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9 UNITED STATES BANKRUPTCY COURT  
10 NORTHERN DISTRICT OF CALIFORNIA

11 In Re: Case No. 10-13730  
12 Superior Acquisitions, Inc. Chapter 11  
13 IDN 68-0145473

14 Debtor.

15 **DEBTOR'S PLAN OF REORGANIZATION**  
16 **(June 2, 2011)**

17 This Plan of Reorganization (hereinafter this "Plan") is proposed by Superior  
18 Acquisitions, Inc ("the debtor"). Through this Plan the debtor seeks to resolve and reorganize  
19 its financial affairs. Please refer to the accompanying Disclosure Statement for a discussion of  
20 the history, assets and liabilities, and for a summary and analysis of this Plan. All creditors are  
21 encouraged to consult the Disclosure Statement before voting to either accept or reject this Plan.

22  
23 Dated: June 2, 2011

*/s/ Michael C. Fallon*

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25 Michael C. Fallon  
26 Attorney for The Debtor  
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**I**

**Definitions**

The following terms when used in this Plan shall, unless the context otherwise requires, have the following meaning:

"Administrative Expense" shall mean those expenses described in Section 503 of the Bankruptcy Code.

"Allowed Claim" shall mean a claim (a) for which a proof of claim was timely file with the Court, or (b) scheduled in a list of creditors, or amendment thereto, prepared and filed with the Court pursuant to Rule 1007 of the Bankruptcy Rules of Procedure and not listed as disputed, contingent or unliquidated, and in either case as to which no objection has been filed or the claim is allowed by Final Order or deemed allowed by this Plan.

"Allowed Priority Claim" shall mean an allowed claim for which the holder asserts and is determined to be entitled to priority under Section 507 of the Bankruptcy Code.

"Allowed Secured Claim" shall mean an allowed claim that is secured by a valid lien on property of the Debtor. That portion of such claim exceeding the value of security held therefore shall be an Allowed Unsecured Claim.

"Allowed Unsecured Claim" shall mean any claim filed on or before the entry of an order confirming the debtor's plan which is not an allowed priority claim or an allowed secured claim.

"Bankruptcy Code" shall mean Title 11 of the United States Code and shall also include Sections 157, 158, 1334, 1408-1412, and 1452 of Title 28 of the United States Code.

"Bankruptcy Court" shall mean the United States Bankruptcy Court for the Northern District of California, Santa Rosa Division, or other court or forum as may be vested with original jurisdiction to confirm plans of reorganization under Chapter 11 of the Bankruptcy Code and to adjudicate matters with respect to such plans.

"Bar Date" shall mean the date established by the Bankruptcy Court for all creditors to file a Proof of Claim.

"C Street" shall mean the bare land, 2 C Street, Lakeport, California.

1           “Churn Creek” shall mean 2991 Churn Creek Road, Redding, California.

2           “Claim or Claims” shall mean a right to payment from the Debtor , which is evidenced  
3 by a timely filed proof of claim or application for payment which is allowed by the Court, or if a  
4 proof of claim is not filed, a right which otherwise appears in the applicable schedules of the  
5 Debtor and (1) is not listed as disputed, contingent or unliquidated, or (2) has been resolved by  
6 Final Order of the Court pursuant to the terms of the Plan.

7           "Confirmation" shall mean entry of an order by the Bankruptcy Court confirming this  
8 Plan.

9           “15895 Dam Road” shall mean 15895 Dam Road Ext, Clearlake, California.

10          "Debtor" or "Debtor-In-Possession" shall mean Superior Acquisitions, Inc.

11          "Effective Date" shall mean means the date the Order Confirming Plan becomes a Final  
12 Order.

13          "Estate" shall mean all of the Debtor’s now existing legal or equitable interests in any  
14 nonexempt tangible or intangible property, whether real or personal.

15          "Final Order" shall mean an order or judgment of a court of appropriate jurisdiction as  
16 to which (a) an appeal has affirmed the order, (b) an appeal of the order has been dismissed, ©  
17 the time for appeal has expired and a notice of appeal has not been filed timely.

18          “Hilltop Drive” shall mean 1153 Hilltop Drive, Redding, California.

19          “Highway 299" shall mean the office building, 43467 Hwy 299, Fall River Mills,  
20 California.

21          “Lake Drive” shall mean the office building, 14340 Lake Drive, Clearlake, California.

22          "Lien" shall mean any charge against or interest in property of the Estate to secure  
23 payment of a debt or performance of an obligation and includes, without limitation, any judicial  
24 lien, security interest, mortgage, deed of trust and statutory lien as defined in Section 101 of the  
25 Bankruptcy Code.

26          “Net Operating Profits” shall mean gross revenue less costs of operation.

27          “Parallel Drive” shall mean the office building, 965 Parallel Drive, Lakeport,  
28 California.

“Pearl Street” shall mean 14335 Pearl Street, Clearlake, California.

“Plan” shall mean the Plan of Reorganization in its present form, or as it may be amended, supplemented or modified.

“South Main Street” shall mean 370 South Main Street, Lakeport, California.

“15895 Dam Road” shall mean 15895 Dam Road Ext, Clearlake, California.

“15885 Dam Road” shall mean bare land in Development, 15885 Dam Road, Clearlake.

“6883 Old Highway 53” shall mean the bare land, 6883 Old Highway 53, Clearlake, California.

“7110 Old Highway 53” shall mean the bare land, 7110 Old Highway 53, Clearlake, California.

## II

## Introduction

This Plan designates 33 classes of Claims, other than administrative fees and expenses, claims of governmental units and wage claims which are unclassified, and it specifies which of those classes are impaired by the Plan and which classes are not impaired. The Plan provides the means for its implementation by vesting the assets of the Estate in the Debtor and providing for the payment of claims as provided in this Plan. The manner, amount, and timing of distributions to each creditor is determined by the provisions of the Plan. The provisions of the confirmed Plan bind the Debtor, and the creditors of the Debtor, whether or not they have accepted the Plan and whether or not they are impaired by the Plan. Distributions under the Plan are in exchange for, and in complete satisfaction of, existing Claims and will discharge and release all such Claims and Liens as against the Debtor, except as otherwise provided in the Plan. On and after the Effective Date, all holders of impaired Claims and Interests shall be precluded from asserting any Claim against the Debtor or his property based on any transaction or other activity of any kind that occurred prior to commencement of the case, except as otherwise provided for under this Plan.

