

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

**FILED W/ COURT
01.24.2012**

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In re:

**Chapter 11
Case No. 11-11152 (SMB)
(Substantively Consolidated)**

**WEST END FINANCIAL
ADVISORS LLC,**

Debtors.

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**THIRD AMENDED PLAN OF LIQUIDATION OF
WEST END FINANCIAL ADVISORS, LLC
(CORRECTED)**

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Dated: New York, New York
January 24, 2012

The estate of the partially substantively consolidated debtor and debtor in possession herein, **West End Financial Advisors LLC**¹ (as partially substantively consolidated, the “Debtor”), proposes the following first amended plan of liquidation (the “Plan”) pursuant to Sections 1121(a), 1122 and 1123 of title 11 of the United States Code.

ARTICLE 1

DEFINITIONS

Unless the context otherwise requires (i) the following terms shall have the following meanings when used in this Plan; (ii) any capitalized term that is used in this Plan and not defined herein but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning set forth therein; (iii) terms stated in the singular shall include the plural and vice versa; (iv) pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (v) all article sections, schedules and exhibit references in the Plan are to the respective article, section, schedule or exhibit to the Plan; (vi) any reference to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions, means that such document shall be substantially in such form or substantially on such terms and conditions except as stated otherwise in the Plan; (vii) any reference to an existing document or

¹ The Debtors, whose estates have been partially substantively consolidated below the level of secured claims by order of the Bankruptcy Court dated July 25, 2011 are the following entities: West End Financial Advisors LLC (Case No. 11-11152); Amagansett Realty SPV 1 LLC (Case No. 11-11167); Benedek Development Group, LLC (Case No. 11-11155); L/C Family Limited Partnership (Case No. 11-11157); Sentinel Investment Management Corp.(Case No. 11-11153); SIMCO SPV 1 LP (Case No. 11-11158); West End Absolute Return Fund I, LP (Case No. 11-11161); West End Capital Management LLC (Case No. 11-11154); West End Fixed Income Partners LP (Case No. 11-11159); West End Income Strategies Fund LP (Case No. 11-11160); West End Mortgage Finance Fund I LP (Case No. 11-11162); West End Private Client Fund L.P.(Case No. 11-11163); West End Real Estate Fund 1 LP (Case No. 11-11164); West End Special Opportunity Fund II, LP (Case No. 11-11166); West End Special Opportunity Fund, LP (Case No. 11-11165); West End/Mercury Short-Term Mortgage Fund, LP. (Case No. 11-11156); West End Cash Liquidity Fund I L.P. (Case No. 11-12774) and West End Dividend Strategy Fund I L.P. (Case No. 11-13247). As a result, the Claims in Class 2 (and the respective subclasses in Class 2) are not impacted by the substantive consolidation of the Debtors’ estates.

exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented; (viii) the words “herein”, “hereof”, “hereto” or “hereunder” and other words of similar import refer to the Plan in its entirety rather than to any particular subsection or clause contained in the Plan; (ix) the term “including” shall be construed to mean “including but not limited to”, “including, without limitation” or words of similar import; (x) the rules of construction set forth in Section 102 of the Bankruptcy Code shall govern construction of the Plan; and (xi) any reference contained herein to the Bankruptcy Code, or to any section of the Bankruptcy Code, refers to the Bankruptcy Code, or such section of the Bankruptcy Code, as it is existing and effective on the Petition Date, except to the extent, if any, that any post-Petition Date amendment to the Bankruptcy Code applies retroactively to cases filed on the Petition Date.

1.1 “**Administrative Expense**” means any cost or expense of administration of this Chapter 11 Case, other than Bankruptcy Fees, allowable under Sections 503(b), 330 or 331 of the Bankruptcy Code.

1.2 “**Administrative Expense Claim**” means a claim for, or request for payment of, an Administrative Expense (i) as to which no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (ii) as to which any objection has been resolved by a Final Order allowing such Claim in whole or in part, to the extent such claim is Allowed.

1.3 “**Administrative Tax Claim**” means an Administrative Expense Claim for a tax due to a Governmental Unit.

1.4 “**Adversary Proceedings**” means the adversary proceedings commenced by the Debtor in the Bankruptcy Court prior to the Effective Date.

1.5 **“Allowance Date”** means the date on which an order Allowing a Claim or Interest becomes a Final Order.

1.6 **“Allowed”** means, with reference to a Claim: (a) any Claim against the Debtor that has been listed by the Debtor in the Schedules filed thereby as liquidated in an amount greater than zero dollars and not disputed or contingent and for which no contrary Proof of Claim has been filed and as to which no timely objection has been interposed; (b) except as otherwise provided in the Plan, any Claim (including any Administrative Expense Claim that is not based upon Professional Fees) as to which a Proof of Claim has been timely filed by the applicable deadline and (i) no objection to the allowance thereof has been timely interposed on or before the Claims Objection Deadline and (ii) such Claim has not (as applicable) been withdrawn, paid in full (pursuant to a prior order of the Bankruptcy Court or otherwise), or otherwise deemed satisfied in full; (c) any Claim as to which (i) any objection thereto or other motion to disallow, estimate, or expunge, in whole or in part, or (ii) any Adversary Proceeding against the Holder thereof, was filed or commenced (as applicable) but is no longer pending and instead has been determined by a Final Order in favor of the respective Claim Holder (but solely to the extent and amount such Claim has been so determined in the applicable Final Order); (d) any Claim that has otherwise been resolved, settled, or otherwise deemed allowed by a Final Order; or (e) any Claim that is expressly deemed an Allowed Claim under the Plan (in the Class and amount as set forth in the Plan). Unless otherwise ordered by the Bankruptcy Court prior to the entry of the Confirmation Order, or as specifically provided to the contrary in this Plan with respect to any particular Claim, an “Allowed” Claim shall not include (i) any interest on such Claim to the extent accruing or maturing on or after the Petition Date, (ii) any punitive or exemplary damages, or (iii) any claims for any fine, penalty, or forfeiture. Nothing in this Plan shall prevent the Debtor or the Plan Administrator from objecting to Claims

after the Confirmation Date to Claims that do not constitute Allowed Claims. With respect to an Interest, the term means the Interests in the substantively consolidated Debtor held by (i) L/C Family Limited Partnership and/or (ii) William Landberg which interests shall be deemed subordinate to the Claims in Classes 3 and 4.

1.7 “**Apartment Collateral**” means all right, title and interest of West End Real Estate Fund I LP in and to the 8.33% Class A membership interest and the 37.5% Class B membership interest in each of 90 LLC, Easton Ridge Apartments LLC, Burgundy 102 LLC, Ivywood 67 LLC and Scioto LLC, which Entities own apartment buildings in Ohio, Michigan and Connecticut.

1.8 “**Avoidance Actions**” means all of the Debtor’s and the Estate’s causes of action against Entities arising under any of Bankruptcy Code §§ 544, 545, 547, 548, 549, 550, 553(b), or 724 or under similar or related state or federal statutes and common law, including, without limitation, all preference, fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims, rights, and causes of action, whether or not litigation has been commenced as of the Effective Date to prosecute any such causes of action.

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

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

1.11 “**Bankruptcy Fees**” mean all fees and charges assessed against the Estate under Section 1930 of title 28 of the United States Code.

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

1.13 “**Bar Date**” means October 14, 2011, the date fixed by Order of the Bankruptcy Court [Docket No. 212] subsequent to which a Proof of Claim or Proof of Interest may not be timely filed.

1.14 “**Basile Insurance Policy**” means that certain term life insurance policy in the face amount of \$5,000,000 issued to West End Mortgage Finance Fund I LP insuring the life of Anthony P. Basile.

1.15 “**Budget Funds**” shall have the meaning set forth in Section 6.4.

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

1.17 “**CapLease**” means CapLease, Inc. and its affiliates and subsidiaries, including CapLease Debt Funding, LP and CapLease Services Corp.

1.18 “**CapLease Collateral**” means the Apartment Collateral.

1.19 “**CapLease Loan and Security Agreement**” means that certain Loan and Security Agreement, dated as of the Effective Date, to be executed by the Post-Confirmation Estate, as borrower, and CapLease, as lender, which, among other things, shall provide for the terms and conditions governing the repayment of the obligations evidenced by the New CapLease Note, shall provide for the grant of a first-priority lien upon the Apartment Collateral to secure the obligations evidenced by the New CapLease Note and in all other respects shall be reasonably satisfactory, in

form and substance, to CapLease. The term and provisions of such Loan and Security Agreement shall be more particularly set forth in, and shall be substantially in the form of, the form of the “New CapLease Loan and Security Agreement” to be included in the Plan Supplement.

1.20 “**CapLease Secured Claim**” means the Secured Claim of CapLease, which for all purposes of this Plan shall be deemed an Allowed Secured Claim in an amount equal to \$1,762,068.80 as of July 31, 2011, plus accrued and unpaid interest allowed under the CapLease Loan and Security Agreement from July 31, 2011 to (but not including) the Effective Date, provided however, that in the event CapLease is paid the sum of \$715,000 on or before March 1, 2012, the CapLease Secured Claim shall be deemed paid in full.

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

1.22 “**Chapter 11 Case**” means the chapter 11 cases commenced under Chapter 11 of the Bankruptcy Code by the Debtors on the applicable Petition Dates, styled West End Financial Advisors, LLC, Case No-11-11152 (SMB), as substantively consolidated pursuant to the Substantive Consolidation Order, and currently pending before the Bankruptcy Court.

1.23 “**Chicago Diversified Note**” means that certain promissory note, made by Chicago Diversified Foods Corp. to the order of West End Special Opportunity Fund I in the original principal amount of \$250,000.

1.24 “**Claim**” shall have the meaning ascribed to “claim” in Bankruptcy Code § 101(5).

1.25 “**Claims Objection Deadline**” means the later of (i) 90 days after the Effective Date or (ii) 90 days after the date any Proof of Claim or Proof of Interest is filed.

1.26 “**Class**” means a category of substantially similar Allowed Claims or Allowed Interests as established pursuant to Article 3 of the Plan, as such term is used and described in sections 1122 and 1123(a)(1) of the Bankruptcy Code.

1.27 “**Clerk**” means the Clerk of the Bankruptcy Court appointed pursuant to 28 U.S.C. § 156(b).

1.28 “**Committee**” means the statutory committee of unsecured creditors appointed by the Office of the United States Trustee for Region 2 in this Chapter 11 Case pursuant to Bankruptcy Code § 1102.

1.29 “**Confirmation**” means the entry of the Confirmation Order on the docket in the Chapter 11 Case.

1.30 “**Confirmation Date**” means the date on which the Confirmation Order is entered by the Bankruptcy Court, provided that the Confirmation Order becomes a Final Order.

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

1.32 “**Contingency Fee Claims**” means all claims, causes of action and/or litigation against third parties, including Avoidance Actions but excluding the Landberg Defendants Actions, arising under (i) chapter 5 of the Bankruptcy Code or state fraudulent transfer/conveyance laws or (ii) any other theory or cause of action pursuant to which the Plan Administrator seeks a monetary recovery as a remedy.

1.33 “**Contingency Fees**” means all fees and disbursements incurred by Post-Confirmation Estate Professionals in connection with or relating to Contingency Fee Claims, which fees and disbursements the Plan Administrator shall contract for exclusively on a contingency fee basis.

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

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

1.36 “**Debtor**” means West End Financial Advisors LLC, as successor to the substantively consolidated estates of the Debtors pursuant to the Substantive Consolidation Order.

1.37 “**Defendant**” means any Person that is or becomes a defendant in an Adversary Proceeding or other claim or cause of action commenced by the Debtor, the Committee on behalf of the Estate, or the Post-Confirmation Estate, that has not been resolved, withdrawn, or settled.

1.38 “**Disclosure Statement**” means the *Disclosure Statement for the First Amended Plan of Liquidation of West End Financial Advisors, LLC*, including all exhibits, attachments or amendments thereto, approved by the Bankruptcy Court.

1.39 “**Disputed**” means, with respect to any Claim or portion thereof which has not otherwise been or is not otherwise Allowed pursuant to the Plan or a Final Order of the Bankruptcy Court:

a. if no Proof of Claim has been filed by the Bar Date: (i) a Claim that has been or hereafter is listed on the Schedules as disputed, contingent, or unliquidated; or (ii) a Claim that has been or hereafter is listed on the Schedules as other than disputed, contingent, or unliquidated, but as to which the Debtor, the Post-Confirmation Estate, or any other party-in-interest has either (1) filed an objection, in whole or in part, or request for estimation, (2) filed a motion to disallow or expunge, in whole or in part, which has not been withdrawn or determined by a Final Order or otherwise

resolved or settled by the parties thereto or (3) commenced an Adversary Proceeding or other contested matter against the Holder of such Claim that has not yet been resolved, withdrawn, or settled; or

b. if a Proof of Claim has been filed by the Bar Date: (i) a Claim for which a timely objection, in whole or in part, request for estimation, or motion to disallow or expunge, in whole or in part, is filed that has not been withdrawn or determined by a Final Order of the Bankruptcy Court; or (ii) a Claim the Holder of which is a Defendant; or

c. if a request for payment of an Administrative Expense Claim has been filed by the applicable deadline: (i) a Claim for which no corresponding Claim has been or hereafter is listed on the Debtor's books and records; (ii) a Claim for which a corresponding Claim has been or hereafter is listed on the Debtor's books and records, but the nature or amount of the Claim as asserted in the request for payment varies from the nature or amount of such Claim as listed on the Debtor's books and records; or (iii) a Claim for which either (1) a timely objection, in whole or in part, or request for estimation or (2) a motion to disallow or expunge, in whole or in part, or an Adversary Proceeding is interposed against the Holder of such Claim which has not been withdrawn or determined by a Final Order of the Bankruptcy Court or otherwise resolved or settled by the parties thereto.

