

**EXHIBIT Q**  
**Reorganization Plan**

[see attached]

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

In re

**USDC Case No. 6:09-cv-06082-HO**

**STAYTON SW ASSISTED LIVING, L.L.C.**,  
(Constituting the Sunwest Unitary Enterprise as  
determined by Order entered on October 2, 2009  
in U.S. District Court Case No. 09-cv-6056-HO),

Bankruptcy Court  
Case 08-36637-tmb11  
(Reference Withdrawn)

Debtor.

**RECEIVER'S, CRO'S AND DEBTOR'S  
JOINT PLAN OF REORGANIZATION  
(NOVEMBER 30, 2009)**

**RECEIVER'S, CRO'S, AND DEBTOR'S JOINT PLAN OF REORGANIZATION  
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Proponents propose the following Joint Plan of Reorganization (the "Plan") pursuant to Section 1121(a) of Title 11 of the United States Code.

## ARTICLE 1

### DEFINITIONS

Definitions of certain terms used in this Plan are set forth below. Other terms are defined in the text of this Plan, the Distribution Plan, or the text of the Disclosure Statement. In either case, when a defined term is used, the first letter of each word in the defined term is capitalized. Terms used and not defined in this Plan, the Distribution Plan or the Disclosure Statement shall have the meanings given in the Bankruptcy Code or Bankruptcy Rules or otherwise as the context requires. The meanings of all terms shall be equally applicable to both the singular and plural, and masculine and feminine, forms of the terms defined. The words "herein," "hereof," "hereto," "hereunder," and others of similar import, refer to the Reorganization Plan as a whole and not to any particular section, subsection or clause contained in the Plan. Captions and headings to articles, sections and exhibits are inserted for convenience of reference only and are not intended to be part of or to affect the interpretation of the Plan. The rules of construction set forth in Section 102 of the Bankruptcy Code shall apply. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. Any capitalized term that is not defined herein but is defined in the Bankruptcy Code shall have the meaning ascribed to such term in the Bankruptcy Code.

1.1 "Administrative Expense Claim" means any Claim entitled to the priority afforded by Sections 503(b) and 507(a)(1) of the Bankruptcy Code.

1.2 "Allowed Claim" shall have the meaning ascribed to it in the Distribution Plan.

1.3 "Allowed Lien Claim" means an Allowed Claim that is secured by a statutory lien or a judicial lien on property of Debtor's estate to the extent of the value (as set forth in the Plan or, if no value is specified, as determined in accordance with Section 506(a) of the Bankruptcy Code) of the interest of the holder of such claim in Debtor's interest in such property.

1.4 "Allowed Secured Claim" means an Allowed Claim that is secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (as set forth in the Plan, or if no value is specified, as determined in accordance with Section 506(a) of the Bankruptcy Code or, if applicable, Section 1111(b) of the Bankruptcy Code) of the interest of the holder of such Claim in Debtor's interest in such property or to the extent of the amount subject to setoff, as the case may be.

1.5 "Allowed Unsecured Claim" means an Allowed Claim that is not an Allowed Secured Claim.

1.6 "Assumed Executory Contracts and Unexpired Leases" means the Management Contracts, executory contracts and leases listed on Exhibit 5 to this Plan.

1.7 "Auction" means a sale to a Buyer at an auction to be held pursuant to the Auction Order.

1.8 "Auction Order" means an Order (1) Establishing Bidding Procedures, (2) Authorizing and Scheduling an Auction, (3) Approving a Break-Up Fee and Expense Reimbursement, (4) Approving Cure Cost Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (5) Approving Form and Manner of Notices, and (6) Scheduling a Hearing for Final Approval of the Sale entered in this Bankruptcy Case in connection with an Auction.

1.9 "Bankruptcy Case" means this case under Chapter 11 of the Bankruptcy Code with respect to Debtor, pending in the United States District Court for the District of Oregon.

1.10 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended from time to time, set forth in Sections 101 et seq. of Title 11 of the United States Code.

1.11 "Bankruptcy Court" means the United States District Court for the District of Oregon.

1.12 "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure, as amended and promulgated under Section 2075, Title 28, of the United States Code, and the local rules and standing orders of the Bankruptcy Court.

1.13 "Bare Land Investors" means investors in Bare Land Properties.

1.14 "Bare Land Properties" means Debtor's bare land assets with no substantial improvements in varying stages of entitlement or development as listed on either Exhibit 4 or Exhibit 6 to the Distribution Plan.

1.15 "Business Day" means a day other than a Saturday, Sunday or other day on which banks in Portland, Oregon are authorized or required by law to be closed.

1.16 "Buyer" means a third party entity that purchases the Holdco Properties at an Auction.

1.17 "Cash" means lawful currency of the United States of America.

1.18 "Claim" means (a) any right to payment from Debtor arising before the Effective Date, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) any right to an equitable remedy against Debtor arising before the Effective Date for breach of performance if such breach gives rise to a right of payment from Debtor, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.19 "Claimant" shall have the meaning ascribed to it in the Distribution Plan.

1.20 "Claims Bar Date" means the deadline for a Proof of Claim to be timely filed, which deadline will be set by order of the Court.

1.21 "Class" means one of the classes of Claims defined in Article 3 hereof.