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### III

#### Classification of Claims and Interests

The following is a designation of the classes of claims and the class of interests provided for in this Plan. Administrative claims, priority tax claims, and priority wages claims of the kinds specified in Bankruptcy Code § 507(a)(2) and §507(a)(8) respectively, have not been classified and are excluded from the following classes in accordance with the provisions of §1123(a)(1) of the Bankruptcy Code. A claim or interest shall be deemed classified in a different class to the extent that any remainder of the claim or interest qualifies within the description of such different class. A claim is in a particular class only to the extent that the claim is an Allowed Claim in that class.

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|----------|--|
| Class 1  | Lake County Tax Collector (7110 Old Hwy 53)  |
| Class 2  | Lake County Tax Collector (15895 Dam Road)   |
| Class 3  | Premier West Bank (15895 Dam Road)           |
| Class 4  | Larry Moss (15895 Dam Road)                  |
| Class 5  | Premier West Bank (15895 Dam Road)           |
| Class 6  | Lake County Tax Collector (6883 Old Hwy 53)  |
| Class 7  | First Community Bank (6883 Old Hwy 53)       |
| Class 8  | Village Properties (6883 Old Hwy 53)         |
| Class 9  | Lake County Tax Collector (Parallel Drive)   |
| Class 10 | DRMG (Parallel Drive)                        |
| Class 11 | Bay Sierra (Parallel Drive)                  |
| Class 12 | Lake County Tax Collector (C Street)         |
| Class 13 | Premier West Bank (C Street)                 |
| Class 14 | RC Pacific (C Street)                        |
| Class 15 | Shasta County Tax Collector (43467 Hwy 299)  |
| Class 16 | DRMG (43467 Hwy 299)                         |
| Class 17 | Bay Sierra (43467 Hwy 299)                   |
| Class 18 | Shasta County Tax Collector (Hill Top Drive) |

1 Class 19 DRMG (Hill Top Drive)  
2 Class 20 Shasta County Tax Collector (Churn Creek)  
3 Class 21 DRMG (Churn Creek)  
4 Class 22 Lake County Tax Collector (South Main Street)  
5 Class 23 DRMG (South Main Street)  
6 Class 24 Larry Moss (South Main Street)  
7 Class 25 Jim Berger (South Main Street)  
8 Class 26 Lake County Tax Collector (Lake Drive)  
9 Class 27 WestAmerica Bank (Lake Drive)  
10 Class 28 Larry Moss (Lake Drive)  
11 Class 29 Lake County Tax Collector (Pearl Street)  
12 Class 30 WestAmerica Bank (Pearl Street)  
13 Class 31 Larry Moss (Pearl Street)  
14 Class 32 General Unsecured Creditors  
15 Class 33 Barry Johnson

#### 16 IV

#### 17 Treatment and Provision for Non-Classified Claims

18 Each holder of a Non-Classified Claim of the kind specified in § 507(a)(1) and (a)(8) of  
19 the Bankruptcy Code, not otherwise separately classified herein, and the Office of the United  
20 States Trustee, shall receive on account of such claim cash equal to the allowed amount of such  
21 claim, unless such holder shall have agreed to a less favorable treatment. Payments shall be  
22 distributed on the later of the following dates:

23 (1) The Effective Date; or

24 (2) As soon as practical after the order allowing the claim becomes a Final Order, if the  
25 claim is disputed or if applicable provisions of the Bankruptcy Code otherwise require  
26 Bankruptcy Court approval.

27 Payments on account of the Office of the Internal Revenue Service and the State of  
28 California, if any, shall be paid in full, plus statutory interest, in sixty (60) equal monthly

installments commencing the 15<sup>th</sup> day of the first month following the Effective Date, and continuing on the 15<sup>th</sup> day of each month thereafter until paid in full.

## **V**

### **Treatment and Provision for Each Class of Claims**

Each class of Claims or interests shall be dealt with in the manner set forth below.

#### **Unimpaired Classes:**

Class 33: Barry Johnson. Barry Johnson shall retain his interest in Superior Acquisitions.

#### **Impaired Classes**

Class 1. Lake County Tax Collector (7110 Old Hwy 53). The delinquent real property taxes, if any, shall be paid in sixty (60) equal monthly installments commencing on the first day of the first full month following the Effective Date and continuing on the first day of each month thereafter until paid in full. Payments shall include interest at the statutory rate under 11 U.S.C. §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Lake County Tax Collector shall retain its lien until the entire sum is paid in full.

Class 2. Lake County tax Collector (15895 Dam Road). The delinquent real property taxes, if any, shall be paid in sixty (60) equal monthly installments commencing on the first day of the first full month following the Effective Date and continuing on the first day of each month thereafter until paid in full. Payments shall include interest at the statutory rate under 11 U.S.C. §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Lake County Tax Collector shall retain its lien until the entire sum is paid in full.

Class 3. Premier West Bank (15895 Dam Road). Premier West Bank shall have an Allowed Secured Claim in the amount of \$629,000 that shall be paid on the terms set forth in an Addendum to Promissory Note and Security Agreement that shall provide:

In installments as herein stated, for value received, Superior Acquisitions promises to pay to Premier West Bank, or order, at a place that may be designated by Beneficiary, the sum of \$629,000 together with interest on the unpaid principal at the rate of Four and 25/00 percent (4.25%) per annum amortized over thirty (30) years with a due date eight-four (84) months after the Effective Date. Payments shall be in the amount of \$3,074.30 and shall commence the first month following the Effective Date and continue monthly thereafter until the new maturity date when all of the outstanding amounts due

1       herein are to be paid in full. Interest shall be calculated on a 365 day year. Each  
2       payment shall be credited first on interest then due and the remainder on  
3       principal.

4       The debtor shall maintain insurance upon, and be responsible for and pay timely all  
5       insurance premiums that are required to protect Premier West Bank's interest. The debtor shall  
6       be responsible for and pay timely and in full all property taxes. Any failure by the debtor  
7       regarding his responsibilities as to the maintenance of insurance upon and payment of property  
8       taxes shall be a default under the Plan. Premier West Bank shall retain its lien until paid in full  
9       as provided in this Plan and the modified Promissory Note and Security Agreement.

10       Class 4. Larry Moss (15895 Dam Road). Larry Moss shall have an Allowed Secured  
11       Claim in the amount of \$100,000 that shall be paid on the terms set forth in an Addendum to  
12       Promissory Note and Security Agreement that shall provide:

13       In installments as herein stated, for value received, Superior Acquisitions  
14       promises to pay to Larry Moss, or order, at a place that may be designated by  
15       Beneficiary, the sum of \$100,000 together with interest on the unpaid principal  
16       at the rate of Four and 25/100 percent (4.25%) per annum amortized over thirty  
17       (30) years with a due date eight-four (84) months after the Effective Date.  
18       Payments shall be in the amount of \$491.94 and shall commence the first month  
19       following the Effective Date and continue monthly thereafter until the new  
20       maturity date when all of the outstanding amounts due herein are to be paid in  
21       full. Interest shall be calculated on a 365 day year. Each payment shall be  
22       credited first on interest then due and the remainder on principal.