1.40 **"Disputed Claim Reserve"** means the segregated account or accounts established by the Plan Administrator (to the extent the Plan Administrator determines the establishment of such a reserve is feasible) pursuant to the Plan and/or the Post-Confirmation Estate Agreement subsequent to, or contemporaneously with, the payment in full, in Cash, of the obligations evidenced by the New Northlight Note.

1.41 **“Distribution Date”** means a date after the Effective Date that is fixed at the sole discretion of the Plan Administrator for commencing distributions to Classes 3 and/or 4 under the Plan.

1.42 **“DZ Bank”** means DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt AM Main, New York Branch.

1.43 **“DZ Bank Franchise Loan Origination Agreement”** means that certain Third Amended and Restated Franchise Loan Origination Agreement dated as of June 11, 2010 by and among Autobahn Funding Company LLC, NFA Funding LLC, NFA Funding II LLC, NFA Equipment Fund I LP, National Finance Funding I LLC, Northlight Food Franchise Fund, LP, Northlight Food Franchise Fund II, LP, Northlight Equipment Fund I, LP, DZ Bank and National Finance Associates, LLC.

1.44 **“DZ Bank Franchise Loan Origination Agreement Waterfall”** means the provisions of Section 2.8(d) of the DZ Bank Franchise Loan Origination Agreement, which provide for a distribution scheme for the distribution of “Available Funds” in the “Collection Accounts” on each “Settlement Date”. Capitalized terms used in this definition and not otherwise defined in this Plan have the respective meanings assigned to such terms in the DZ Bank Franchise Loan Origination Agreement.

1.45 **“Effective Date”** means the first Business Day on which all of the conditions to the Effective Date specified in Section 11.2 of this Plan have been satisfied or waived in accordance with section 11.2 of this Plan.

1.46 **“Entity”** means a Person, a corporation, a general partnership, a limited partnership, a limited liability company, a limited liability partnership, an association, a joint stock

company, a joint venture, an estate, a trust, an unincorporated organization, a Governmental Unit or any subdivision thereof or any other entity.

1.47 “**Estate**” means, collectively, the estates created on the respective Petition Dates pursuant to Section 541 of the Bankruptcy Code, as substantively consolidated under the Substantive Consolidation Order.

1.48 “**Estate Professional**” means any professional Person employed in the Case in accordance with a Final Order of the Bankruptcy Court.

1.49 “**Estate Professional Fees**” means the compensation for services rendered, and reimbursement of expenses incurred during the period from and including the Petition Date and up to (but not including) the Effective Date, awarded by the Bankruptcy Court to Estate Professionals pursuant to one or more Final Orders.

1.50 “**Executory Contract**” means an executory contract within the meaning of Section 365 of the Bankruptcy Code and shall include all unexpired leases of non-residential real property leased by the Estate.

1.51 “**Expenditures**” means the use of Budget Funds by the Plan Administrator on behalf of the Post-Confirmation Estate to pay for the costs and expenses of operating and administering the Post-Confirmation Estate, which costs and expenses shall not include Contingency Fees.

1.52 “**Final Order**” means a judgment, order, ruling or other decree of the Bankruptcy Court (or court of competent jurisdiction) entered by the Clerk on the docket of the Chapter 11 Case (or on the docket of any other court of competent jurisdiction) that has not been reversed, vacated or stayed and as to which (i) the time to appeal, petition for *certiorari* or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for

certiorari or other proceedings for a new trial, reargument or rehearing shall then be pending, or (ii) if an appeal, writ of *certiorari*, new trial, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court (or other court of competent jurisdiction) shall have been affirmed by the highest court to which such order was appealed, or *certiorari* shall have been denied or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Bankruptcy Rule 59 or Bankruptcy Rule 60, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order shall not cause such order not to be a Final Order.

1.53 “**Franchise Loan**” shall have the meaning assigned to such term in the DZ Bank Franchise Loan Origination Agreement.

1.54 “**Franchise Loan Documents**” shall have the meaning assigned to such term in the DZ Bank Franchise Loan Origination Agreement.

1.55 “**Franchise Loan Obligor**” shall have the meaning assigned to such term in the DZ Bank Franchise Loan Origination Agreement.

1.56 “**Fusion Stock**” means 19,000,000 shares of capital stock in Fusion Telecommunications Inc. [FSNN:OTC BB] beneficially owned by the Debtor.

1.57 “**Governmental Unit**” means a “governmental unit” as that term is defined in 11 U.S.C. § 101(27).

1.58 “**Holder**” means a Person holding a Claim, an Interest or a Post-Confirmation Estate Interest.

1.59 “**Iberia**” means IberiaBank.

1.60 **“Iberia Secured Claim”** means the Secured Claim of Iberia, which for all purposes of this Plan shall be deemed an Allowed Secured Claim in an amount equal to \$4,500,000 as of the Effective Date.

1.61 **“Interest”** means the equity interests in the substantively consolidated Debtor held by (i) L/C Family Limited Partnership and/or (ii) William Landberg, which shall be subordinated to the Claims in Classes 3 and 4.

1.62 **“Interest Holder”** means the holder of an Allowed Interest in the Debtor.

1.63 **“Investment”** means the total principal amount actually invested by an Investor in any of the Debtors less the amounts withdrawn or redeemed or otherwise paid or credited to such Investor.

1.64 **“Investor Creditor Unsecured Claim”** means, unless otherwise specified in this Plan, any and all Claims of an Investor Creditor against the Debtor, including any and all Claims of the Investor Creditors for the unredeemed amount of their respective Investments in the Debtor

1.65 **“Investor Creditors”** means those Investors who (a) have not received or retained Redemption Payment(s) in an aggregate amount equal to or greater than their Investment from the Debtor, and (b) (i) have asserted a claim against the Debtor in connection with their Investment and/or (ii) have otherwise asserted a Claim for the amount of their respective Investments in the Debtor irrespective of the form of such Investment.

1.66 **“Investors”** means, collectively, those Persons who made an investment in one or more of the Debtors irrespective of the form of such investment, including the Investor Creditors but does not include the Holders of Non-Investor Unsecured Claims.

1.67 **“Landberg Defendants Actions”** means any and all claims and causes of action against one or more of William Landberg, Louise Crandall, Kevin Kramer and Steven Gould

arising under any of Bankruptcy Code §§ 544, 545, 547, 548, 549, 550, 553(b), or 724 or under similar or related state or federal statutes and common law, including all preference, fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims, rights, and causes of action, whether or not litigation has been commenced as of the Effective Date to prosecute any such causes of action.

1.68 “**Landberg Defendants Actions Fees**” shall have the meaning set forth in section 6.5 of this Plan.

1.69 “**L/C Family Limited Partnership**” means a New York limited partnership in which William Landberg or an Entity he controls is the general partner and the one percent (1%) limited partner and Louise Crandall is the ninety-nine percent (99%) limited partner.

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

1.71 “**Lien**” means any charge against or interest in property to secure payment of a debt or performance of an obligation.

1.72 “**Monthly Budget**” shall have the meaning set forth in Section 6.2.

1.73 “**New CapLease Loan**” means the loan in the principal amount of the CapLease Secured Claim evidenced by, among other things, the New CapLease Note and the New CapLease Loan and Security Agreement.

1.74 “**New CapLease Loan and Security Agreement**” means that certain Loan and Security Agreement, dated as of the Effective Date, to be executed by the Post-Confirmation Estate, as borrower, and CapLease, as lender, which, among other things, shall provide for the terms and conditions governing the repayment of the obligations evidenced by the New CapLease Note, shall provide for the grant of a first-priority Lien upon the Apartment

Collateral to secure the obligations evidenced by the New CapLease Note and in all other respects shall be reasonably satisfactory, in form and substance, to CapLease. The terms and provisions of such Loan and Security Agreement shall be more particularly set forth in, and shall be substantially in the form of, the “New CapLease Loan and Security Agreement” to be included in the Plan Supplement.

1.75 “**New CapLease Loan Transaction Documents**” means the New CapLease Note, the New CapLease Loan and Security Agreement and any other documents, agreements and instruments that are executed and delivered in connection with the consummation of this Plan to evidence and secure the New CapLease Loan.

1.76 “**New CapLease Note**” means that certain promissory note, dated as of the Effective Date, to be executed by the Post-Confirmation Estate and made payable to the order of CapLease in the principal amount of the CapLease Secured Claim, which promissory note shall mature on the fifth (5th) anniversary of the Effective Date and bear interest at the rate of five (5%) percent per annum, payable quarterly in arrears, with a balloon payment consisting of the unpaid principal balance of the New CapLease Note due on the maturity date. Among its other provisions, the New CapLease Note shall provide that, in the event that the Post-Confirmation Estate shall have paid CapLease principal in the aggregate amount of \$715,000 on or before March 1, 2012, the CapLease Secured Claim shall be deemed paid in full. The terms and provisions of such promissory note shall be more particularly set forth in, and shall be substantially in the form of, the form of the “New CapLease Note” to be included in the Plan Supplement.

1.77 “**New Iberia Note**” means that certain promissory note, dated as of the Effective Date, to be executed by the Post-Confirmation Estate and made payable to the order of

Iberia in the principal amount of the Iberia Secured Claim, which promissory note shall bear interest at the rate of three and one-third (3.33%) percent per annum, which shall be accrued and be payable, along with the principal amount of the New Iberia Note, on the New Iberia Note Maturity Date. All interest on the New Iberia Note shall accrue on a daily basis and monthly payments of interest shall be payable on the outstanding amount of principal commencing on the last day of each month commencing on the last day of the month on the date on which after all of the obligations evidenced by the New Northlight Note are paid in full, in Cash as set forth herein. All interest accrued but not paid during the term of the New Iberia Note may be added to the principal amount outstanding under the New Iberia Note and upon the commencement of monthly interest payment as provided for herein, the Plan Administrator may, in his discretion, to the extent funds are available, prepay any portion of the principal consisting of any such interest which has theretofore been accrued under the New Iberia Note. The terms and provisions of such promissory note shall be more particularly set forth in, and shall be substantially in the form of, the "New Iberia Note" to be included in the Plan Supplement in form and substance reasonably acceptable to Iberia and the Debtor. The New Iberia Note may be prepaid at any time without premium or penalty.

1.78 **"New Iberia Note Maturity Date"** means the fifth (5th) anniversary of the Effective Date, provided however, that (i) upon the Post-Confirmation Estate providing Iberia thirty (30) days prior written notice of its election to extend the New Iberia Note Maturity Date as provided for herein and (ii) upon the Post-Confirmation Estate's payment of all accrued and unpaid interest due to Iberia as of the New Iberia Note Maturity Date, the Post-Confirmation Estate shall be entitled to a one (1) year extension of the New Iberia Note Maturity Date to the

sixth (6th) anniversary of the Effective Date. All other terms and conditions of the New Iberia Note shall remain unchanged.

1.79 “**Iberia Exit Collateral**” means the Post-Confirmation Estate Assets, provided however, that the Iberia Exit Lien on the Iberia Exit Collateral shall be subject and subordinate to (i) the Northlight Exit Lien granted to Northlight on the Northlight Exit Collateral, (ii) all Allowed Administrative Expense Claims which Allowed Administrative Expense Claims shall be paid in full, in Cash prior to payment of interest or principal due under the New Iberia Note and (iii) payment of the budgeted expenses of the Post-Confirmation Estate.

1.80 “**Iberia Exit Lien**” shall have the meaning set forth in Section 4.2.

1.81 “**New Iberia Loan**” means the loan in the principal amount of the Iberia Secured Claim evidenced by, among other things, the New Iberia Note and the New Iberia Loan and Security Agreement.

1.82 “**New Iberia Loan and Security Agreement**” means that certain Loan and Security Agreement, dated as of the Effective Date, to be executed by the Post-Confirmation Estate, as borrower, and Iberia, as lender, which provides for the terms and conditions governing the repayment of the obligations evidenced by the New Iberia Note. The terms and provisions of such Loan and Security Agreement shall be more particularly set forth in, and shall be substantially in the form of, the “New Iberia Loan and Security Agreement” to be included in the Plan Supplement. The liens granted to Iberia under the New Iberia Loan and Security Agreement shall be subordinate to (i) the liens granted to Northlight on the Northlight Exit Collateral under the New Northlight Loan and Security Agreement, (ii) subordinate to the prior payment in full, in Cash, of all Allowed Administrative Expense Claims and (iii) subordinate to the payment of the budgeted expenses of the Post-Confirmation Estate.

1.83 **New Iberia Loan Transaction Documents**” means the New Iberia Note, the New Iberia Loan and Security Agreement, the New Intercreditor Agreement and any other documents, agreements and instruments that are reasonably required to be executed and delivered in connection with the consummation of this Plan to evidence and secure the New Iberia Loan.

1.84 **New Intercreditor Agreement**” means that certain Subordination and Intercreditor Agreement, dated as of the Effective Date, executed by Northlight and Iberia and providing for, among other things, the relative priority between the Northlight Exit Lien and the Iberia Exit Lien.

1.85 **“New Northlight Loan”** means the loan in the principal amount of the Northlight Secured Claim evidenced by, among other things, the New Northlight Note and the New Northlight Loan and Security Agreement.

1.86 **“New Northlight Loan and Security Agreement”** means that certain Loan and Security Agreement, dated as of the Effective Date, to be executed by the Post-Confirmation Estate, as borrower, and Northlight, as lender, which provides for the terms and conditions governing the repayment of the obligations evidenced by the New Northlight Note and shall provide for the grant of the Liens that will secure the obligations evidenced by the New Northlight Note. The terms and provisions of such Loan and Security Agreement shall be more particularly set forth in, and shall be substantially in the form of, the “New Northlight Loan and Security Agreement” to be included in the Plan Supplement.

