orders.

Subject to the limitations set forth in Section A above, the Bankruptcy Court will retain jurisdiction to facilitate the performance of the Plan by entering, consistent with the provisions of the Plan, any further necessary or appropriate order regarding enforcement of the Plan, the Plan Documents and any provisions thereof, and to protect Belmont, the Debtor, and the Plan

1 Administrator from actions prohibited under the Plan. The Bankruptcy Court will retain
 2 jurisdiction to facilitate or implement the allowance, disallowance, treatment, or satisfaction of
 3 any Claim, or any portion thereof, pursuant to the Plan to which an objection has not been filed
 4 prior to the Effective Date.

5 **D. Retained Claims.**

6 Subject to the limitations set forth in Section A above, the Bankruptcy Court will retain
 7 jurisdiction with respect to any Retained Claims.

8 **E. Preservation of Belmont’s Non-Debtor Claims.**

9 Notwithstanding anything to the contrary that may be contained herein, any unsatisfied
 10 portion of any Claim Belmont may hold against the Debtor will be waived as to the Debtor only,
 11 and only after Distribution is made on the Class 3 Claim in accordance with the procedures,
 12 terms, and conditions stated herein. Belmont’s rights to enforce any Claims it holds against
 13 Persons other than the Debtor are expressly preserved for Belmont’s benefit and nothing herein
 14 will be construed to waive or limit such Claims.

15 **F. Claims.**

16 Subject to the limitations set forth in Section A above, the Bankruptcy Court will retain
 17 jurisdiction: (a) to hear and determine any Claim or Cause of Action against the Debtor, the
 18 Debtor’s officers, officials, employees or representatives, and the Plan Administrator; (b) to
 19 adjudicate any Causes of Action or other proceeding currently pending or otherwise referenced
 20 here or elsewhere in the Plan, including, but not limited to, the adjudication of the Retained
 21 Claims, any Claim objections (whether to Administrative Claims or otherwise) and any and all
 22 “core proceedings” under 28 U.S.C. § 157(b) which may be pertinent to the Bankruptcy Case and
 23 which Belmont may deem appropriate to initiate and prosecute before the Bankruptcy Court in
 24 aid of the implementation of the Plan.

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1 **G. Issuance of Process.**

2 Subject to the limitations set forth in Section A above, the Bankruptcy Court will retain
3 jurisdiction to issue any process necessary or appropriate to facilitate the actions and powers of
4 the Plan Administrator, including, but not limited to, issuance of subpoenas to compel attendance
5 of witnesses, claimants, or other Persons at depositions, hearings and mediation as determined by
6 the Plan Administrator, in accordance with the terms of the Plan.

7 **H. Governmental Units or Regulatory Authorities.**

8 Subject to the limitations set forth in Section A above, the Bankruptcy Court will retain
9 jurisdiction to adjudicate any dispute or to hear and determine any action taken, proposed, or
10 threatened by any state, federal, or local governmental regulatory agency or unit having or
11 asserting jurisdiction or power over any transferee of estate assets, Property, or any Person
12 undertaking an action in furtherance of the Plan.

13 **I. Final Decree, Conversion, or Other Post-Confirmation Actions.**

14 The Bankruptcy Court will retain jurisdiction to enter an appropriate Final Decree,
15 conversion order, or dismissal order that the Plan Administrator may in its discretion request, in
16 the Reorganization Case. Notwithstanding the foregoing, nothing herein requires the Court to
17 enter an Final Decree, conversion order, or dismissal order that the Court determines to be
18 inappropriate after due and proper notice, hearing, and/or any other judicial proceeding thereon.

19 **J. Appeals.**

20 Subject to the limitations set forth in Section A above, in the event of an appeal of the
21 Confirmation Order or any other kind of review or challenge to the Confirmation Order, and
22 provided that no stay of the effectiveness of the Confirmation Order has been entered, the
23 Bankruptcy Court will retain jurisdiction to implement and enforce the Confirmation Order and
24 the Plan according to their terms, including, but not limited to, jurisdiction to enter such orders
25 regarding the Plan or the performance thereof as may be necessary to effectuate and consummate
26 the Plan.

1 **K. Executory Contracts.**

2 The Bankruptcy Court will retain jurisdiction to determine any and all motions regarding
3 assumption or rejection of Executory Contracts and any and all Claims arising therefrom.

4 **L. Modification of Plan.**

5 The Bankruptcy Court will retain jurisdiction to modify the Plan pursuant to the
6 provisions of the Plan.

7 **M. Failure of Court to Exercise Jurisdiction.**

8 If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is
9 otherwise without jurisdiction over any matter arising out of the Reorganization Case, including
10 matters set forth in this Article XIII, such lack of jurisdiction will not diminish, control, prohibit
11 or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect
12 to such matter.

13 **XIV.**

14 **GENERAL PROVISIONS**

15 **A. Governing Law.**

16 Unless otherwise provided herein, the Plan and any related matters will be governed by
17 and construed in accordance with the Bankruptcy Code as supplemented by Arizona law.

18 **B. Extension of Action or Distribution Dates.**

19 If any date on which a Distribution is to be made or an action is to be taken falls due on
20 any day which is not a Business Day, then such due date will be extended to the next Business
21 Day.