23       The debtor shall maintain insurance upon, and be responsible for and pay timely all  
24       insurance premiums that are required to protect Larry Moss's interest. The debtor shall be  
25       responsible for and pay timely and in full all property taxes. Any failure by the debtor  
26       regarding his responsibilities as to the maintenance of insurance upon and payment of property  
27       taxes shall be a default under the Plan. Larry Moss shall retain his lien until paid in full as  
28       provided in this Plan and the modified Promissory Note and Security Agreement.

29       In addition to the payment of the Allowed Secured Claim as provided herein, the debtor  
30       shall turn over to Larry Moss one-half of the rental income from 15895 Dam Road after the  
31       payment of the Class 3 claim.

32       Class 5. Premier West Bank (15895 Dam Road). The third deed of trust that secures this  
33       loan will be transferred to a parcel to be created pursuant to an agreement amongst the Premier  
34       West Bank and co-owners Larry Moss and the debtor. When the deed of trust transfers the



debtor will either surrender the property to Premier West Bank or the debtor will pay the obligation on terms mutually acceptable to the parties.

Class 6. Lake County Tax Collector (6883 Old Hwy 53). The delinquent real property taxes, if any, shall be paid in sixty (60) equal monthly installments commencing on the first day of the first full month following the Effective Date and continuing on the first day of each month thereafter until paid in full. Payments shall include interest at the statutory rate under 11 U.S.C. §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Lake County Tax Collector shall retain its lien until the entire sum is paid in full.

Class 7. First Community Bank (6883 Old Hwy 53). The Class 7 claimant First Community Bank ("First Community Bank") shall retain its existing liens on Debtor's real property collateral in accordance with First Community Bank's existing Deeds of Trust, recorded in the Official Records of Sonoma County, on the real property located at: (1) 6883 Old Highway 53, Clearlake, California 95422 having APN 010-043-040, 010-043-41, and 010-043-42 ("6883 Old Hwy 53"); and (2) 7110 Old Redwood Highway 53, Clearlake, California 95422 having APN 010-043-290 ("7110 Old Highway 53") (collectively, the "Collateral"). First Community Bank shall also retain all of its rights against the guarantors of Debtor's notes in accordance with its existing personal guarantees.

**Loan 1 (First Community Bank Loan Number \*\*\*\* \*566 00):**

Upon confirmation of the Plan, the principal amount of the Loan 1 debt shall be \$218,475.02. All pre-confirmation defaults on Loan 1 shall be cured by execution of a Change in Terms Agreement by Debtor consistent with this plan and payment of a \$250.00 fee. Under the Change in Terms Agreement, at maturity of the Loan, the Debtor shall be responsible for payment of a Yield Deferral Fee and all accrued and unpaid interest on the Loan. By adding the amount of accrued interest as of May 27, 2011, the current Yield Deferral Fee, and the \$250.00 fee to the principal balance of Loan 1, the amount of the Class 7 claim on Loan 1 as of May 27, 2011 shall be \$269,331.67 (the "Class 7-1 Claim"). Interest, late charges, fees, and legal fees shall continue to accrue until confirmation of the Plan, such that the foregoing amount will increase if the Plan is not confirmed on May 27, 2011. As of confirmation of the plan, First

1 Community Bank is fully secured in that it holds an allowed secured claim for the full amount  
2 of the Class 7-1 Claim.

3 The interest rate applicable to Loan 1 will be changed to 4.69% effective upon plan  
4 confirmation. The Yield Deferral Fee shall be calculated based on the difference between the  
5 current interest rate on the loan of 8% and the reduced interested rate of 4.69%. The Line of  
6 Credit in the Loan Documents shall be terminated.

7 First Community Bank shall be paid regular monthly payments of all accrued unpaid  
8 interest due as of each payment date beginning on or before the first day of every month  
9 commencing on the first day of the month following confirmation of the Plan. The Class 7-1  
10 Claim shall also continue to be subject to late charges, fees and legal fees as provided in the  
11 Loan Documents between First Community Bank and Debtor. The maturity date of the Class 7-  
12 1 Claim shall be modified, such that the Class 7-1 Claim shall be due and payable in full three  
13 years from the first day of the month following confirmation of the Plan. At maturity, Debtor  
14 will pay the remaining balance in full or seek to refinance the loan for an additional term. First  
15 Community Bank shall credit all payments received by the Debtor first against accrued interest  
16 on the Class 7-1 Claim, then against the Yield Deferral Fee, and then against principal on the  
17 Class 7-1 Claim.

18 Within ten (10) days of confirmation of the Plan, the Debtor shall enter into a Change in  
19 Terms Agreement with First Community Bank which reflects the terms herein, including, but  
20 not limited to, the new principal debt, maturity date, interest rate, payment terms and deadlines  
21 for the Class 7-1 Claim. Except as modified herein, all other terms of the Loan Agreements  
22 between First Community Bank and Debtor shall remain in full force and effect.

23 If the Debtor does not make the monthly interest payment due on the Class 7-1 Claim by  
24 the first day of any month following the confirmation of the Plan, First Community Bank may  
25 take one or more of the following actions without further order of the United States bankruptcy  
26 court: (1) give notice to the Debtor of its election to accelerate the balance then remaining,  
27 declaring the same to be immediately due and payable, (2) enforce all Collateral rights,  
28 including, but not limited to, foreclosure on the Collateral, (3) initiate a collection or judicial

1 foreclosure action in any court of competent jurisdiction, (4) any and all other remedies  
2 provided under the Loan Documents between First Community Bank and Debtor, California  
3 law, or United States bankruptcy law. Should the Debtor file a subsequent bankruptcy action,  
4 the Debtor agrees to stipulate to lift the stay over First Community Bank's Collateral, so that  
5 First Community Bank can foreclose on the Collateral.

6 **Loan 2 (First Community Bank Loan Number \*\*\*\* \*100 07):**

7 Upon confirmation of the Plan, the principal amount of the Loan 2 debt shall be  
8 \$75,000.00. All pre-confirmation defaults on Loan 2 shall be cured by execution of a Change in  
9 Terms Agreement by Debtor consistent with this plan and payment of a \$250.00 fee. Under the  
10 Change in Terms Agreement, at maturity of the Loan, the Debtor shall be responsible for  
11 payment of a Yield Deferral Fee and all accrued and unpaid interest on the Loan. By adding the  
12 amount of accrued interest as of May 27, 2011, the current Yield Deferral Fee, and the \$250.00  
13 fee to the principal balance of Loan 2, the amount of the Class 7 claim on Loan 2 as of May 27,  
14 2011 shall be \$93,945.37 (the "Class 7-2 Claim"). Interest, late charges, fees, and legal fees  
15 shall continue to accrue until confirmation of the Plan, such that the foregoing amount will  
16 increase if the Plan is not confirmed on May 27, 2011. As of the confirmation of the plan, First  
17 Community Bank is fully secured in that it holds an allowed secured claim for the full amount  
18 of the Class 7-2 Claim.