1.87 **New Northlight Loan Transaction Documents**” means the New Northlight Note, the New Northlight Loan and Security Agreement, the New Northlight Pledge Agreement and the New Intercreditor Agreement and any other documents, agreements and

instruments that are reasonably required to be executed and delivered in connection with the consummation of this Plan to evidence and secure the New Northlight Loan.

1.88 **“New Northlight Note”** means that certain promissory note, dated as of the Effective Date, to be executed by the Post-Confirmation Estate and made payable to the order of Northlight in the principal amount of the Northlight Secured Claim, which promissory note shall mature on earlier of (i) the Investment Period Termination Date (as defined in the DZ Bank Franchise Loan Origination Agreement) or (ii) January 10, 2015, and bear interest at the rate of fifteen (15%) percent per annum, payable monthly in arrears, with a balloon payment consisting of the unpaid principal balance of the New Northlight Note due on the maturity date. The terms and provisions of such promissory note shall be more particularly set forth in, and shall be substantially in the form of, the “New Northlight Note” to be included in the Plan Supplement. The New Northlight Note may be prepaid at any time without premium or penalty.

1.89 **New Northlight Pledge Agreement”** means that certain Pledge Agreement, dated as of the Effective Date, to be executed by Northlight and the Post-Confirmation Estate, providing for, among other things, the pledge by the Post-Confirmation Estate to Northlight of certain property described more particularly therein

1.90 **“Non-Investor Unsecured Claim”** means, unless otherwise specified in this Plan, all Claims against the Debtor (including any and all (i) Rejection Claims, (ii) any deficiency Claims; (iii) Claims of Vendors, and (iv) claims for goods delivered or services rendered in the ordinary course of the Debtor’s business, that, in each case are (A) not Administrative Expense Claims, Priority Tax Claims, Priority Non-Tax Claims, or Investor Creditor Unsecured Claims or Secured Claims, and (B) not otherwise entitled to distributive priority under the Bankruptcy Code or

an order of the Bankruptcy Court. Except as may otherwise be set forth in the Plan, Investor Creditors are not deemed to hold a Non-Investor Unsecured Claim against the Debtor.

1.91 “**Northlight**” means Northlight Fund L.P.

1.92 “**Northlight Additional Collateral**” means, subject to the carve-out provided for in section 7.16.2 of this Plan, all Post-Confirmation Estate Assets that do not constitute Northlight Pre-Petition Collateral including:

1.92.1 the Sentinel Insurance Policy and all recoveries thereunder;
1.92.2 the Fusion Stock;
1.92.3 the PIMCO Claim;
1.92.4 the Chicago Diversified Note;
1.92.5 the Apartment Collateral, subject to the first priority security interest held by CapLease;
1.92.6 the Basile Insurance Policy; and
1.92.7 the Avoidance Actions and any and all other claims and causes of action described in Section 6.5 hereof.

1.93 “**Northlight Exit Collateral**” means, subject to the carve-out provided for in section 7.16.2 of this Plan, the Post-Confirmation Estate Assets including (a) the Northlight Pre-Petition Collateral and (b) the Northlight Additional Collateral.

1.94 “**Northlight Exit Lien**” shall have the meaning set forth in Section 4.2.

1.95 “**Northlight GP Entity**” means Northlight GP II, LLC, in its capacity as the general partner of the Northlight Partnership.

1.96 “**Northlight Loan Agreement**” means that certain Amended and Restated Loan Agreement, dated as of December 18, 2009, by and among West End/Mercury Short Term Mortgage Fund, LP, as Borrower, West End Mortgage Finance Fund, LP, as Guarantor, Northlight, as Lender, and Northlight Financial LLC, as Agent.

1.97 “**Northlight Partnership Funds**” means any and all funds held by the Northlight Partnership as of the Effective Date.

1.98 “**Northlight Partnership**” means Northlight Food Franchise Fund, LP (as successor by merger to Northlight Food Franchise Fund, LP, Northlight Food Franchise Fund II, LP and Northlight Equipment Fund I, LP).

1.99 “**Northlight Pre-Petition Collateral**” means any and all of the assets, property and interests in property that were collaterally assigned to Northlight pursuant to the Northlight Loan Agreement and the transaction documents relating thereto and executed in connection therewith for the purpose of securing the Northlight Secured Claim under the Northlight Loan Agreement, whether such assets, property and interests in property are owned by the Debtor or the Post-Confirmation Estate, as the context requires.

1.100 “**Northlight Pre-Petition Lien**” means the Liens granted to Northlight pursuant to the Northlight Loan Agreement and the transaction documents relating thereto and executed in connection therewith.

1.101 “**Northlight Secured Claim**” means the Secured Claim of Northlight, which for all purposes of this Plan shall be deemed an Allowed Secured Claim in an amount equal to the sum of (a) \$5,200,000, plus (b) \$466,081.00, representing the accrued and unpaid interest, as of (but not including) the Petition Date, calculated at the non-default contract rate set forth in the Northlight Loan Agreement, (c) all fees, costs and expenses, including reasonable attorneys’ fees, incurred by Northlight through and including the Effective Date that are chargeable and reimbursable under the Northlight Loan Agreement, which fees, costs and expenses total \$ 563,397.79 through and including October 31, 2011, and (d) all accrued and unpaid interest during the period from and including the Petition Date through and including the

date immediately preceding the Effective Date, calculated at the non-default contract rate of 15% per annum in accordance with the provisions of the Northlight Loan Agreement.

1.102 “**Person**” means a “person” as defined in 11 U.S.C. § 101(41).

1.103 “**Petition Date**” means March 15, 2011, the date on which the respective chapter 11 cases of all Debtors, other than West End Cash Liquidity Fund I, L.P. and West End Dividend Strategy Fund I L.P., were commenced by the filing of voluntary petitions for relief under chapter 11 of the Bankruptcy Code; June 9, 2011 with respect to the West End Cash Liquidity Fund I, L.P.; and July 6, 2011 with respect to the West End Dividend Strategy Fund I L.P.

1.104 “**PIMCO Claim**” means all claims and causes of action of West End Cash Liquidity LP a/k/a West End Cash Liquidity Fund I LP and West End Special Opportunity Fund LP against Pacific Investment Management Company LLC (“PIMCO”), PIMCO Commodities Litigation Settlement or any subsidiary of PIMCO for the manipulation of the June 2005 ten-year Treasury note futures contract.

1.105 “**Plan**” means this *Third Amended Plan of Liquidation of West End Financial Advisors LLC*, as it may be amended, supplemented or modified from time to time, including any exhibits or schedules annexed hereto or required to be filed with the Bankruptcy Court pursuant hereto.

1.106 “**Plan Administrator**” means the Person appointed in the Post-Confirmation Estate Agreement as the fiduciary for the Post-Confirmation Estate having the rights, powers, functions and duties described in Article 7 herein and in the Post-Confirmation Estate Agreement. When the context requires, any reference to the Plan Administrator or the Post-Confirmation Estate shall mean the Plan Administrator on behalf of the Post-Confirmation Estate.

1.107 **“Plan Oversight Committee”** means the committee created under section 2.5 of the Post-Confirmation Estate Agreement.

1.108 **“Plan Supplement”** means a separate volume to be filed with the Bankruptcy Court as a supplement to this Plan no later than ten (10) days prior to the deadline fixed by the Court to accept or reject this Plan that shall contain the documents necessary to administer this Plan and the Post-Confirmation Estate, including the final forms of (a) the Post-Confirmation Estate Agreement, (b) the New Iberia Note, (c) the New CapLease Note, (d) the New CapLease Loan and Security Agreement, (e) the New Northlight Note , (f) the New Northlight Loan and Security Agreement, (g) the New Iberia Loan and Security Agreement, (h) the New Northlight Pledge Agreement, and (i) the New Intercreditor Agreement in each case consistent with the substance of the economic and other applicable provisions contained in this Plan and reasonably satisfactory in form and substance to the Debtor, the Committee and Northlight.

1.109 **“Post-Confirmation Estate”** means the grantor trust to be created on the Effective Date in accordance with the provisions of Article 7 of the Plan and the Post-Confirmation Estate Agreement, for the benefit of Holders of certain Allowed Claims.

1.110 **“Post-Confirmation Estate Additional Collateral Net Proceeds”** means the Post-Confirmation Estate’s share of the Cash proceeds, net of Contingency Fees, realized from the liquidation or other disposition of the Northlight Additional Collateral and paid to the Post-Confirmation Estate in accordance with the provisions of Section 7.16.2 of the Plan.

1.111 **“Post-Confirmation Estate Agreement”** means the trust agreement, to be dated on and effective as of the Effective Date, substantially in the form set forth in the Plan Supplement, which, among other things, establishes and describes the powers, duties and

responsibilities of the Plan Administrator and the liquidation and distribution of proceeds of the Post-Confirmation Estate Assets.

1.112 “**Post-Confirmation Estate Assets**” means all of the right, title and interest of the Debtor (immediately prior to the asset transfer provided in Section 6.1.2) or the Post-Confirmation Estate, as successor in interest to the Debtor (immediately after the asset transfer provided in Section 6.1.2), as the context requires, in and to the assets, property and interests in property comprising the Estate to the fullest extent contemplated by section 541 of the Bankruptcy Code, whether real or personal, tangible or intangible, wherever located, including (a) all Cash of the Debtor, together with all income, products and proceeds therefrom, (b) all personal property of the Debtor, whether tangible or intangible, including all accounts receivable, books and records, contract rights, inventory, deposit accounts, equipment, fixtures, patents, copyrights, trademarks, trade names and other intellectual property, good, general intangibles, chattel paper, instruments, promissory notes, drafts and documents, investments, investment property, the Debtor’s equity interest in any other Entities (including subsidiaries and/or affiliates), securities, commercial tort claims, instruments, letters of credit and rights under letters of credit, and life insurance policies (including the Basile Insurance Policy) and any recoveries thereunder, together with all income, products and proceeds therefrom and (c) all of the Debtor’s interest in any real property, including the buildings, improvements, fixtures and structures thereon, leasehold interests and all income, products and proceeds therefrom, all of which shall be transferred and assigned by the Debtor to the Post-Confirmation Estate on the Effective Date in order that the proceeds of the liquidation or other disposition thereof may be distributed to Holders of Allowed Claims in accordance with the provisions of this Plan and the Post-Confirmation Estate Agreement. For the avoidance of doubt, the Post-Confirmation Estate Assets include all of the Debtor’s rights as a trustee or debtor in possession

to assert claims and causes of action against third parties, including the Avoidance Actions and the proceeds to be realized from the assertion, prosecution, litigation and/or settlement thereof.

1.113 **“Post-Confirmation Estate Beneficiaries”** means, collectively, the beneficiaries of the Post-Confirmation Estate, which beneficiaries comprise Northlight, CapLease, Iberia, Holders of Administrative Expense Claims, Holders of Priority Tax Claims, Holders of Priority Non-Tax Claims, Holders of Class 3 Allowed Non-Investor Unsecured Claims and Holders of Class 4 Allowed Investor Unsecured Claims.

1.114 **“Post-Confirmation Estate Interests”** means the beneficial interests in the Post-Confirmation Estate entitling the Holders of such interests to receive their share, if any, of distributions from the Post-Confirmation Estate in accordance with the terms of the Post-Confirmation Estate Agreement and this Plan

1.115 **“Post-Confirmation Estate Professionals”** means any professional retained by the Post-Confirmation Estate in accordance with the provisions of the Post-Confirmation Estate Agreement to render professional services to the Post-Confirmation Estate.

1.116 **“Priority Non-Tax Claim”** means any Allowed Claim, other than an Administrative Expense Claim, a Priority Tax Claim or Bankruptcy Fees that is entitled to priority in payment pursuant to Bankruptcy Code § 507(a) or (b).

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

1.118 **“Professional”** means any professional Person employed by the Debtor or the Committee under Section 105, 327 or 330 of the Bankruptcy Code, or by order of the Bankruptcy Court, to render professional services in the Chapter 11 Case pursuant to a Final Order.

1.1 “Professional Fees” means compensation for services rendered, and reimbursement of expenses incurred, by Professionals prior to the Effective Date, as allowed and awarded by the Bankruptcy Court pursuant to one or more Final Orders following application, in accordance with Sections 330 and 331 of the Bankruptcy Code or as otherwise ordered by the Court.

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

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

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

1.122 **“Redemption Payment(s)”** means the redemption payment(s) (either complete or partial) made by the Debtor to an Investor prior to the Petition Date in connection with such Investor’s Investment in the Debtor.

1.123 **“Rejection Claim”** means a Claim arising as a result of the Debtor’s rejection of an Executory Contract pursuant to Bankruptcy Code § 365, the provisions of this Plan and Bankruptcy Code §1123, or a Final Order of the Bankruptcy Court, subject to the limitations provided in Bankruptcy Code § 502(b).

1.124 **“Released Parties”** shall have the meaning set forth in Section 8.2.

1.125 **“Schedules”** mean the schedules of assets and liabilities and the *Statement of Financial Affairs*, filed by the Debtor with the Bankruptcy Court in accordance with Section 521(1) of the Bankruptcy Code and Rule 1007 of the Bankruptcy Rules and any amendments thereto.

1.126 “**SEC**” means the United States Securities and Exchange Commission.

1.127 **Section 363 Order**” shall have the meaning set forth in Section 6.16.

1.128 “**Secured Claim**” means an Allowed Claim, including all amounts, if any, allowed pursuant to Section 506(b) of the Bankruptcy Code, to the extent that it is secured by a Lien on property in which the Debtor has an interest or that is subject to set-off under Section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder’s interest in the Estate’s interest in such property or to the extent of the amount subject to set-off, as applicable, as determined by a Final Order pursuant to Section 506(a) of the Bankruptcy Code or as provided for in the Plan.

1.129 “**Secured Tax Claim**” means a Secured Claim for taxes or assessments held by a Governmental Unit.