22 **C. Notices.**

23 Any notice required or permitted to be provided under the Plan will be in writing and
24 served by regular first class mail, electronic mail, overnight delivery, or hand-delivery.

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1 **D. Closing of the Case.**

2 If the Plan Administrator determines, in its discretion, to apply to the Court for a Final
3 Decree, the Plan Administrator may do so at such time as the Plan has been fully administered
4 and/or the Plan has been substantially consummated. The Plan Administrator will file an
5 application for Final Decree upon notice to only those Creditors, Holders of Interests, and parties
6 that, after the Effective Date, have specifically requested notice, after which an order approving
7 the Plan Administrator's final report and closing the Bankruptcy Case may be entered.

8 **E. Interest.**

9 Whenever interest is to be computed under the Plan, interest will be simple interest and
10 not compounded.

11 **F. Additional Assurances.**

12 Belmont, the Debtor, the Plan Administrator and the Creditors holding Claims herein will
13 execute such other further documents as are necessary to implement any of the provisions of the
14 Plan.

15 **G. Confirmation by Non-acceptance Method.**

16 Belmont hereby requests, if necessary, confirmation of the Plan pursuant to Bankruptcy
17 Code § 1129(b) with respect to any impaired Class of Claims which does not vote to accept the
18 Plan.

19 **H. Withdrawal of Plan.**

20 The Plan may be withdrawn or revoked prior to entry of the Confirmation Order in which
21 event the provisions of Article VIII, Section D will apply.

22 **I. Severability and Reformation.**

23 It is Belmont's intention to comply fully with the Bankruptcy Code and applicable non-
24 bankruptcy law in proposing the Plan. Therefore, if any provision of the Plan is determined by
25 the Bankruptcy Court to be contrary to the Bankruptcy Code or applicable non-bankruptcy law,
26 that provision will be deemed severed and automatically deleted from the Plan, if it cannot be

1 reformed or the provision or its interpretation will be deemed reformed to ensure compliance;
2 provided, however, that nothing contained in this Section will prevent Belmont from modifying
3 the Plan in any manner whatsoever in accordance with and as set forth in the Plan. Pursuant to
4 any ruling by the Bankruptcy Court regarding the subject matter of this Section, any such
5 severance or reformation will be stated specifically in the Confirmation Order, which then will
6 control notwithstanding any contrary or inconsistent provisions of the Plan.

7 **J. Fractional Dollars.**

8 Notwithstanding any other provision of the Plan, no payments or Distributions under the
9 Plan or on account of fractions of dollars will be made. When any payment or Distribution of or
10 on account of a fraction of a dollar to any Holder of an Allowed Claim would otherwise be
11 required, the actual payment or Distribution made will reflect a rounding of such fraction to the
12 nearest whole number (up or down).

13 **K. No Tax Withholding.**

14 No federal, state, or local income, capital gains, or other taxes will be deducted from
15 Distributions hereunder and no Person will be entitled to receive any additional Distribution as a
16 result of any such tax. Each Person receiving any Distribution, forgiveness of any debt, or
17 experiencing any other taxable event hereunder, will be solely responsible for payment of any
18 such taxes.

19 **L. Reservation of Rights.**

20 Except as expressly provided herein, the Plan will have no force or effect unless the
21 Confirmation Order is entered by the Bankruptcy Court and the Effective Date has occurred.
22 Neither the filing of the Plan, any statement or provision contained herein, or the taking of any
23 action by Belmont with respect to the Plan will be deemed to be an admission or waiver of any
24 rights of Belmont with respect to the Debtor, the Plan Administrator, the Holders of Claims, or
25 any other Person prior to the Effective Date.

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1 **M. No Professional Fees or Expenses Unless Allowed.**

2 No professional fees or expenses will be paid by the Debtor with respect to any Claim
 3 except as specified in the Plan or is Allowed by Final Order of the Court.

4 **N. Disclaimer and Exculpation of Belmont.**

5 In preparing the Plan, Belmont relied on information made available to it by the Debtor.
 6 Therefore, Belmont will not be liable or responsible for any liabilities or obligations of the Debtor
 7 not disclosed by the Debtor and as to which no Proof of Claim was filed, which Claims will be
 8 forever barred and discharged on the Effective Date.

9 **O. Section 1146 Exemption.**

10 Pursuant to Bankruptcy Code § 1146(c), any transfers of Property pursuant hereto will not
 11 be subject to any document, recording tax, stamp tax, conveyance fee, intangibles or similar tax,
 12 mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or other similar tax or
 13 governmental assessment in the United States, and the Confirmation Order will direct the
 14 appropriate state or local governmental officials or agents to forgo the collection of any such tax
 15 or governmental assessment and to accept for filing and recordation any of the foregoing
 16 instruments or other documents without the payment of any such tax or governmental assessment.

17 RESPECTFULLY SUBMITTED this 23rd day of November, 2011.

18
 19 QUARLES & BRADY LLP
 20 One South Church Avenue, Suite 1700
 Tucson, Arizona 85701

21
 22 By /s/ Susan G. Boswell

23 Susan G. Boswell
 Elizabeth S. Fella

24 Attorneys for SFI Belmont LLC, successor-in-
 25 interest to iStar FM Loans LLC