19 The interest rate applicable to Loan 2 will be changed to 4.69% effective upon plan  
20 confirmation. The Yield Deferral Fee shall be calculated based on the difference between the  
21 current interest rate on the loan of 8% and the reduced interested rate of 4.69%.

22 First Community Bank shall be paid regular monthly payments of all accrued unpaid  
23 interest due as of each payment date beginning on or before the first day of every month  
24 commencing on the first day of the month following confirmation of the Plan. The Class 7-2  
25 Claim shall also continue to be subject to late charges, fees and legal fees as provided in the  
26 Loan Documents between First Community Bank and Debtor. The maturity date of the Class 7-  
27 2 Claim shall be modified, such that the Class 7-2 Claim shall be due and payable in full three  
28 years from the first day of the month following confirmation of the Plan. At maturity, Debtor

1 will pay the remaining balance in full or seek to refinance the loan for an additional term. First  
2 Community Bank shall credit all payments received by the Debtor first against accrued interest  
3 on the Class 7-2 Claim, then against the Yield Deferral Fee, and then against principal on the  
4 Class 7-2 Claim.

5 Within ten (10) days of confirmation of the Plan, the Debtor shall enter into a Change in  
6 Terms Agreement with First Community Bank which reflects the terms herein, including, but  
7 not limited to, the new principal debt, maturity date, interest rate, payment terms and deadlines  
8 for the Class 7-2 Claim. Except as modified herein, all other terms of the Loan Agreements  
9 between First Community Bank and Debtor shall remain in full force and effect.

10 If the Debtor does not make the monthly interest payment due on the Class 7-2 Claim by  
11 the first day of any month following the confirmation of the Plan, First Community Bank may  
12 take one or more of the following actions without further order of the United States bankruptcy  
13 court: (1) give notice to the Debtor of its election to accelerate the balance then remaining,  
14 declaring the same to be immediately due and payable, (2) enforce all Collateral rights,  
15 including, but not limited to, foreclosure on the Collateral, (3) initiate a collection or judicial  
16 foreclosure action in any court of competent jurisdiction, (4) any and all other remedies  
17 provided under the Loan Documents between First Community Bank and Debtor, California  
18 law, or United States bankruptcy law. Should the Debtor file a subsequent bankruptcy action,  
19 the Debtor agrees to stipulate to lift the stay over First Community Bank's Collateral, so that  
20 First Community Bank can foreclose on the Collateral.

21 **Loan 3 (First Community Bank Loan Number \*\*\*\* \*321 00):**

22 Upon confirmation of the Plan, the principal amount of the Loan 3 debt shall be  
23 \$2,025,000. All pre-confirmation defaults on Loan 3 shall be cured by execution of a Change  
24 In Terms Agreement by Debtor consistent with this plan and payment of a \$250.00 fee. Under  
25 the Change in Terms Agreement, at maturity of the Loan, the Debtor shall be responsible for  
26 payment of a Yield Deferral Fee and all accrued and unpaid interest on the Loan. By adding the  
27 amount of accrued interest as of May 27, 2011, the current Yield Deferral Fee, and the \$250.00  
28 fee to the principal balance of Loan 3, the amount of the Class 7 claim on Loan 3 as of May 27,

1 2011 shall be \$2,572,202.15 (the "Class 7-3 Claim"). Interest, late charges, fees, and legal fees  
2 shall continue to accrue until confirmation of the Plan, such that the foregoing amount will  
3 increase if the Plan is not confirmed on May 27, 2011. As of the confirmation of the plan, First  
4 Community Bank is fully secured in that it holds an allowed secured claim for the full amount  
5 of the Class 7-3 Claim.

6 The interest rate applicable to Loan 3 will be changed to 4.69% effective upon plan  
7 confirmation. The Yield Deferral Fee shall be calculated based on the difference between the  
8 current interest rate on the loan of 8% and the reduced interested rate of 4.69%.

9 First Community Bank shall be paid regular monthly payments of all accrued unpaid  
10 interest due as of each payment date beginning on or before the first day of every month  
11 commencing on the first day of the month following confirmation of the Plan. The Class 7-3  
12 Claim shall also continue to be subject to late charges, fees and legal fees as provided in the  
13 Loan Documents between First Community Bank and Debtor. The maturity date of the Class 7-  
14 3 Claim shall be modified, such that the Class 7-3 Claim shall be due and payable in full three  
15 years from the first day of the month following confirmation of the Plan. At maturity, Debtor  
16 will pay the remaining balance in full or seek to refinance the loan for an additional term. First  
17 Community Bank shall credit all payments received by the Debtor first against accrued interest  
18 on the Class 7-3 Claim, then against the Yield Deferral Fee, and then against principal on the  
19 Class 7-3 Claim.

20 Within ten (10) days of confirmation of the Plan, the Debtor shall enter into a Change in  
21 Terms Agreement with First Community Bank which reflects the terms herein, including, but  
22 not limited to, the new principal debt, maturity date, interest rate, payment terms and deadlines  
23 for the Class 7-3 Claim. Except as modified herein, all other terms of the Loan Agreements  
24 between First Community Bank and Debtor shall remain in full force and effect.

25 If the Debtor does not make the monthly interest payment due on the Class 7-3 Claim by  
26 the first day of any month following the confirmation of the Plan, First Community Bank may  
27 take one or more of the following actions without further order of the United States bankruptcy  
28 court: (1) give notice to the Debtor of its election to accelerate the balance then remaining,

1 declaring the same to be immediately due and payable, (2) enforce all Collateral rights,  
2 including, but not limited to, foreclosure on the Collateral, (3) initiate a collection or judicial  
3 foreclosure action in any court of competent jurisdiction, (4) any and all other remedies  
4 provided under the Loan Documents between First Community Bank and Debtor, California  
5 law, or United States bankruptcy law. Should the Debtor file a subsequent bankruptcy action,  
6 the Debtor agrees to stipulate to lift the stay over First Community Bank's Collateral, so that  
7 First Community Bank can foreclose on the Collateral.