1.130 “**Sentinel Insurance Policy**” means that certain Directors, Officers and Private Company Liability Insurance Policy, bearing Policy No. 04-188-13-86, including all endorsements thereto, issued by Illinois National Insurance Company to Sentinel Investment Management Inc., as insured.

1.131 “**Substantive Consolidation Order**” means the order entered by the Bankruptcy Court on July 25, 2011 partially substantively consolidating the following chapter 11 cases on the terms set forth therein: West End Financial Advisors LLC (Case No. 11-11152); Amagansett Realty SPV 1 LLC (Case No. 11-11167); Benedek Development Group, LLC (Case No. 11-11155); L/C Family Limited Partnership (Case No. 11-11157); Sentinel Investment Management Corp.(Case No. 11-11153); SIMCO SPV 1 LP (Case No. 11-11158); West End Absolute Return Fund I, LP (Case No. 11-11161); West End Capital Management LLC (Case No. 11-11154); West End Fixed Income Partners LP (Case No. 11-11159); West End Income Strategies Fund LP (Case No. 11-11160); West End Mortgage Finance Fund I LP (Case No. 11-

11162); West End Private Client Fund L.P.(Case No. 11-11163); West End Real Estate Fund 1 LP (Case No. 11-11164); West End Special Opportunity Fund II, LP (Case No. 11-11166); West End Special Opportunity Fund, LP (Case No. 11-11165); West End/Mercury Short-Term Mortgage Fund, LP. (Case No. 11-11156); West End Cash Liquidity Fund I L.P. (Case No. 11-12774) and West End Dividend Strategy Fund I L.P. (Case No. 11-13247).

1.132 “**Tax Regulations**” means the regulations promulgated under title 26 of the United States Code.

1.133 “**Unknown Causes of Action**” shall have the meaning set forth in Section 6.8.3.

1.134 “**Vendor**” means any Entity that supplied or provided goods, supplies, parts, materials, other tangible objects, or services to one or more of the Debtors prior to the Petition Date.

1.135 “**WEMFF Swap Payments**” shall have the meaning set forth in Section 6.4.5.

ARTICLE 2

TREATMENT OF UNCLASSIFIED CLAIMS

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

2.1 Administrative Expense Claims. On the Effective Date, or as soon thereafter as such Administrative Expense Claim is Allowed, the Plan Administrator shall (a) pay to each Holder of an Allowed Administrative Claim, including Professional Fees (i) the full amount of such Allowed Administrative Expense Claim from Post-Confirmation Estate Additional Collateral Net Proceeds, or (ii) a Pro Rata portion of Post-Confirmation Estate

Additional Collateral Net Proceeds reasonably determined by the Plan Administrator to be available from time to time after the satisfaction of, or the establishment of a reserve for, operating expenses of the Post-Confirmation Estate then due and payable, or foreseeably due and payable within the next four (4) months, and, thereafter, as often as reasonably practicable in the Plan Administrator's sole discretion, the Plan Administrator shall make periodic Pro Rata payments to the Holders of Allowed Administrative Claims of Post-Confirmation Estate Additional Collateral Net Proceeds reasonably determined by the Plan Administrator to be available after the satisfaction of, or the establishment of a reserve for, operating expenses of the Post-Confirmation Estate then due and payable, or foreseeably due and payable within the next four (4) months, until such claims are paid in full or (b) satisfy and discharge such Administrative Expense Claim in accordance with such other terms as may be agreed upon by and between the Holder thereof and the Plan Administrator, provided that such terms do not provide for payment of such Administrative Expenses Claims from Post-Confirmation Estate Assets other than Post-Confirmation Estate Additional Collateral Net Proceeds and otherwise are consistent with the Plan. The Debtor shall be authorized to solicit the consents of Holders of Allowed Administrative Expense Claims to agree to receive the treatment for such Claim that is set forth in this Section 2.1, which is different from the treatment set forth in 11 U.S.C. § 1129(a)(9).

2.2 Professional Fees. Each Person seeking an award by the Bankruptcy Court of Professional Fees shall file its final application for allowance of Professional Fees by the date that is ninety (90) days after the Confirmation Date. Each Holder of an Allowed Claim for Professional Fees shall receive from the Plan Administrator, in full satisfaction, settlement, and release of, and in exchange for, such Allowed Claim, the payments set forth in Section 2.1.

2.3 Bankruptcy Fees. All Bankruptcy Fees and charges assessed against the Debtor shall be paid in Cash in full as required by statute and until the closing of this Case.

2.4 Priority Tax Claims Each Holder of an Allowed Priority Tax Claim, if any, shall receive from the Plan Administrator, in full satisfaction, settlement, and release of, and in exchange for, such Allowed Claim, either (at the sole option of the Plan Administrator) (a) payment in full, in Cash, on the Distribution Date, (b) regular installment payments, in Cash, equal to the Allowed amount of such Priority Tax Claim over a period ending not later than five (5) years from the Petition Date, together with interest on the unpaid balance of such Priority Tax Claim calculated at a rate determined by the Bankruptcy Court under section 511 of the Bankruptcy Code, or (c) such other treatment as agreed to by the Holder of such Allowed Priority Tax Claim and the Plan Administrator.

ARTICLE 3

CLASSIFICATION OF CLAIMS AND INTERESTS

The following table designates the Classes of Claims against and Interests in the Debtor and specifies which of those Classes are (i) impaired or unimpaired by the Plan, (ii) entitled to vote to accept or to reject the Plan in accordance with Bankruptcy Code § 1126, or (iii) deemed to reject the Plan are thus not entitled to vote to accept or to reject the Plan pursuant to Bankruptcy Code § 1126:

Classes of Claims and Interests			
Class	Designation	Impaired/ Not Impaired	Entitled to Vote?
Class 1	Priority Non-Tax Claims	Not Impaired	Not Entitled to Vote

Class 2(a)	Northlight Secured Claim	Impaired	Entitled to Vote
Class 2(b)	Iberia Secured Claim	Impaired	Entitled to Vote
Class 2(c)	CapLease Secured Claim	Impaired	Entitled to Vote
Class 3	Non-InvestorCreditor Unsecured Claim	Impaired	Entitled to Vote
Class 4	Investor Creditor Unsecured Claim	Impaired	Entitled to Vote
Class 5	Interests	Impaired	Not Entitled to Vote/ Deemed to Reject

3.1 **Class 1 – Priority Non-Tax Claims.** Class 1 consists of all Allowed Priority Non-Tax Claims, if any, against the Debtor.

3.2 **Class 2 (a) - Northlight Secured Claim.** Class 2(a) consists of the Allowed Northlight Secured Claim against the Debtor.

3.3 **Class 2 (b) – Iberia Secured Claim.** Class 2(b) consists of the Allowed Iberia Secured Claim, if any, against the Debtor.

3.4 **Class 2 (c) – CapLease Secured Claim.** Class 2 (c) consists of the Allowed CapLease Secured Claim, if any, against the Debtor.

3.5 **Class 3 – Non-Investor Unsecured Claims.** Class 3 consists of all Allowed Non-Investor Unsecured Claims.

3.6 **Class 4 – Investor Creditor Unsecured Claims.** Class 4 consists of all Allowed Investor Creditor Unsecured Claims. With respect to any Investor who is a Defendant and whose Adversary Proceeding is resolved, settled, or determined by a Final Order of the Bankruptcy Court, such Investor shall have an Allowed Class 4 Claim solely in an amount and to the extent such Adversary Proceeding has been so resolved, settled, or determined.

3.7 **Class 5 –Interests.** Class 5 consists of all Allowed Interests in the Debtor.

ARTICLE 4

TREATMENT OF CLAIMS AND INTERESTS

4.1 **Class 1 – Priority Non-Tax Claims.** If not paid in full pursuant to a Final Order of the Bankruptcy Court prior to the Effective Date, and except to the extent such Holder has agreed to a less favorable treatment of its Allowed Claim, each Holder of an Allowed Priority Non-Tax Claim, if any, against the Debtor shall receive, in full satisfaction, settlement, and release of, and in exchange for, such Allowed Claim, Cash equal to the amount of such Allowed Claim on the later of (a) the Effective Date and (b) the date that is ten (10) days after the Allowance Date.

4.2 **Class 2(a) – Northlight Secured Claim.** In full satisfaction, settlement and release of, and in exchange for, the Northlight Secured Claim, Northlight shall receive the treatment set forth in this Section 4.2. On the Effective Date, the Plan Administrator shall execute and deliver, on behalf of the Post-Confirmation Estate, the New Northlight Note, the New Northlight Loan and Security Agreement, the New Northlight Pledge Agreement and any and all other New Northlight Loan Transaction Documents. The indebtedness evidenced by the New Northlight Note, and all other obligations of the Post-Confirmation Estate to Northlight under the New Northlight Loan Transaction Documents, shall be secured by a senior, first-priority Lien (the “**Northlight Exit Lien**”) on the Northlight Exit Collateral; provided, however, that, notwithstanding the foregoing, the Northlight Exit Lien shall be junior and subordinate in priority to, but only to, the lien of CapLease (granted pursuant to Section 4.4) on the Apartment

Collateral. The Post-Confirmation Estate shall have the right to prepay the New Northlight Note without premium or penalty.

4.3 Class 2(b) – Iberia Secured Claim. In full satisfaction, settlement and release of, and in exchange for, the Iberia Secured Claim, Iberia shall receive the treatment set forth in this Section 4.3. On the Effective Date, the Plan Administrator shall execute and deliver, on behalf of the Post-Confirmation Estate, the New Iberia Note, the New Iberia Loan and Security Agreement and any and all other New Iberia Loan Transaction Documents. The indebtedness evidenced by the New Iberia Note, and all other obligations of the Post-Confirmation Estate to Iberia under the New Iberia Loan Transaction Documents, shall be secured by a Lien (the “**Iberia Exit Lien**”) on the Iberia Exit Collateral; provided, however, that, notwithstanding the foregoing, the Iberia Exit Lien shall be junior and subordinate in priority to (i) the Northlight Exit Lien, (ii) the prior payment in full, in Cash of all obligations evidenced by the New Northlight Note and all Allowed Administrative Expense Claims and (iii) payment of the budgeted expenses for the operation of the Post-Confirmation Estate. The Post-Confirmation Estate shall have the right to prepay the New Iberia Note without premium or penalty. Iberia shall have no claim other than its Class 2(b) as set forth herein, Any Class 3 or 4 Claim held by Iberia shall be deemed waived

4.4 Class 2(c) – CapLease Secured Claim. In full satisfaction, settlement and release of, and in exchange for, the CapLease Secured Claim, CapLease shall receive (a) on the Effective Date, the New CapLease Note as provided for in this Plan. The obligations

evidenced by the New CapLease Note shall be secured by senior, first-priority liens on and security interests in the Apartment Collateral. The New CapLease Note shall have a maturity date of five (5) years from the Effective Date and shall bear interest at the rate of five (5%) percent per annum, payable quarterly in arrears. The Post-Confirmation Estate shall have the right to prepay the New CapLease Note without premium or penalty. Notwithstanding the foregoing, the Plan Administrator shall pay to CapLease the net proceeds from the sale or other disposition of the Apartment Collateral that is sold prior to the maturity of the New CapLease Note with such net proceeds being applied first to accrued and unpaid interest as of the date of such payment and the balance, if any, to reduce the then outstanding principal amount of the New CapLease Note. In the event that the Post-Confirmation Estate shall have paid CapLease principal in the aggregate amount of \$715,000 on or before March 1, 2012, the New CapLease Note shall be deemed paid in full, and the Liens and security interests granted hereunder to CapLease to secure the New CapLease Note shall be deemed to be released and discharged.

4.5 Class 3 – Non-Investor Unsecured Claims. Except to the extent a Holder of an Allowed Non-Investor Unsecured Claim has agreed to a less favorable treatment of such Allowed Claim, each Holder of an Allowed Non-Investor Unsecured Claim against the Debtor shall receive, in full satisfaction, settlement, and release of, and in exchange for, such Allowed Claim, such Holder's Pro Rata Share of the Cash distributed by the Post-Confirmation Estate to Holders of Allowed Non-Investor Unsecured Claims in the time and manner set forth in this Plan and the Post-Confirmation Estate Agreement; provided, however, that, notwithstanding

anything herein to the contrary, no distribution of Cash or other property of the Post-Confirmation Estate shall be made to a Holder of an Allowed Non-Investor Unsecured Claim unless and until the obligations evidenced by the New Northlight Note shall have been paid in full, in Cash.

4.6 Class 4 – Investor Creditor Unsecured Claims. Subject to the prior payment in full of, or reserve for, all Allowed Non-Investor Unsecured Claims against the Debtor, and except to the extent such Holder has agreed to a less favorable treatment of its Allowed Investor Creditor Unsecured Claim, each Holder of an Allowed Investor Creditor Unsecured Claim against the Debtor shall receive, in full satisfaction, settlement, and release of, and in exchange for, such Allowed Claim, such Holder's Pro Rata Share of the Cash distributed by the Post-Confirmation Estate to Holders of Allowed Investor Creditor Unsecured Claims in the time and manner as set forth in this Plan and the Post-Confirmation Estate Agreement; provided, however, that, notwithstanding anything herein to the contrary, no distribution of Cash or other property of the Post-Confirmation Estate shall be made to a Holder of an Allowed Investor Creditor Unsecured Claim unless and until the obligations evidenced by the New Northlight Note shall have been paid in full, in Cash.

4.7 Class 5 – Interests. On the Effective Date, all outstanding Interests in the Debtor shall be canceled and deemed terminated and of no force and effect and the Holders of such Interests shall not be entitled to retain or receive any property on account of such Interest.