8 Class 8. Village Properties (6883 Old Hwy 53). The debtor shall pay Village Properties  
9 in full together with six percent (6.0%) interest amortized over thirty (30) years that shall be due  
10 and payable in full three years from the first day of the month following confirmation of the  
11 Plan. However, if there is insufficient cash flow from the collateral, interest shall accrue and be  
12 due and payable on the new maturity date. Village Properties shall retain its lien until paid in  
13 full as provided in this Plan and the modified Promissory Note and Security Agreement.

14 Class 9. Lake County Tax Collector (Parallel Drive). The delinquent real property taxes,  
15 if any, shall be paid in sixty (60) equal monthly installments commencing on the first day of the  
16 first full month following the Effective Date and continuing on the first day of each month  
17 thereafter until paid in full. Payments shall include interest at the statutory rate under 11 U.S.C.  
18 §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Lake County  
19 Tax Collector shall retain its lien until the entire sum is paid in full.

20 Class 10. DRMG (Parallel Drive). DRMG shall have an Allowed Secured Claim in  
21 the amount of \$990,000 that shall be paid on the terms set forth in an Addendum to Promissory  
22 Note and Security Agreement that shall provide:

23 In installments as herein stated, for value received, Superior Acquisitions  
24 promises to pay to DRMG, or order, at a place that may be designated by  
25 Beneficiary, the sum of \$990,000 together with interest on the unpaid principal  
26 at the rate of Four and 25/100 percent (4.25%) per annum amortized over thirty  
27 (30) years with a due date eight-four (84) months after the Effective Date.  
28 Payments shall be in the amount of \$4,870 and shall commence the first day of  
the first month following the Effective Date and continue monthly thereafter  
until the new maturity date when all of the outstanding amounts due herein are to  
be paid in full. Interest shall be calculated on a 365 day year. Each payment  
shall be credited first on interest then due and the remainder on principal.

The debtor shall maintain insurance upon, and be responsible for and pay timely all

1 insurance premiums that are required to protect DRMG's interest. The debtor shall be  
2 responsible for and pay timely and in full all property taxes. Any failure by the debtor  
3 regarding his responsibilities as to the maintenance of insurance upon and payment of property  
4 taxes shall be a default under the Plan. DRMG shall retain its lien until paid in full as provided  
5 in this Plan and the modified Promissory Note and Security Agreement.

6 Class 11. Bay Sierra (Parallel Drive). Bay Sierra shall have an Allowed Secured Claim  
7 in the amount of \$500,000, with the balance of its claim paid as a class 32 claim general  
8 unsecured claim, that shall be paid on the terms set forth in an Addendum to Promissory Note  
9 and Security Agreement that shall provide:

10 In installments as herein stated, for value received, Superior Acquisitions  
11 promises to pay to Bay Sierra, or order, at a place that may be designated by  
12 Beneficiary, the sum of \$500,000, together with interest on the unpaid principal  
13 at the rate of two and 42/100 percent (2.42%) amortized over 15 years but all  
14 due and payable the first day of the 85<sup>th</sup> month following the Effective Date.  
The payments shall be \$3,315 per month and shall commence the first day of  
the first month following the Effective Date and continuing monthly thereafter  
until the new maturity date. Interest shall be calculated on a 365 day year.  
Each payment shall be credited first on interest then due and the remainder on  
principal.

15 Bay Sierra or its designee shall collect all rents or profits. From the rents or profits, Bay  
16 Sierra will make the payments to DRMG, Bay Sierra and the other property expenses such as  
17 maintenance, real property taxes and insurance.

18 Bay Sierra shall retain its lien until paid in full as provided in this Plan and the modified  
19 Promissory Note and Security Agreement.

20 Class 12. Lake County Tax Collector (C Street). The delinquent real property taxes, if  
21 any, shall be paid in sixty (60) equal monthly installments commencing on the first day of the  
22 first full month following the Effective Date and continuing on the first day of each month  
23 thereafter until paid in full. Payments shall include interest at the statutory rate under 11 U.S.C.  
24 §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Lake County  
25 Tax Collector shall retain its lien until the entire sum is paid in full.

26 Class 13. Premier West Bank (C Street) Premier West Bank shall have an Allowed  
27 Secured Claim in the amount of \$485,000 that shall be paid on the terms set forth in an  
28 Addendum to Promissory Note and Security Agreement that shall provide:



1 In installments as herein stated, for value received, Superior Acquisitions  
2 promises to pay to Premier West Bank, or order, at a place that may be  
3 designated by Beneficiary, the sum of \$485,000 together with interest on the  
4 unpaid principal at the rate of Four and 25/00 (4.25%) per annum amortized over  
5 thirty (30) years with a due date eight-four (84) months after the Effective Date.  
6 Payments shall be in the amount of \$2,385.91 and shall commence the first  
7 month following the Effective Date and continue monthly thereafter until the  
8 new maturity date when all of the outstanding amounts due herein are to be paid  
9 in full. Interest shall be calculated on a 365 day year. Each payment shall be  
10 credited first on interest then due and the remainder on principal.

11 The debtor shall maintain insurance upon, and be responsible for and pay timely all  
12 insurance premiums that are required to protect Premier West Bank's interest. The debtor shall  
13 be responsible for and pay timely and in full all property taxes. Any failure by the debtor  
14 regarding his responsibilities as to the maintenance of insurance upon and payment of property  
15 taxes shall be a default under the Plan. Premier West Bank shall retain its lien until paid in full  
16 as provided in this Plan and the modified Promissory Note and Security Agreement.

17 Class 14. RC Pacific (C Street). RC Pacific shall have an Allowed Secured Claim in the  
18 amount of \$92,000 that shall be paid on the terms set forth in an Addendum to Promissory Note  
19 and Security Agreement that shall provide:

20 In installments as herein stated, for value received, Superior Acquisitions  
21 promises to pay to RC Pacific, or order, at a place that may be designated by  
22 Beneficiary, the sum of \$92,000 together with interest on the unpaid principal at  
23 the rate of Four and 25/00 percent (4.25%) per annum amortized over thirty (30)  
24 years with a due date eight-four (84) months after the Effective Date. Payments  
25 shall be in the amount of \$452.58 and shall commence the first month following  
26 the Effective Date and continue monthly thereafter until the new maturity date  
27 when all of the outstanding amounts due herein are to be paid in full. Interest  
28 shall be calculated on a 365 day year. Each payment shall be credited first on  
interest then due and the remainder on principal.

The debtor shall maintain insurance upon, and be responsible for and pay timely all  
insurance premiums that are required to protect RC Pacific's interest. The debtor shall be  
responsible for and pay timely and in full all property taxes. Any failure by the debtor  
regarding his responsibilities as to the maintenance of insurance upon and payment of property  
taxes shall be a default under the Plan. RC Pacific shall retain its lien until paid in full as  
provided in this Plan and the modified Promissory Note and Security Agreement.

Class 15. Shasta County Tax Collector (43467 Hwy 299). The delinquent real property  
taxes, if any, shall be paid in sixty (60) equal monthly installments commencing on the first day



1 of the first full month following the Effective Date and continuing on the first day of each  
2 month thereafter until paid in full. Payments shall include interest at the statutory rate under 11  
3 U.S.C. §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Shasta  
4 County Tax Collector shall retain its lien until the entire sum is paid in full.

5 Class 16. DRMG (43467 Hwy 299). DRMG shall have an Allowed Secured Claim  
6 in the amount of \$465,000, with the balance of the claim paid as a class that shall be paid on the  
7 terms set forth in an Addendum to Promissory Note and Security Agreement that shall provide:

8 In installments as herein stated, for value received, Superior Acquisitions  
9 promises to pay to DRMG, or order, at a place that may be designated by  
10 Beneficiary, the sum of \$465,000, together with interest on the unpaid principal  
11 at the rate of Four and 25/100 percent (4.25%) per annum amortized over thirty  
12 (30) years with a due date of the first day of the 85<sup>th</sup> month following the  
13 Effective Date. Payments shall be in the amount of \$2,287.52 and shall  
commence the first month following the Effective Date and continue monthly  
thereafter until the new maturity date when all of the outstanding amounts due  
herein are to be paid in full. Interest shall be calculated on a 365 day year. Each  
payment shall be credited first on interest then due and the remainder on  
principal.

14 The debtor shall maintain insurance upon, and be responsible for and pay timely all  
15 insurance premiums that are required to protect DRMG's interest. The debtor shall be  
16 responsible for and pay timely and in full all property taxes. Any failure by the debtor  
17 regarding his responsibilities as to the maintenance of insurance upon and payment of property  
18 taxes shall be a default under the Plan. DRMG shall retain its lien until paid in full as provided  
19 in this Plan and the modified Promissory Note and Security Agreement.

20 Class 17. Bay Sierra (43467 Hwy 299). Bay Sierra shall have an Allowed Secured  
21 Claim in the amount of \$250,000, with the balance of the claim to be paid as class 32 general  
22 unsecured claim, that shall be paid on the terms set forth in an Addendum to Promissory Note  
23 and Security Agreement that shall provide:

24 In installments as herein stated, for value received, Superior Acquisitions  
25 promises to pay to Bay Sierra, or order, at a place that may be designated by  
26 Beneficiary, the sum of \$250,000 together with interest on the unpaid principal  
27 at the rate of two and 42/100 percent (2.42%) per annum amortized over 15 years,  
all due and payable on the first day of the 85<sup>th</sup> month following the Effective  
Date. The payment shall be \$1,657 per month with the payment to commence  
the first day of the first month following the Effective Date and continuing  
monthly thereafter until the new maturity date. Each payment shall be credited  
first on interest then due and the remainder on principal.

1 Bay Sierra or its designee shall collect all rents or profits. From the rents or profits, Bay  
2 Sierra will make the payments to DRMG, Bay Sierra and the other property expenses such as  
3 maintenance, real property taxes and insurance.

4 Bay Sierra shall retain its lien until paid in full as provided in this Plan and the modified  
5 Promissory Note and Security Agreement.

6 Class 18. Shasta County Tax Collector (Hill Top Drive). The delinquent real property  
7 taxes, if any, shall be paid in sixty (60) equal monthly installments commencing on the first day  
8 of the first full month following the Effective Date and continuing on the first day of each  
9 month thereafter until paid in full. Payments shall include interest at the statutory rate under 11  
10 U.S.C. §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Shasta  
11 County Tax Collector shall retain its lien until the entire sum is paid in full.

12 Class 19. DRMG (Hill Top Drive). DRMG shall have an Allowed Secured Claim in  
13 the amount of \$72,000 that shall be paid on the terms set forth in an Addendum to Promissory  
14 Note and Security Agreement that shall provide:

15 In installments as herein stated, for value received, Superior Acquisitions  
16 promises to pay to DRMG, or order, at a place that may be designated by  
17 Beneficiary, the sum of \$72,000 together with interest on the unpaid principal at  
18 the rate of Four and 25/100 percent (4.25%) per annum amortized over thirty (30)  
19 years with a due date eight-four (84) months after the Effective Date. Payments  
20 shall be in the amount of \$354.20 and shall commence the first month following  
21 the Effective Date and continue monthly thereafter until the new maturity date  
22 when all of the outstanding amounts due herein are to be paid in full. Interest  
23 shall be calculated on a 365 day year. Each payment shall be credited first on  
24 interest then due and the remainder on principal.

25 The debtor shall maintain insurance upon, and be responsible for and pay timely all  
26 insurance premiums that are required to protect DRMG's interest. The debtor shall be  
27 responsible for and pay timely and in full all property taxes. Any failure by the debtor  
28 regarding his responsibilities as to the maintenance of insurance upon and payment of property  
29 taxes shall be a default under the Plan. DRMG shall retain its lien until paid in full as provided  
30 in this Plan and the modified Promissory Note and Security Agreement.

31 Class 20. Shasta County Tax Collector (Churn Creek). The Debtor surrenders any  
32 interest in Churn Creek. The Debtor waives the protection of the automatic stay to allow this  
33 claimant to obtain possession and dispose of its collateral without further Order of the Court.

1 Any claim filed by the Creditor will be deemed satisfied in full through surrender of the  
2 collateral.

3 Class 21. DRMG (Churn Creek). The Debtor surrenders any interest in Churn Creek  
4 The Debtor waives the protection of the automatic stay to allow this claimant to obtain  
5 possession and dispose of its collateral without further Order of the Court. Any claim filed by  
6 the Creditor will be deemed satisfied in full through surrender of the collateral.

7 Class 22. Lake County Tax Collector (South Main Street). The Debtor surrenders any  
8 interest in South Main Street. The Debtor waives the protection of the automatic stay to allow  
9 this claimant to obtain possession and dispose of its collateral without further Order of the  
10 Court. Any claim filed by the Creditor will be deemed satisfied in full through surrender of the  
11 collateral.

12 Class 23. DRMG (South Main Street). The Debtor surrenders any interest in South  
13 Main Street. The Debtor waives the protection of the automatic stay to allow this claimant to  
14 obtain possession and dispose of its collateral without further Order of the Court. Any claim  
15 filed by the Creditor will be deemed satisfied in full through surrender of the collateral.

16 Class 24. Larry Moss (South Main Street). The Debtor surrenders any interest in South  
17 Main Street. The Debtor waives the protection of the automatic stay to allow this claimant to  
18 obtain possession and dispose of its collateral without further Order of the Court.