ARTICLE 5

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 Assumption and Assignments of Executory Contracts. On the Effective Date, all Executory Contracts to which the Debtor is a party, which have not previously been assumed or rejected pursuant to an order of the Bankruptcy Court, shall be deemed rejected in accordance with Section 365 of the Bankruptcy Code.

5.2 Rejection Claims. Allowed Claims arising from the rejection of any Executory Contract of the Debtor pursuant to Section 5.1 of the Plan shall be treated as Rejection Claims.

5.3 Bar to Rejection Claims. A Proof of Claim with respect to any Rejection Claim shall not be timely filed unless it is filed with the Bankruptcy Court and served so that it is received by the Debtor within thirty (30) days after the later of (i) the date of entry of a Final Order approving such rejection (unless such Final Order expressly provides a Bar Date with respect to such Claim, in which event no Proof of Claim with respect to such Claim shall be deemed timely filed unless it is filed with the Bankruptcy Court and served in the manner provided in such Final Order), or (ii) the Confirmation Date. Any such Proof of Claim not timely filed and served shall be forever barred from assertion and may not be enforced against the Debtor or the Post-Confirmation Estate or its properties.

Article 6

IMPLEMENTATION OF THE PLAN

6.1 Establishment of the Post-Confirmation Estate.

6.1.1 Execution of Post-Confirmation Estate Agreement. On the Effective Date, the Debtor, on its own behalf and on behalf of Holders of Allowed, shall create and establish the Post-Confirmation Estate by executing the Post-Confirmation Estate Agreement and taking all other acts and actions necessary to create and establish the Post-Confirmation Estate.

6.1.2 Post-Confirmation Estate Funding. The Post-Confirmation Estate shall be funded with (a) any and all Cash held by the Debtor on the Effective Date and transferred to the Post-Confirmation Estate pursuant to Section 6.1.3 of this Plan, (b) the Budget Funds, to the extent necessary to fund the actual expenditures of the Post-Confirmation Estate identified in the Monthly Budgets as set forth in Section 6.2 of this Plan, (c) the Post-Confirmation WEMFF/WEFIP Funds as set forth in Section 6.6 of this Plan and (d) the proceeds of the liquidation of or other realization upon the Post-Confirmation Estate Assets to the extent provided for in this Plan.

6.1.3 Deemed Transfer of Post-Confirmation Estate Assets. On the Effective Date, and in accordance with and pursuant to the terms of the Plan, the Debtor shall be deemed to have assigned and transferred to the Post-Confirmation Estate all of the Debtor's right, title and interest in and to the Post-Confirmation Estate Assets, notwithstanding any prohibition of assignability under applicable non-bankruptcy law and without the need for the Debtor or the Post-Confirmation Estate to take any further action or execute, deliver, file or record any

document or instrument. The transfer of the Post-Confirmation Estate Assets shall be made for the benefit and on behalf of the Post-Confirmation Estate Beneficiaries in order that the proceeds of the liquidation or other disposition thereof may be distributed to Holders of Allowed Claims in accordance with the provisions of this Plan and the Post-Confirmation Estate Agreement. In addition, immediately upon such transfer, the Northlight Exit Lien shall attach to and encumber the Post-Confirmation Estate Assets and shall constitute a valid, duly perfected, first-priority Lien on the Post-Confirmation Assets; provided, however, that CapLease's first-priority Lien on the Apartment Collateral shall continue to encumber the Apartment Collateral following such transfer, and the Northlight Exit Lien shall be junior to, but only to, the first-priority lien of CapLease (to the extent of the CapLease Secured Claim) on the CapLease Collateral. In addition, Immediately upon such transfer, the Iberia Exit Lien shall attach to and encumber the Post-Confirmation Estate Assets and shall constitute a valid, duly perfected, second-priority Lien on the Post-Confirmation Assets subject and subordinate to (i) the Northlight Exit Lien, (ii) the prior payment in full, in Cash, of all obligations evidenced by the New Northlight Note and all Allowed Administrative Expenses Claims and (iii) payment of the budgeted expenses for the operation of the Post-Confirmation Estate.

6.1.4 Continuation of Privilege. In connection with the transfer of the Post-Confirmation Estate Assets, any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the Post-Confirmation Estate shall vest in the Post-Confirmation Estate and its

representatives, and the Debtor and the Post-Confirmation Estate are authorized to take all necessary actions to effectuate the transfer and continuation of such privileges.

6.1.5 Plan Oversight Committee. The Plan Oversight Committee shall have the rights, powers, functions and duties designated in the Post-Confirmation Estate Agreement. Only Investors shall be eligible to serve on the Plan Oversight Committee. No employee, former employee or consultant, general partner or managing member of or to West End Financial Advisors LLC or any of its affiliates shall be eligible to serve as a member of the Plan Oversight Committee. Members of the Plan Oversight Committee shall have fiduciary duties to the Post-Confirmation Estate Beneficiaries in the same manner as members of an official committee of creditors appointed pursuant to section 1102 of the Bankruptcy Code has duties to the creditor constituents represented by such committee.

6.1.6 Plan Administrator. The Plan Administrator shall be the exclusive trustee of the Post-Confirmation Estate Assets and shall have fiduciary duties to the Post-Confirmation Estate Beneficiaries in the same manner as members of an official committee of creditors appointed pursuant to section 1102 of the Bankruptcy Code has duties to the creditor constituents represented by such committee. The Plan Administrator shall be deemed qualified to do business in each jurisdiction in which the Debtors own, control or manage any assets. No Investor, employee, former employee, consultant, general partner or managing member of or to West End Financial Advisors LLC or any of its affiliates, nor any member of the Plan Oversight Committee shall be eligible to be the Plan Administrator or successor Plan Administrator. The

rights, powers, functions and duties of the Plan Administrator and its compensation shall be governed by the Post-Confirmation Estate Agreement.

6.1.7 Federal Tax Treatment of Post-Confirmation Estate. As set forth in the Post-Confirmation Estate Agreement, the Post-Confirmation Estate is organized for the primary purpose of taking to title to, protecting, conserving and liquidating the Post-Confirmation Estate Assets and distributing the proceeds thereof to the Post-Confirmation Estate Beneficiaries, in accordance with Tax Regulations sections 301.7701-4(a), with no objective to conduct a trade or business except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Post-Confirmation Estates. The Post-Confirmation Estate Agreement will require all parties (i) to treat the transfer of the Post-Confirmation Estate Assets to the Post-Confirmation Estate as a transfer of such assets directly from the Post-Confirmation Estate Beneficiaries to the Post-Confirmation Estate, and (ii) consistent herewith, to treat the Post-Confirmation Estate as a grantor trust of which the Post-Confirmation Estate Beneficiaries are the owners and grantors. For federal income tax purposes, the Post-Confirmation Estate Beneficiaries will be treated as grantors, deemed owners and beneficiaries of the Post-Confirmation Estate. Subject to the terms of the Post-Confirmation Estate Agreement, the Plan Administrator, in consultation with the Plan Oversight Committee, will determine the fair market value as of the Effective Date of all Post-Confirmation Estate Assets transferred to the Post-Confirmation Estate, and such determined fair market value shall be used by the Post-Confirmation Estate Beneficiaries for all U.S. federal income tax purposes, including for

determining tax basis and gain and loss. The Plan Administrator shall file federal income tax returns for the Post-Confirmation Estate as a grantor trust under Internal Revenue Code section 671 and Tax Regulations section 1.671-4 and report, but not pay tax on, the Post-Confirmation Estate's tax items of income, gain, loss, deductions and credits. The Post-Confirmation Estate Beneficiaries shall report such tax items on their respective federal income tax returns and pay any resulting federal income tax.

6.1.8 Evidence of Post-Confirmation Estate Interests. The respective Post-Confirmation Estate Interests of Holders of Allowed Class 3 Non-Investor Unsecured Claims and Holders of Allowed Class 4 Investor Creditor Unsecured Claims shall be in book entry form only and no certificates or other evidence of beneficial ownership shall be issued by the Plan Administrator.

6.1.9 Extension of Post-Confirmation Estate Term; Termination of Post-Confirmation Estate. The Post-Confirmation Estate shall terminate on the fifth (5th) anniversary of the Effective Date; provided, however, that, on motion of the Plan Administrator, the Bankruptcy Court may extend the term of the Post-Confirmation Estate for a finite period, if such extension is warranted by the facts and circumstances as necessary for the liquidation of the Post-Confirmation Estate Assets. Multiple extensions of the term of the Post-Confirmation Estate can be obtained so long as Bankruptcy Court approval is obtained within six (6) months of the beginning of such extended term; provided further, however, that the Plan Administrator may, in his discretion, seek an opinion of counsel or a favorable ruling from the IRS that any

extension, under Treasury Regulations § 301.7701-4(d) and Rev. Proc. 94-45, would not adversely affect the status of the Post-Confirmation Estate as a grantor trust for federal income tax purposes.

6.1.10 Termination of Plan Administrator. The duties, responsibilities, rights and powers of the Plan Administrator shall terminate in accordance with the terms of the Post-Confirmation Estate Agreement.

6.1.11 Post-Confirmation Estate Budget and Expenditures. Until the obligations evidenced by the New Northlight Note are paid in full, in Cash, all Expenditures shall be subject to and limited by (subject to a ten (10) percent line-item variance) a series of six (6) prospective monthly budgets (each a “**Monthly Budget**”) prepared by the Plan Administrator after the Effective Date, who shall submit each series of six Monthly Budgets to Northlight no later than fifteen (15) days prior to the commencement of the applicable six (6)-month period, provided, however, that the Plan Administrator shall submit to Northlight the initial series of six (6) Monthly Budgets no later than thirty (30) days after the Confirmation Date provided however, should the Effective Date occur prior to the Plan Administrator’s delivery of the Monthly Budget, then the Monthly Budget provided to Northlight by the Debtor shall continue in full force and effect and control until the Plan Administrator provides the Monthly Budget contemplated by this section. Each Monthly Budget shall be subject to the reasonable approval by Northlight and subsequent to such approval, the expenditures set forth therein may be made by the Plan Administrator without further authorization. Every Budget submitted to Northlight

shall be deemed approved unless objected to by Northlight in writing within five (5) Business Days after such budget is submitted for approval. Without limiting the generality of the foregoing, the Monthly Budgets shall not include, and the Budget Funds shall not be used to pay, any fees for services performed by Post-Confirmation Estate Professionals retained by the Post-Confirmation Estate that are Contingency Fees. After all of the obligations evidenced by the New Northlight Note are paid in full, in Cash, Iberia shall succeed to and have the same rights with respect to the Monthly Budget as Northlight had until all of the obligations evidenced by the New Iberia Note are paid in full, in Cash.

6.1.12 Dissolution of the Debtor. On the Effective Date, immediately following the consummation of the transactions contemplated by this Plan, each of the Debtors shall be deemed to be dissolved under applicable state law without the need for any further acts or actions by their respective officers, members of their respective boards of directors or managers, or general partners, as the case may be, and without the need for the execution, delivery, filing or recording of any document or instrument that, in the absence of this Order, otherwise would be required to effect such dissolution.

6.2 Funding Expenditures of the Post-Confirmation Estate. Until payment in full, in Cash, of the obligations evidenced by the New Northlight Note, the Plan Administrator shall fund the Expenditures provided for in each Monthly Budget from the following sources of funds (the “**Budget Funds**”) in the sequence set forth below to the extent necessary to fund such Expenditures:

6.2.1 *First*, Cash on hand held by the Post-Confirmation Estate;

6.2.2 *Second*, the Post-Confirmation Estate Additional Collateral Net Proceeds;

6.2.3 *Third*, the proceeds from the RE Collateral; provided, however, that the Plan Administrator, in his discretion, may retain and reserve such proceeds for the purpose of funding the scheduled interest payments to CapLease pursuant to the Plan;

6.2.4 *Fourth*, the receivables related to the swap breakage, risk transfer and interest rate differential payments that arose under the DZ Bank Franchise Loan Origination Agreement and are payable to West End Financial Advisors, LLC pursuant to Section 10.2 of that certain VRP Membership Interest Purchase Agreement, dated as of January __, 2010, by and among West End Financial Advisors, LLC, JBB Partners, LLC, Venture Restaurant Partners, LLC, National Franchise Acceptance, LLC, Somerset II, LLC, Sam Mascheri and Anthony P. Basile;

6.2.5 *Fifth*, the interest rate differential payments (the “**WEMFF Swap Payments**”) received by West End Mortgage Finance Fund I, LP during the twenty-four (24) months following the Effective Date pursuant to Section 5.1(a)(ii) of the Amended and Restated Limited Liability Company Agreement of NFA Funding LLC, dated as of June 10, 2008; provided, however, that, upon the occurrence of an Event of Default under the New Northlight Loan Transaction Documents, the Post-Confirmation Estate no longer shall be entitled to receive or use any WEMFF Swap Payments, and, thereafter, unless and until such Event of Default shall

be cured, any and all WEMFF Swap payments shall be applied as a mandatory amortization payment in respect of the New Northlight Note;

6.2.6 *Sixth*, subject to Section 6.6 hereof, the funds derived from the DZ Bank Franchise Loan Origination Agreement Waterfall (the “**WEMFF/WEFIP Waterfall Funds**”) that are distributed during the twenty-four (24) months following the Effective Date to West End Mortgage Finance Fund I LP and West End Fixed Income Partners LP by Northlight Food Franchise Fund, LP pursuant to the partnership agreement of the Northlight Partnership, after payment by the Northlight Partnerships to Northlight of accrued and unpaid interest under the New Northlight Loan Transaction Documents; provided, however, that, for each month during such twenty-four (24)-month period, the Post-Confirmation Estate shall not be entitled to use more than the lesser of (a) \$30,000 or (b) an amount equal to the funds necessary to fund the Expenditures for such month, as set forth in the Monthly Budget for such month, after application of the Budget Funds contemplated by sub-sections 6.2.1, 6.2.2, 6.2.3, 6.2.4 and 6.2.5 of this Section; and provided further, however, that the Post-Confirmation Estate shall not be entitled to use more than \$360,000 in the aggregate of WEMFF/WEFIP Waterfall Funds during such twenty-four (24)-month period. To the extent that any of the WEMFF/WEFIP Waterfall Funds are not needed and used to fund Expenditures for a particular month, as provided for in the applicable Monthly Budget, the Plan Administrator shall distribute such excess WEMFF/WEFIP Waterfall Funds to Northlight as a mandatory amortization payment under the New Northlight Note; provided further, however, that, upon the occurrence of an Event of Default under the New

Northlight Loan Transaction Documents, the Post-Confirmation Estate no longer shall be entitled to receive or use any WEMFF/WEFIP Waterfall Funds, and, thereafter, unless and until such Event of Default shall be cured, any and all WEMFF/WEFIP Waterfall Funds payments shall be applied as a mandatory amortization payment under the New Northlight Note.