19 Class 25. Jim Berger (South Main Street). The Debtor surrenders any interest in South  
20 Main Street. The Debtor waives the protection of the automatic stay to allow this claimant to  
21 obtain possession and dispose of its collateral without further Order of the Court.

22 Class 26. Lake County Tax Collector (Lake Drive). The delinquent real property taxes, if  
23 any, shall be paid in sixty (60) equal monthly installments commencing on the first day of the  
24 first full month following the Effective Date and continuing on the first day of each month  
25 thereafter until paid in full. Payments shall include interest at the statutory rate under 11 U.S.C.  
26 §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Lake County  
27 Tax Collector shall retain its lien until the entire sum is paid in full.

28 Class 27. WestAmerica Bank (Lake Drive). WestAmerica Bank shall have an Allowed

1 Secured Claim in the amount of \$200,000 that shall be paid on the terms set forth in an  
2 Addendum to Promissory Note and Security Agreement that shall provide:

3 In installments as herein stated, for value received, Superior Acquisitions  
4 promises to pay to WestAmerica Bank, or order, at a place that may be  
5 designated by Beneficiary, the sum of \$200,000 together with interest on the  
6 unpaid principal at the rate of Four and 25/00 percent (4.25%) per annum  
7 amortized over thirty (30) years with a due date eight-four (84) months after the  
8 Effective Date. Payments shall be in the amount of \$983.88 and shall commence  
9 the first month following the Effective Date and continue monthly thereafter  
10 until the new maturity date when all of the outstanding amounts due herein are to  
11 be paid in full. Interest shall be calculated on a 365 day year. Each payment  
12 shall be credited first on interest then due and the remainder on principal.

13 The debtor shall maintain insurance upon, and be responsible for and pay timely all  
14 insurance premiums that are required to protect WestAmerica Bank's interest. The debtor shall  
15 be responsible for and pay timely and in full all property taxes. Any failure by the debtor  
16 regarding his responsibilities as to the maintenance of insurance upon and payment of property  
17 taxes shall be a default under the Plan. WestAmerica Bank shall retain its lien until paid in full  
18 as provided in this Plan and the modified Promissory Note and Security Agreement.

19 Class 28. Larry Moss (Lake Drive). Larry Moss shall have an Allowed Secured Claim  
20 in the amount of \$200,000 that shall be paid on the terms set forth in an Addendum to  
21 Promissory Note and Security Agreement that shall provide:

22 In installments as herein stated, for value received, Superior Acquisitions  
23 promises to pay to Larry Moss, or order, at a place that may be designated by  
24 Beneficiary, the sum of \$200,000 together with interest on the unpaid principal  
25 at the rate of Four and 25/00 percent (4.25%) per annum amortized over thirty  
26 (30) years with a due date eight-four (84) months after the Effective Date.  
27 Payments shall be in the amount of \$983.88 and shall commence the first month  
28 following the Effective Date and continue monthly thereafter until the new  
maturity date when all of the outstanding amounts due herein are to be paid in  
full. Interest shall be calculated on a 365 day year. Each payment shall be  
credited first on interest then due and the remainder on principal.

The debtor shall maintain insurance upon, and be responsible for and pay timely all  
insurance premiums that are required to protect Larry Moss's interest. The debtor shall be  
responsible for and pay timely and in full all property taxes. Any failure by the debtor  
regarding his responsibilities as to the maintenance of insurance upon and payment of property  
taxes shall be a default under the Plan. Larry Moss shall retain its lien until paid in full as  
provided in this Plan and the modified Promissory Note and Security Agreement.

1 Class 29. Lake County Tax Collector (Pearl Street). The delinquent real property taxes,  
2 if any, shall be paid in sixty (60) equal monthly installments commencing on the first day of the  
3 first full month following the Effective Date and continuing on the first day of each month  
4 thereafter until paid in full. Payments shall include interest at the statutory rate under 11 U.S.C.  
5 §§ 506(b) and 511. All post-confirmation taxes shall be paid timely and in full. Lake County  
6 Tax Collector shall retain its lien until the entire sum is paid in full.

7 Class 30. WestAmerica Bank (Accounts Receivable). WestAmerica Bank shall have an  
8 Allowed Secured Claim in the amount of \$100,000 that shall be paid on the terms set forth in an  
9 Addendum to Promissory Note and Security Agreement that shall provide:

10 In installments as herein stated, for value received, Superior Acquisitions  
11 promises to pay to WestAmerica Bank, or order, at a place that may be  
12 designated by Beneficiary, the sum of \$100,000 together with interest on the  
13 unpaid principal at the rate of Four and 25/00 percent (4.25%) per annum  
14 amortized over thirty (30) years with a due date eight-four (84) months after the  
15 Effective Date. Payments shall be in the amount of \$491.94 and shall commence  
16 the first month following the Effective Date and continue monthly thereafter  
17 until the new maturity date when all of the outstanding amounts due herein are to  
18 be paid in full. Interest shall be calculated on a 365 day year. Each payment  
19 shall be credited first on interest then due and the remainder on principal.

20 WestAmerica Bank shall retain its lien until paid in full as provided in this Plan and the  
21 modified Promissory Note and Security Agreement.

22 Class 31. Larry Moss (Pearl Street). Larry Moss shall have an Allowed Secured Claim  
23 in the amount of \$50,000 that shall be paid on the terms set forth in an Addendum to  
24 Promissory Note and Security Agreement that shall provide:

25 In installments as herein stated, for value received, Superior Acquisitions  
26 promises to pay to Larry Moss, or order, at a place that may be designated by  
27 Beneficiary, the sum of \$50,000 together with interest on the unpaid principal at  
28 the rate of Four and 25/00 percent (4.25%) per annum amortized over thirty (30)  
years with a due date eight-four (84) months after the Effective Date. Payments  
shall be in the amount of \$245.97 and shall commence the first month following  
the Effective Date and continue monthly thereafter until the new maturity date  
when all of the outstanding amounts due herein are to be paid in full. Interest  
shall be calculated on a 365 day year. Each payment shall be credited first on  
interest then due and the remainder on principal.

The debtor shall maintain insurance upon, and be responsible for and pay timely all  
insurance premiums that are required to protect Larry Moss's interest. The debtor shall be  
responsible for and pay timely and in full all property taxes. Any failure by the debtor

1 regarding his responsibilities as to the maintenance of insurance upon and payment of property  
2 taxes shall be a default under the Plan. Larry Moss shall retain its lien until paid in full as  
3 provided in this Plan and the modified Promissory Note and Security Agreement.

4 Class 32. Allowed Unsecured Claims. The unsecured creditors will share pro tanto, after  
5 the payment of Claims of Administration, in \$600,000 paid out over 120 months, payable at the  
6 rate of \$5,000 per month. In addition unsecured creditors shall receive semi-annual  
7 distributions of 25 % of the Net Operating Profits.

## 8 VI

### 9 Implementation of the Plan

#### 10 A. Vesting.

11 On the Effective Date all property of the Estate shall be transferred to, and shall vest in  
12 the Debtor subject to the interests evidenced by the Security Interest and Liens preserved under  
13 the Plan and the Security Interest and Liens provided in the Plan. After the Effective Date, the  
14 Debtor may use, lease, license, transfer, sell, refinance, encumber, hypothecate, or dispose of  
15 any property. As of the Effective Date, all property vested in the Debtor shall be free and clear  
16 of all Claims of creditors, except the obligations that are imposed or preserved by this Plan.

#### 17 B. Means of Funding the Plan

18 The debtor will fund the plan from the income earned from the investment properties.

#### 19 C. Management.

20 The Barry Johnson will manage the affairs of the debtor.

#### 21 D. The Office of the United States Trustee

22 The Debtor shall comply with all rules promulgated by the Office of the United States  
23 Trustee including, but not limited to, the timely filing of quarterly operating reports and the  
24 timely payment of quarterly fees.

#### 25 E. Post-Confirmation Reporting Information

26 The Reorganized Debtor shall file post-confirmation status reports ("Report") with the  
27 Court explaining the progress made towards substantial consummation of the confirmed plan of  
28 reorganization. A copy of the Report shall be served on the United States Trustee, not later than

1 the date filed with the Court. The report shall include information sufficiently comprehensive to  
2 enable the court to determine (a) whether the order confirming the plan has become final; (b)  
3 whether deposits, if any, required by the plan have been distributed' (c) whether any property  
4 proposed by the plan to be transferred has been transferred has been transferred; (d) whether the  
5 Reorganized Debtor has assumed the business or the management of the property dealt with by  
6 the plan; (e) whether payments under the plan have been commenced; (f) whether accrued fees  
7 due to the UST pursuant to 28 U.S.C. § 1930(a)(6) to the date of the Report have been paid; and  
8 (g) whether all motions, contested matters, and adversary proceedings have been finally  
9 resolved. The first report shall be filed for that portion of the calendar quarter from the date of  
10 confirmation until the end of the quarter, and subsequent reports shall be filed and the  
11 expiration of each calendar quarter thereafter until the case dismissed, converted, or a final  
12 decree is entered. Reports shall be filed with the Court and served on the UST not later than  
13 twenty-one (21) days after expiration of the reported period.

#### 14 **F. The Final Decree.**

15 The Debtor may apply for the entry of a Final Decree when her has substantially  
16 consummated this plan.

### 17 **VII**

#### 18 **Default**

19 The Debtor shall pay each Allowed claim as provided by the Plan, and the failure of the  
20 Debtor to pay any particular Allowed Claim within the time, or in the manner or amount  
21 provided by the Plan shall constitute a default in performance of the Plan. If the default is not  
22 cured within ten days of such written notice of default, the party giving the written notice may  
23 either (1) pursue its remedies under the laws of the State of California, or (2) file a motion in the  
24 Bankruptcy Court to convert the case to Chapter 7. In the event this case is converted to  
25 Chapter 7 after confirmation of the Plan, all assets of the Debtor shall transfer to, and vest in the  
26 Chapter 7 estate on the date of conversion.

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## VIII

### Reservation of Claims and Defenses

All claims and defenses, including objections to claims, that existed prior to confirmation, the Reserved Claims and Defenses are reserved in the Debtor. The Retained Claims and Defenses shall consist of any and all claims, interest, causes of action, including, without limitation causes of action against secured creditors for 1) RESPA violations -- and state corollary, 2) TILA violations -- and state corollary 3) Fair Debt Collection Practices Act violations -- and state corollary, 4) Unfair Business Practices, 5) wrongful foreclosure, 6) violations of CA Code sections 2924 governing non-judicial foreclosure defenses, counter claims, cross claims, third party claims, or rights of offset, recoupment, subrogation, or subordination held by the Debtor or the bankruptcy estate, including, but not limited to, any claims pursuant to Bankruptcy Code Sections 502, 544, 545, 547, 548, or 549, any avoiding powers arising under the Bankruptcy Code or other applicable law and any claims or causes of action. None of the Retained Claims or Defenses shall be barred or estopped because the Plan or the Disclosure Statement does not specifically identify or describe a Retained Claim or Defense or the person against whom a retained claim or defense may be asserted.

The debtor reserves the right to pursue to judgment its claim in the matter of *Superior Acquisitions v. Donica, LLC, et al* for breach of contract, interference with prospective economic advantage and related causes of action.

The debtor reserves the right to pursue to judgment claims it holds against Premier West Bank with regard to business relations with Premier West Bank, and specifically with regard to the claims pending in the adversary proceedings brought in this court.

The debtor reserves the right to pursue recovery of the cash bond held by the County of Lake.

## IX

### Executory Contracts

All of the Executory Contracts scheduled by the Debtor are assumed by the Debtor and shall be performed without modification.



**X**

**Retention and Jurisdiction By the Bankruptcy Court**

The Bankruptcy Court shall retain jurisdiction for the following purposes:

1. The allowance or disallowance of Claims;
2. The rejection, pursuant to sections 365 and 1123 of the Bankruptcy Code, of executory contracts or unexpired leases in accordance with Article VI of the Plan;
3. Resolution of controversies or disputes regarding requests for payment of Administrative Claims, compensation of Professionals, or the costs and expenses allowed under the Plan;
4. The Resolution of controversies or disputes regarding the interpretation of any provision of the Plan;
5. The Implementation of the provisions of the Plan and the entry of orders in aid of confirmation or consummation of the Plan;
6. Modification of the Plan pursuant to section 1127 of the Bankruptcy Code;
7. Adjudication and determination of any fraudulent conveyance and preference claim under the Bankruptcy Code or under any other applicable law, including but not limited to claims under Bankruptcy Code sections 542, 543, 544, 545, 547, 548 or 549.
8. Adjudication of any causes of action belonging to the Estate or to the Committee to the extent permissible under sections 1334 and 157 of title 28 of the United States Code;
9. Entry of an order closing this Chapter 11 case and of a final decree herein; and
10. Any other matter necessary or appropriate for the completion or the implementation of this Plan or the foregoing items.

Dated: June 2, 2011

*/s/ Michael C. Fallon*

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Michael C. Fallon  
Attorney for the Debtor