6.3 Evidence of Class 4 Creditor's Interests in Post-Confirmation Estate.

As soon as practicable after the entry of the Confirmation Order, the Plan Administrator shall determine the Post-Confirmation Estate Interests of Class 4 Creditors in the Post-Confirmation Estate. Evidence of the Post-Confirmation Estate Interests of Class 4 Investor Creditor Unsecured Claims in the Post-Confirmation Estate shall be in book entry form only and no certificates or other evidence of beneficial ownership shall be issued by the Plan Administrator.

6.4 Corporate Action. Upon the entry of the Confirmation Order by the Bankruptcy Court, all matters provided under the Plan involving the limited liability company power of the Debtor shall be deemed authorized and approved without any requirement of further action by the Debtor, the Debtor's limited liability company members or the Debtor's boards of managers.

6.5 Payment of Contingency Fees and Other Fees of Professionals. Until payment in full, in Cash, of all obligations evidenced by the New Northlight Note, the sole and exclusive source for the payment of Contingency Fees shall be from the proceeds of Contingency Fee Claims. For the avoidance of doubt, the Plan Administrator shall have the discretion to (a) engage Post-Confirmation Estate Professionals on an hourly fee basis for the purpose of preparing and prosecuting the Landberg Defendants Actions and (b) subject to the funding of the

then current Monthly Budget, fund the payment of fees (the “**Landberg Defendants Actions Fees**”) for such hourly services from Budget Funds that constitute Post-Confirmation Estate Additional Collateral Net Proceeds.

6.6 Sharing of Certain WEMFF/WEFIP Waterfall Funds. Until payment in full, in Cash, of the obligations evidenced by the New Northlight Note, notwithstanding the provisions of Section 6.2.6, to the extent that any portion of the WEMFF/WEFIP Waterfall Funds constitutes the proceeds of a principal prepayment made by a Franchise Loan Obligor that is not scheduled under the relevant Franchise Loan Documents, ninety (90%) of such proceeds shall be distributed to Northlight as a mandatory amortization payment under the New Northlight Note, and, pursuant to a carve-out from the Northlight Exit Lien, the remaining ten percent (10%) of such proceeds (the “**Post-Confirmation Estate WEMFF/WEFIP Funds**”) shall be distributed to the Post-Confirmation Estate, and the same shall remain subject to the discretion of the Plan Administrator.

6.7 Northlight Partnership Funds. Upon the Effective Date, the Northlight Partnership shall distribute to Northlight one hundred (100%) percent of the Northlight Partnership Funds as a mandatory amortization payment under the New Northlight Note.

6.8 Preservation of Claims and Causes of Action. (a) *Avoidance Actions.* The Plan Administrator, on behalf of the Post-Confirmation Estate, retains all rights on behalf of the Debtor and the Post-Confirmation Estate to commence and pursue any and all Avoidance Actions or any other claim which is property of the Estate under section 541 of the Bankruptcy Code (under any

theory of law or equity, including, the Bankruptcy Code, and in any court or other tribunal including, in an adversary proceeding filed in the Chapter 11 Case) to the extent the Plan Administrator, on behalf of the Post-Confirmation Estate, deems appropriate, in accordance with and subject to the terms of the Post-Confirmation Estate Agreement. Potential Avoidance Actions, which may but need not have been pursued by the Debtor prior to the Effective Date and by the Plan Administrator, on behalf of Post-Confirmation Estate, after the Effective Date to the extent warranted, include, the following claims against third parties set forth below:

- (a) Any and all potential Claims for, or in any way involving, the collection of accounts receivable or any matter related thereto;
- (b) Any and all potential Claims against a director and/or officer of the Debtor;
- (c) Any and all potential Claims for prepetition breaches of fiduciary duty, negligent management and wasting of corporate assets and corporate opportunity and/or arising under the Debtor's directors and officers insurance policies against the Debtor's prepetition directors and officers, managing member or general partner, among others;
- (d) Any and all potential Claims against the prepetition members of the Debtor's boards of directors, managers, members, general partners, limited partners and/or shareholders, for acts or omissions occurring prior to the Petition Date, including, without limitation, the right to equitably subordinate claims held by such directors, officers, or shareholders pursuant to Section 510(c) of the Bankruptcy Code;
- (e) Any and all potential Claims arising out of, and in connection with, the prepetition management, operation and/or reporting of financial and other information against all persons and entities having any responsibility with respect thereto, whether such claims are legal, equitable or statutory in nature;
- (f) Any and all potential Claims to recover amounts improperly awarded to employees under the terms of any prepetition employment or change in control agreement;

(g) Any and all potential Claims against third parties with respect to prepetition violations of applicable federal or state securities laws;

(h) Any and all potential Claims arising out of or that relate to prepetition acquisitions or financings;

(i) Any and all potential Claims, counterclaims, cross-claims, third party claims, and affirmative defenses asserted or that could be asserted in any litigation involving the Debtor, whether arising before or after the Petition Date; and

(j) Any and all potential Claims for credits; overpayments; overcharges; prepaid deposits and other amounts; adjustments; recoupment; setoffs; and other rights to payment from those Entities who have received payments or other transfers of property of the Estate during the course of the Chapter 11 Case.

(b) *Other Causes of Action.* In addition, potential Avoidance Actions or other claims or causes of action which may be pursued by the Debtor prior to the Effective Date and by the Plan Administrator, on behalf of the Post-Confirmation Estate after the Effective Date, also include, without limitation the following:

(i) Any other actual or potential claims or causes of action, whether legal, equitable or statutory in nature, arising out of, or in connection with the Debtors' businesses or operations, including, without limitation, the following: possible claims against Vendors, landlords, sublessees, assignees, customers or suppliers for warranty, indemnity, back charge/set-off issues, overpayment or duplicate payment issues and collections /accounts receivable matters; deposits or other amounts owed by any creditor, lessor, utility, supplier, vendor, landlord, sublessee, assignee, or other entity; employee, management or operational matters; claims against landlords, sublessees and assignees arising from various leases, subleases and assignment agreements relating thereto, including, without limitation, claims for overcharges relating to taxes, common area maintenance and other similar charges; financial reporting; actions against insurance carriers relating to coverage, indemnity or other matters; counterclaims and defenses relating to notes or other obligations; contract or tort claims which may exist or subsequently arise; and

(ii) Except for the express waiver of certain claims in the Plan, any and all actual or potential avoidance claims pursuant to any applicable section of the Bankruptcy Code, including, without limitation Sections 544, 545, 547, 548, 549, 550, 551, 553(b) and/or 724(a) of the Bankruptcy Code, arising from any transaction involving or concerning the Debtor.

(d) *Causes of Action Unknown as of Confirmation Date.* In addition, there may be numerous other claims or causes of action belonging to the Debtor which currently exist or may subsequently arise that are not set forth herein because the facts upon which such claims or causes of action are based are not fully or currently known by the Debtor, and, as a result, cannot be raised during the pendency of the Chapter 11 Case (collectively, the “**Unknown Causes of Action**”). The failure to list any such Unknown Cause of Action herein is not intended to limit the rights of the Plan Administrator, on behalf of the Post-Confirmation Estate, to pursue any Unknown Cause of Action to the extent the facts underlying such Unknown Cause of Action become fully known to the Debtor and/or the Plan Administrator.

(e) *No Causes of Action Waived by Omission.* The potential net proceeds from the Debtor’s claims or causes of action identified herein or which may subsequently arise or be pursued, are presently speculative and uncertain and therefore no value has been assigned to such recoveries. The Debtor and the Plan Administrator do not intend, and it should not be assumed, because any existing or potential claims or causes of action have not yet been pursued or are not set forth herein that such claims have been waived.

(f) *Vesting of Causes of Action Reserved under Plan.* Except as otherwise provided in the Plan or in any contract, instrument, release, indenture or other agreement entered

into in connection with the Plan, in accordance with Section 1123(b)(3) of the Bankruptcy Code, any claims, rights, and causes of action that the respective Debtors or the Post-Confirmation Estate may hold against any Entity, including those claims or causes of action listed herein, shall vest in the Post-Confirmation Estate, and the Plan Administrator, on behalf of the Post-Confirmation Estate, shall retain and may exclusively enforce, as the authorized representative of the Post-Confirmation Estate, any and all such claims, rights, or causes of action, as appropriate, in accordance with the best interests of the Post-Confirmation Estate and the Holders of Allowed Claims entitled to distributions under the Plan, and the terms of the Post-Confirmation Estate Agreement. The Plan Administrator, on behalf of the Post-Confirmation Estate, shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any and all such claims, rights, and causes of action without the consent or approval of any third party and without any further order of the Bankruptcy Court or any other court except as otherwise provided in the Post-Confirmation Estate Agreement.

6.9 Cancellation and/or Surrender of Notes, Instruments, Debentures and Equity Securities. On the Effective Date, except to the extent provided otherwise in the Plan, all notes, instruments, debentures, certificates and other documents evidencing Claims against and all Interests in the Debtor shall be canceled and deemed terminated and surrendered (regardless of whether such notes, instruments, debentures, certificates or other documents are in fact surrendered for a cancellation to the appropriate indenture trustee or other such person), except for purposes of distribution in accordance with the terms of this Plan. On the Effective Date, the indentures shall be

deemed canceled as permitted by Section 1123(a)(5) of the Bankruptcy Code.

6.10 Reserves. The Disputed Claims Reserve maintained by the Plan Administrator in connection with the distribution of funds on account of Allowed Claims, may be maintained by bookkeeping entries alone; the Debtor or the Plan Administrator, as the case may be, need not (but may) establish separate bank accounts for such purposes.

6.11 The New Northlight Note and Other Northlight Transaction Documents. On the Effective Date, the Post-Confirmation Estate shall execute and deliver to Northlight (a) the New Northlight Note, (b) the New Northlight Loan and Security Agreement, (c) the New Northlight Pledge Agreement, (d) the New Intercreditor Agreement, (e) customary security documents, including mortgages, security agreements, pledge agreements, deposit account control agreements and related instruments of perfection that are necessary, in Northlight's reasonable judgment, to grant, evidence and perfect the liens and security interests granted to Northlight pursuant to this Plan, and (f) such other documents and instruments as Northlight reasonably may request, all of which shall be satisfactory, in form and substance, to Northlight. The New Northlight Note shall not provide for any scheduled amortization; provided, however, that the Post-Confirmation Estate shall be obligated to reduce the then outstanding principal balance of the New Northlight Note by making the mandatory distributions to Northlight from the sale or other disposition of the Northlight Exit Collateral in accordance with the provisions of this Plan.

6.12 The New Iberia Note and Other Iberia Transaction Documents. On the Effective Date, the Post-Confirmation Estate shall execute and deliver to Iberia (a) the New Iberia

Note, (b) the New Iberia Loan and Security Agreement, (c) customary security documents, including, without limitation, mortgages, security agreements, pledge agreements, deposit account control agreements and related instruments of perfection that are necessary, in Iberia's reasonable judgment, to grant, evidence and perfect the liens and security interests granted to Iberia pursuant to this Plan, if any, and (d) such other documents and instruments as Iberia reasonably may request, all of which shall be satisfactory, in form and substance, to Iberia. The New Iberia Note shall not provide for any scheduled amortization; provided, however, that the Post-Confirmation Estate shall be obligated to reduce the then outstanding balance of the New Iberia Note by making the mandatory distributions to Iberia from the sale of other disposition of Iberia's Collateral.

6.13 The New CapLease Note and Other CapLease Transaction Documents.

On the Effective Date, the Post-Confirmation Estate shall execute and deliver to CapLease (a) the New CapLease Note, (b) the New CapLease Loan and Security Agreement, (c) customary security documents, including mortgages, security agreements, pledge agreements, deposit account control agreements and related instruments of perfection that are necessary, in CapLease's reasonable judgment, to grant, evidence and perfect the liens and security interests granted to CapLease pursuant to this Plan, and (d) such other documents and instruments as CapLease reasonably may request, all of which shall be satisfactory, in form and substance, to CapLease. The New CapLease Note shall not provide for any scheduled amortization; provided, however, that the Post-Confirmation Estate shall be obligated to reduce the then outstanding balance of the New CapLease Note by making the mandatory distributions to CapLease from the sale or other disposition of the CapLease Collateral.

6.14 Restriction on Incurrence of Funded Debt. Neither the Post-Confirmation Estate nor the Plan Administrator on behalf of the Post-Confirmation Estate shall incur any funded indebtedness other than the Claims treated under the Plan; provided, however, that the Post-Confirmation Estate and the Plan Administrator on behalf of the Post-Confirmation Estate may incur funded indebtedness subject to the prior or contemporaneous payment in full, in Cash, of all of the Post-Confirmation Estate's obligations under the Northlight Exit Documents.

6.15 Mandatory Transfer of General Partner Interests in Northlight Partnership. The Northlight GP Entity shall transfer its general partner interest in the Northlight Partnership to the entity or entities designated in writing by the Plan Administrator, upon written request of the Plan Administrator providing reasonable notice to the Northlight GP Entity, subject to the prior or contemporaneous satisfaction of the following conditions: (i) all of the Post-Confirmation Estate's obligations under the New Northlight Loan Transaction Documents shall have been paid in full in Cash; (ii) all management fees and all other amounts owing to the Northlight GP Entity shall have been paid in full in Cash; (iii) any and all consents to, and approvals of, such transfer that contractually, or as a matter of law, are required (such consents and approvals, collectively, the "**Consents**") shall have been obtained; (iv) the Northlight GP Entity shall receive from the Northlight Partnership and the limited partners thereof, as well as from the Plan Administrator on behalf of the Post-Confirmation Estate, a written release and discharge of and from any and all claims and causes of action relating to its role and actions as general partner of the Northlight Partnership, which releases shall contain customary carve-outs for willful misconduct,

gross negligence and fraud and otherwise shall be satisfactory to the Northlight GP Entity in all respects; and (v) Northlight shall have been paid the sum of \$500,000.00 in consideration of the transfer by the Northlight GP Entity of such general partner interests. The Northlight GP Entity (together with its managers, officers and employees) agrees that it shall endeavor to cooperate, in good faith with the Plan Administrator solely in connection with the Plan Administrator's efforts to obtain the Consents required to effectuate the transfer of the Northlight GP Entity's general partner interest in the applicable Northlight Partnership in accordance with the foregoing provisions and will not unduly delay any such transaction proposed by the Plan Administrator. The Northlight GP Entity shall not be required to incur any fees, costs, or expenses in connection with such cooperation.

6.16 Restriction on Transfer of Northlight Exit Collateral. The Plan Administrator shall not transfer or sell all or any portion of the Northlight Prepetition Collateral unless (a) all obligations evidenced by the New Northlight Note have been paid in full, in Cash or (b) the proceeds of such transfer or sale are sufficient to pay in full, in Cash, all obligations evidenced by the New Northlight Note, and the provisions of the applicable transfer documents require proceeds of such transfer or sale to be applied, and such proceeds, in fact, are applied, to the payment in full, in Cash, of such obligations upon closing of such transfer or sale. The Plan Administrator shall not transfer or sell all or any portion of the Northlight Additional Collateral unless (a) all obligations evidenced by the New Northlight Note have been paid in full, in Cash; (b) the proceeds of such transfer or sale are sufficient to pay in full, in Cash, all obligations evidenced by the New Northlight Note, and the provisions of the applicable transfer documents require proceeds of such transfer or

sale to be applied, and such proceeds, in fact, are applied, to the payment in full, in Cash, of such obligations upon closing of such transfer or sale; or (c) twenty-one (21) days prior written notice of the sale has been provided to Northlight, giving Northlight the right to submit to the Plan Administrator an overbid for such assets by means of a credit bid, subject to the carve-out from the Northlight Exit Lien provided in Section 7.16.2 hereof, of all or a portion of the obligations evidenced by the New Northlight Note, and Northlight is provided the ability to submit to the Plan Administrator a written objection to such sale. In the event that Northlight submits to the Plan Administrator a written objection to such sale, the Plan Administrator shall not consummate such sale until (i) the Plan Administrator has filed a motion with the Bankruptcy Court, pursuant to sections 363(b), (f) and (k) of the Bankruptcy Code, seeking authority to sell such assets free and clear of Liens (which motion shall not be heard on less than twenty-one (21) days notice to Northlight and other parties in interest and shall expressly acknowledge Northlight's right to credit bid at such sale, subject to the carve-out provided in Section 7.16.2 hereof) and (ii) the Bankruptcy Court shall have entered an order (a "**Section 363 Order**") authorizing and approving such sale. Under no circumstances shall any sale of the Additional Collateral extinguish or discharge the Northlight Exit Lien, either in full or in part, without Northlight's written consent and release of the Northlight Exit Lien (to the extent that such Lien encumbers the property proposed to be sold) or the entry by the Bankruptcy Court of a Section 363 Order providing for the extinguishment and discharge of such Lien.

6.17 Accountings. Until payment in full, in Cash, of the obligations evidenced by the New Northlight Note, within thirty (30) days of the end of each calendar month, the Plan Administrator shall deliver to Northlight an accounting, identifying on a line-item basis, of the dollar amount of each category of Budget Funds received by the Plan Administrator during such month and the dollar amount of each category of Budget Funds used by the Plan Administrator to fund Expenditures during such month, together with an accounting that compares, on a line-item basis, the actual Expenditures made during such month against the Expenditures set forth in the Monthly Budget for such month. The form of such accountings shall be reasonably satisfactory to Northlight. Copies of such Accountings shall be provided to the Plan Oversight Committee.

6.18 Transfer Taxes. Any transfer, assignment, conveyance or delivery of the Post-Confirmation Estate Assets to the Post-Confirmation Estate and the execution of any transfer documents in connection with the Plan, shall be exempt from any stamp, real estate transfer, mortgage recording, sales, use or other similar tax to the extent permitted under section 1146(a) of the Bankruptcy Code.

6.19 Dissolution of Committee. Upon the Effective Date the Committee shall be dissolved and each member of and the professionals retained by the Committee will be released and discharged from their respective fiduciary obligations, except that, notwithstanding such dissolution, the Committee shall continue to exist for the following limited purposes: (i) the Committee may review and approve the final fee applications of the Professionals retained by the Creditors Committee, which will be filed within the time frames established by the Confirmation Order; and

(ii) review and if appropriate, take positions on the fee applications of its Professionals and other Professionals seeking an allowance of fees and reimbursement of expenses in the Debtor's Chapter 11 Case. The Committee's Professionals shall be entitled to an Allowed Administrative Expense for its reasonable fees and reimbursement of expenses for any work done after the Effective Date with respect to the two limited permitted tasks set forth above.

6.20 Federal Income Tax Treatment of the Post-Confirmation Estate. As provided in the Post-Confirmation Estate Agreement, the Post-Confirmation Estate (i) will be established for the sole purpose of taking title to, protecting, conserving, reducing to cash and distributing any proceeds and recoveries from the Post-Confirmation Estate Assets in accordance with Treasury Regulation § 301.7701-4(a), with no objective to continue or engage in the conduct of a trade or business. The Post-Confirmation Estate is intended to qualify as a grantor trust for United States federal income tax purposes. In general, a liquidating trust is not a separate taxable entity for United States federal income tax purposes, but, instead, is treated as a grantor trust, *i.e.*, a pass-through entity. The Post-Confirmation Estate Agreement will require all parties (i) to treat the transfer of the Post-Confirmation Estate Assets to the Post-Confirmation Estate as a transfer of such assets directly to the Post-Confirmation Estate Beneficiaries, followed by the transfer of such assets by such beneficiaries to the Post-Confirmation Estate, and (ii) consistent therewith, to treat the Post-Confirmation Estate as a grantor trust of which the Post-Confirmation Estate Beneficiaries are the owners and grantors. Subject to the terms of the Post-Confirmation Estate Agreement, and the powers of the Plan Oversight Committee established thereunder, the Plan Administrator may

determine the fair market value of the Post-Confirmation Estate Assets after the Effective Date, and Post-Confirmation Estate Beneficiaries and the Plan Administrator must consistently use such valuation for all United States federal income tax purposes, including for determining gain, loss or tax basis.

ARTICLE 7

PROVISIONS GOVERNING DISTRIBUTIONS

7.1 Plan Administrator. The Plan Administrator shall distribute all Cash or other property of the Post-Confirmation Estate to be distributed under the Plan in accordance with the provisions of this Plan and the Post-Confirmation Estate Agreement.

7.2 Funding of Distributions under the Plan. The distributions to be made to Holders of Allowed Claims in accordance with the provisions of this Plan shall be funded by the Post-Confirmation Estate Assets.

7.3 Method of Payment. Unless otherwise expressly agreed, in writing by the Plan Administrator and the Holder of such Claim, all Cash payments to be made pursuant to the Plan shall be made by check drawn on a domestic bank or, if available without cost to the Post-Confirmation Estate, by wire transfer in accordance with written instructions delivered to the Plan Administrator.

7.4 Claims Objection Deadline. Unless extended by an order of the Bankruptcy Court pursuant to a motion filed by the Debtor or the Plan Administrator, as the case may be,

objections to the allowance of any Claim or Interest may be filed no later than the later to occur of (i) ninety (90) days after the Effective Date or (ii) ninety (90) days after the date proof of such Claim or Interest is filed. Unless such Claim or Interest is specifically Allowed pursuant to this Plan, Claims or Interests shall be deemed to be Disputed in their entirety if, (i) the amount specified in a Proof of Claim or Interest exceeds the amount of any corresponding Claim or Interest listed in the Schedules; (ii) any corresponding Claim or Interest listed in the Schedules has been scheduled as disputed, contingent or unliquidated; or (iii) no corresponding Claim or Interest has been listed in the Schedules.

7.5 Prosecution of Objections. After the Effective Date only the Plan Administrator shall have authority to file, settle, compromise, withdraw or litigate to judgment objections to Disputed Claims. The Plan Administrator shall have the right to litigate to judgment, settle or withdraw any objection to any Claim or Interest. With respect to any objection to claims that are pending on the Effective Date, the Post-Confirmation Estate, by and through the Plan Administrator, shall be automatically substituted for the Debtor as the real party in interest and the Debtor's counsel shall continue to prosecute such objections as counsel for the Plan Administrator.

7.6 Distributions with Respect to Disputed Claims. During the pendency of any objection to any Claim or Interest, no distribution under the Plan will be made to the Holder of such Claim or Interest. However, at the discretion of the Plan Administrator, and to the extent sufficient Cash is available to fund the Disputed Claims Reserve without impairing the ability of the Plan

Administrator to operate the Post-Confirmation Estate, the Plan Administrator shall segregate Cash in the Disputed Claims Reserve equal to the amount which would be distributed on account of such Disputed Claim if such Claim had been an Allowed Claim but for the pendency of the objection. The Debtor or Plan Administrator may seek an order of the Bankruptcy Court estimating or limiting the amount of Cash or property that must be deposited in respect of any such disputed Claim or Interest.

7.7 Disputed Claim Reserve. The Plan Administrator may, to the extent there is sufficient Cash available to do so, maintain the Disputed Claims Reserve for any distributable amounts required to be set aside on account of Disputed Claims. Such amounts (net of any expenses, including any taxes, on funds in the Disputed Claims Reserve) shall be distributed, as provided in the Post-Confirmation Estate Agreement and in the Plan, as such Disputed Claims are resolved by Final Order and would otherwise be payable in accordance with the terms of this Plan, and shall be distributable with respect to such Disputed Claims as such amounts would have been distributable had the Disputed Claims been Allowed Claims as of the Effective Date.

7.8 Delivery of Distributions. Except as provided in Sections 7.9 and 7.10 of the Plan, distributions to Holders of Allowed Claims shall be made: (1) at the addresses set forth on the respective Proofs of Claim or Proofs of Interests filed by such Holders; (2) at the addresses set forth in any written notices of address changes delivered to the Plan Administrator after the date of any related Proof of Claim; or (3) at the address reflected in the Schedules if no Proof of Claim is filed and the Plan Administrator has not received a written notice of a change of address.

7.9 Undeliverable Distributions.

(a) If the distribution to the Holder of any Claim is returned to the Plan Administrator as undeliverable, no further distribution shall be made to such Holder unless and until the Plan Administrator is notified in writing of such Holder's then current address. Undeliverable distributions shall remain in the possession of the Plan Administrator until the earlier of (i) such time as a distribution becomes deliverable or (ii) such undeliverable distribution becomes an unclaimed distribution pursuant to Section 7.10 of the Plan.

(b) Nothing contained in the Plan shall require the Debtor or the Plan Administrator to attempt to locate any Holder of an Allowed Claim or an Allowed Interest.

7.10 Unclaimed Distributions. Any Cash or other property to be distributed under the Plan shall revert to the Post-Confirmation Estate if it is not claimed by the Entity entitled thereto before the later of (i) one hundred eighty (180) days after the Effective Date or (ii) sixty (60) days after an order of the Bankruptcy Court allowing the Claim of that Entity becomes a Final Order or is otherwise Allowed, and such Entity's Claim shall be deemed to be reduced to zero.

7.11 Set-offs. The Plan Administrator may, pursuant to an order of the Bankruptcy Court, set-off against the distributions to be made pursuant to the Plan the claims, obligations, rights, causes of action and liabilities of any nature that the Debtor may hold against the Holder of an Allowed Claim, *provided, however*, that neither the failure to effect such a set-off nor the allowance of any claim hereunder shall constitute a waiver or release by the Debtor or the Plan Administrator of any such claims, obligations, rights, causes of action and liabilities that the Debtor or the Plan Administrator has or may have against such Holder.

7.12 Estimation of Claims for Purposes of Distribution. The Debtor or the Plan Administrator, as the case may be, for cause shown, shall have the right to seek an Order of the Bankruptcy Court, after notice and a hearing, estimating or limiting the amount of Cash or property, that must be segregated or escrowed on account of any Disputed Claim. Any Creditors whose Claim is so estimated shall have no recourse to any assets theretofore distributed on account of any Allowed Claim or any other Entity or property if the Allowed Claim of such Creditor, as determined in a Final Order, exceeds the amount segregated or escrowed for such Claim.

7.13 Allocation of Plan Distribution between Principal and Interest. To the extent applicable to a particular Claim, all distributions in respect of any Allowed Claim shall be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter, to the remaining portion of such Claim comprising interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim); provided however, that allocation of payments made to Northlight shall be governed by the New Northlight Loan Transaction Documents.

7.14 Interest on Claims. Except as otherwise provided in this Plan or as expressly set forth in a Final Order of the Bankruptcy Court, pursuant to Bankruptcy Code § 726, as made applicable in this Case pursuant to Bankruptcy Code § 1129, post-petition interest shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim.

7.15 Minimum Distributions. No payment of Cash less than \$25.00 shall be

made by the Plan Administrator to any Holder of a Class 3 or Class 4 Claim. Any Post-Confirmation Estate Assets or Cash of the Debtor which is undistributable in accordance with this Section shall be paid into the Bankruptcy Court, and the Holders of Allowed Claims who will not receive a payment from the Post-Confirmation Estate or the Debtor as a result of this Section 7.15 may seek a recovery therefrom of any such amount in accordance with any applicable bankruptcy laws, rules, or procedures.

7.16 Additional Provisions Concerning Distributions.

7.16.1 Prohibition Concerning Use of Northlight Pre-Petition

Collateral. Notwithstanding anything herein to the contrary, none of the Northlight Pre-Petition Collateral, nor any proceeds thereof, shall be used or distributed to pay Professional Fees. Unless and until all obligations under the New Northlight Loan Transaction Documents shall have been paid in full, in Cash, none of the Northlight Additional Collateral shall be used or distributed to pay Professional Fees, provided, however, that Contingency Fees shall be paid from the proceeds of the Contingency Fee Claims and Landberg Defendants Action Fees shall be paid from Budget Funds that constitute Post-Confirmation Estate Additional Collateral Net Proceeds.

7.16.2 Payment of Professional Fees and Carve-Out from Northlight

Additional Collateral. Until such time as all Professional Fees are paid in full, ten percent (10%) of the proceeds from the Northlight Additional Collateral (net of Contingency Fees) shall be distributed to Northlight as a mandatory amortization payment under the New Northlight Note, and, pursuant to a carve-out from the Northlight Exit Lien, the remaining ninety percent

(90%) of the proceeds from the Northlight Additional Collateral (net of Contingency Fees) shall be distributed to the Post-Confirmation Estate, and the same shall remain subject to the discretion of the Plan Administrator. During the period commencing upon the date immediately succeeding the date on which all Professional Fees then outstanding are paid in full, in Cash, and continuing through and including the second anniversary of the Effective Date, eighty percent (80%) of the proceeds of the Northlight Additional Collateral (net of Contingency Fees) shall be distributed to Northlight as a mandatory amortization payment under the New Northlight Note, and, pursuant to a carve-out from the Northlight Exit Lien, the remaining twenty percent (20%) of the proceeds of the Northlight Additional Collateral (net of Contingency Fees) shall be distributed to the Post-Confirmation Estate, and the same shall remain subject to the discretion of the Plan Administrator. Thereafter, provided that all Professional Fees are paid in full, seventy percent (70%) of the proceeds of the Northlight Additional Collateral (net of Contingency Fees) shall be distributed to Northlight as a mandatory amortization payment under the New Northlight Note, and, pursuant to a carve-out from the Northlight Exit Lien, the remaining thirty percent (30%) of the proceeds of the Additional Collateral (net of Contingency Fees) shall be distributed to the Post-Confirmation Estate, and the same shall remain subject to the discretion of the Plan Administrator.

7.16.3 Restriction on Distributions to Holders of Class 3 and Class 4

Claims. Notwithstanding anything herein to the contrary, no distributions shall be made to the respective Holders of Class 3 Non-Investor Unsecured Claims and Class 4 Investor Creditor

Unsecured Claims unless and until (a) all obligations under the New Northlight Loan Transaction Documents have been paid in full, in Cash or (ii) Northlight, in its sole and absolute discretion and without any obligation to do so, consents to such distribution.

7.16.4 Restriction on Certain Distributions to CapLease and Iberia.

None of the Northlight Exit Collateral, nor any proceeds therefrom, shall be used or distributed to pay all or any portion of the CapLease Secured Claim (except as otherwise provided in Sections 4.4 and 6.2.3 of the Plan) or, until the obligations evidenced by the New Northlight Note have been paid in full, in Cash, and until all Allowed Administrative Expense Claims have been paid in full, the Iberia Secured Claim; provided, however, that, notwithstanding the foregoing, proceeds of the Apartment Collateral shall be used to make scheduled interest payments to CapLease under the New CapLease Note and, as set forth in Section 6.4.3 hereof, may be used to create a reserve for such payments. Subject to the terms of Section 6.16 hereof, nothing herein shall limit the Plan Administrator's ability to satisfy the New CapLease Note with proceeds from the sale of the Apartment Collateral.

ARTICLE 8

INJUNCTION AND EXCULPATION

8.1 **Injunction.** Except (i) as otherwise provided in the Plan or (ii) in any Final Order, all persons who have held, hold, or may hold Claims against, or Interests in, the Debtor that arose before or were held as of the Effective Date, are permanently enjoined, on and after the Effective Date, from the commencement or continuation of any action, the employment of process,

from taking any act to collect, enforce, attach, recover or offset against such claim (solely as against property of the Estates) and taking any act to create, perfect or enforce any lien or encumbrance against property of the Estates which is to be transferred to Post-Confirmation Estate or distributed to Creditors under this Plan. Pursuant to Bankruptcy Code Section 1141(d)(3), the Debtor is not receiving a discharge.

8.2 **Limitation of Liability.** Neither the Debtor, nor its managing member, nor its professionals, shall have or incur any liability to any entity for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, Confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the Plan, except in the case of fraud, gross negligence, willful misconduct, malpractice, breach of fiduciary duty, criminal conduct, unauthorized use of confidential information that causes damages, or ultra vires acts. Nothing in this Section 8.2 shall limit the liability of the Debtor's professionals pursuant to Rule 1.8(h)(1) of the New York State Rules of Professional Conduct. Nothing in the Plan or the Confirmation Order shall effect a release of any claim by the United States Government or any of its agencies or any state and local authority whatsoever, including, any claim arising under the Internal Revenue Code, the environmental laws, laws regarding the regulation of securities administered by the SEC or any criminal laws of the United States or any state and local authority against the Debtor, its managing member or its professionals, (the "**Released Parties**"), nor shall anything in the Plan enjoin the United States or any state or local

authority from bringing any claim, suit, action or other proceedings against the Released Parties referred to herein for any liability whatever, including without limitation, any claim, suit or action arising under the Internal Revenue Code, the environmental laws, laws regarding the regulation of securities administrated by the SEC or any criminal laws of the United States or any state or local authority, nor shall anything in this Plan exculpate any party from any liability to the United States Government or any of its agencies or any state and local authority whatsoever, including liabilities arising under the Internal Revenue Code, the environmental laws, laws regarding the regulation of securities administrated by the SEC or any criminal laws of the United States or any state and local authority against the Released Parties referred to herein.

ARTICLE 9

MISCELLANEOUS PROVISIONS

9.1 Orders in Aid of Consummation. Pursuant to Sections 105, 1141, 1142 and 1143 of the Bankruptcy Code, the Bankruptcy Court may enter one or more Orders in aid of Confirmation directing the implementation of matters or actions required by the Plan.

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

9.3 Due Authorization by Creditors. Each and every Creditor who accepts the distributions provided for under the Plan warrants that it is the lawful owner of such Claim and is authorized, to the exclusion of all other Entities, to accept the distributions provided for in the Plan and that there are no outstanding Liens, encumbrances, commitments, agreements, or understandings, express or implied, that may or can in any way defeat the Holder's right to payment under the Plan.

9.4 Amendments. The Plan may be altered, amended or modified by the Debtor, in writing, signed by the Debtor, at any time before the substantial consummation of the Plan, as provided in Sections 1101(a) and 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

9.5 Revocation. The Debtor may revoke or withdraw the Plan at any time prior to entry of the Confirmation Order. If the Plan is revoked or withdrawn or if no Confirmation Order is entered, the Plan shall be null and void, and nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtor; or (ii) prejudice in any manner the rights of the Debtor or any other party in any further proceedings involving the Debtor's Estate.

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

9.7 Section Headings. The section headings contained in the Plan are for

reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

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

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

9.10 Notices. All notices and other communications to be given or made hereunder shall be in writing and shall be deemed to have been given or made when actually delivered, or, in the case of notice by facsimile or electronic transmission, when received , addressed as follows:

(a) if to the Debtor at Robinson Brog Leinwand Greene Genovese & Gluck, P.C., 875 Third Avenue, 9th Floor, New York, New York 10022, Attn: A. Mitchell Greene, Esq. Email: amg@robinsonbrog.com, Facsimile: (212) 956-2164;

(b) if to the Committee at Klestadt & Winters LLP, 570 Seventh Avenue, 17th Floor, New York, New York 10018-6314, Attn: Fred Stevens, Esq. Email: fstevens@klestadt.com, Facsimile: (212) 972-2245;

(c) if to any Creditor or Interest Holder at (i) the addresses set forth on the respective Proof of Claim or Proof of Interest filed by such Holders; (ii) the addresses set forth in any written notices of address changes delivered to the Plan Administrator after the date of any related Proof of Claim; or (iii) the address reflected in the Schedules if no Proof of Claim or Proof of Interest is filed and the Plan Administrator has not received a written notice of a change of address.

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

(e) if to a member of the Plan Oversight Committee, at the address set forth in the Post-Confirmation Estate Agreement; and

(f) if to the Plan Administrator, at the address set forth in the Post-Confirmation Estate Agreement.

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

9.12 Other Actions. Nothing contained herein shall prevent the Debtor, the Plan Administrator, or Creditors from taking such actions as may be reasonably necessary to consummate the Plan, although such actions may not specifically be provided for within the Plan.

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

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

9.15 Effectuating Documents and Further Transactions. Each of the Debtor and the Plan Administrator is authorized to execute, deliver, file or record such contracts, instruments, agreements, releases and other documents and take such other actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of this Plan and any notes or securities issued pursuant to this Plan.

9.16 Notice of Effective Date. On or before five (5) Business Days after the occurrence of the Effective Date, the Debtor or the Plan Administrator shall file with the Bankruptcy Court a notice that informs such Holders of (a) entry of the Confirmation Order, (b) the occurrence of the Effective Date, (c) rejection of Executory Contracts pursuant to the Plan, as well as the deadline for the filing of claims arising from such rejection, (d) the deadline established under the Plan for the filing of Administrative Expense Claims and (e) such other matters as the Debtor or the Plan Administrator deems appropriate.

ARTICLE 10

RETENTION OF JURISDICTION

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

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

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

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

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

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

(f) Ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan and the Post-Confirmation Estate Agreement;

(g) Enter such Orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan or Disclosure Statement, including but not limited to the Post-Confirmation Estate Agreement, or to enforce all orders, judgments, injunctions and rulings entered in connection with the Case, including, any Order necessary to enforce the provisions of the Plan or to approve or disapprove any actions taken by the Plan Administrator under the Post-Confirmation Estate Agreement to the extent such agreement requires Bankruptcy Court approval;

(h) Determine any and all motions, adversary proceedings, applications and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the Plan Administrator or the Post-Confirmation Estate after the Effective Date including all claims and causes of action preserved for the Estates under this Plan; provided, however, that the Plan Administrator and the Post-Confirmation Estate shall reserve the right to commence collection actions, actions to recover receivables and other similar actions in all appropriate jurisdictions;

(i) Resolve any and all controversies, suits or issues that may arise in connection with the consummation, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

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

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

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

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

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

(o) Hear and determine matters concerning state, local and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code;

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

(q) Hear and determine any matters that may arise in connection with any sales of assets approved by the Bankruptcy Court prior to the Confirmation Date or any order of the Bankruptcy Court with respect thereto; and

(r) Enter an Order or Final Decree concluding the Case.

10.2 Post-Closing Jurisdiction. Notwithstanding the entry of a final decree or an order closing the Case, the Bankruptcy Court shall retain jurisdiction to reopen the Case for the purpose of enforcing, by injunction or otherwise, the terms of the Plan, the Confirmation Order, the Post-Confirmation Estate Agreement and any final decree, including, without limitation, the enforcement of any rights of the Debtor and the right of the Plan Administrator to reopen the Case in order to seek an extension of the term of the Post-Confirmation Estate.

ARTICLE 11

CONDITIONS TO CONFIRMATION HEARING AND EFFECTIVE DATE.

11.1 **Condition Precedent to Confirmation Hearing.** The Plan shall not be confirmed unless and until the Confirmation Order is in form and substance reasonably acceptable to the Debtor, the Committee and Northlight.

11.2 **Condition Precedent to the Effective Date.** The Plan shall not become effective unless and until the following conditions have been satisfied or waived by the Debtor in a writing filed with the Bankruptcy Court after consultation with the Committee and Northlight:

(a) The Confirmation Order shall have been entered on the docket in the Chapter 11 case and shall have become a Final Order; and

(b) All documents, agreements and instruments (including the documents comprising the Plan Supplement) necessary to consummate the Plan on the Effective Date shall have been executed and delivered by the parties thereto in form and substance reasonably satisfactory to the Debtor, the Committee and Northlight, and the Debtor has determined that all other actions required to be taken in connection with the Effective Date have occurred.

ARTICLE 12

CLOSING THE CASE

12.1 **Substantial Consummation.** Until the occurrence of the Effective Date and Substantial Consummation of the Plan, the Debtor, its property and Creditors shall be subject to further Orders of the Bankruptcy Court.

13.2 **Closing the Case.** Upon the Substantial Consummation of the Plan, the Debtor or the Plan Administrator shall expeditiously move for the entry of a final decree closing the Case and such other relief as may be just and appropriate.

DATED: New York, New York
January 24, 2012

West End Financial Advisors, LLC on behalf of the
estates of the Debtors substantively consolidated
pursuant to the Substantive Consolidation Order

By: /s/Raymond J. Heslin
Raymond J. Heslin, Managing Member