1.22 "Closing" means the performance and satisfaction by Debtor and Reorganized Company of all obligations and conditions necessary to accomplish the transactions and allow

the issuance of securities to Receiver and to holders of Allowed Unsecured Claims, all as contemplated by this Plan.

1.23 "Collateral" means any property in which Debtor has an interest that is subject to a lien or security interest securing the payment of an Allowed Secured Claim or an Allowed Lien Claim.

1.24 "Columbia Pacific" means Columbia Pacific SW/CS, LLC.

1.25 "Confirmation Date" means the date on which the Confirmation Order is entered on the docket by the Clerk of the Bankruptcy Court.

1.26 "Confirmation Order" means the order of the Bankruptcy Court confirming the Reorganization Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.27 "Court" means the United States District Court for the District of Oregon. The terms Court and Bankruptcy Court as used herein will have the same meaning.

1.28 "Creditor" means any entity holding a Claim against Debtor.

1.29 "CRO" means Clyde Hamstreet, in his capacity as Chief Restructuring Officer for the Receivership Entities pursuant to the Receivership Order.

1.30 "Debtor" means Stayton Assisted Living, L.L.C., the entity into which the assets and liabilities of the Receivership Entities are consolidated as provided in the Distribution Plan and ordered by the Court in (a) the Distribution Plan Approval entered in the Federal Receivership Case, and (b) the Substantive Consolidation Order entered in this Bankruptcy Case.

1.31 "Disclosure Statement" means Debtor's Disclosure Statement, as amended, modified, restated or supplemented from time to time, pertaining to the Reorganization Plan.

1.32 "Distribution Plan" means the Court-approved terms submitted by the Receiver and CRO that address how, when, by what method, and in what priority Plan Dividends on Allowed Claims will be equitably distributed by the Receivership Estate in partial or full satisfaction of Allowed Claims. A copy of the Distribution Plan Approval and the attached Distribution Plan (without exhibits) is attached hereto and incorporated herein as Exhibit 1.

1.33 "Distribution Plan Approval" means the Order entered by the Court approving the terms of the Distribution Plan. A copy of the Distribution Plan Approval is attached hereto and incorporated herein as Exhibit 1.

1.34 "Divestco Properties" means the real property, including associated improvements, furniture, fixtures, equipment and other personal property, listed on Exhibit 4 to the Distribution Plan, as such may be changed from time to time.

1.35 "DownREIT" means a limited liability company or limited partnership formed for the purpose of owning one or more Facilities that are Holdco Properties. SWP Holdings, LP will be the managing member or the general partner of each DownREIT.

1.36 "Effective Date" means the date on which all conditions to effectiveness specified in Section 10.4 of this Plan have been satisfied or waived.

1.37 "Employee Benefit Claim" means any Claim that is not otherwise classified of a present or former employee of Debtor or their spouses and dependents, for any employment related benefit, including pension, retirement, severance, vacation, medical, disability or death benefits under any plan, fund, agreement, contract or program established or entered into by Debtor prior to the Petition Date. Employee Benefit Claims do not include (a) any equity rights or interests in, or Claims arising from or related to, any equity rights or interests in any Receivership Entity, or (b) any claims to the extent entitled to priority pursuant to 11 USC § 507(a)(4) or 507(a)(5).

1.38 "Excluded Properties" means and includes Holdco Properties that Buyer or REITCO has elected not to acquire. Excluded Properties are deemed to be Trustco Properties.

1.39 "Facility" means a senior living facility, including all real property, improvements, furniture, fixtures, equipment, and other personal property, both tangible and intangible, used in connection with such senior living facility.

1.40 "Federal Receivership Case" means the proceeding related to the SEC Enforcement Action involving the appointment of the Receiver, the fulfillment of the Receiver's duties, and the adoption and implementation of the Distribution Plan.

1.41 "Filed" means filed with the Court in the Bankruptcy Case or the SEC Enforcement Action or with the Court or the Receiver in the Federal Receivership Case, as appropriate.

1.42 "Final Order" means an order or judgment entered on the docket by the Clerk of the Court or any other court exercising jurisdiction over the subject matter and the parties that has not been reversed, stayed, modified or amended and as to which the time for filing a notice of appeal, or petition for certiorari or request for certiorari, or request for rehearing shall have expired.

1.43 "GE" means General Electric Capital Corporation and GE Business Financial Services, Inc., and either or both of them.

1.44 "Harder" means Jon M. Harder, a defendant in the SEC Enforcement Action.

1.45 "HFG Parties" means Harder, Darryl E. Fisher and J. Wallace Gutzler.

1.46 "HFG Settlement" means the proposed settlement with the HFG Parties, a copy of which is attached to the Distribution Plan as Exhibit 9, as such may be modified or amended by agreement through mediation or by Order of the Court.

1.47 "Holdco Properties" means the Facilities and other properties, together with affiliated assets, to be transferred to Reorganized Company or Buyer. Holdco Properties shall be deemed to exclude Excluded Properties.

1.48 "Interests" means all rights of the Receiver in and to equity interests in Debtor under the Distribution Plan and Distribution Plan Approval.

1.49 "Investors" means individuals and entities that invested in the Receivership Entities, or any of them, or invested in interests or assets of Harder.

1.50 "Lease" means the Master Lease to be entered into, in the event that REIT treatment is elected, by and between TRS or SWP Holdings, LP and certain of the DownREITs for certain facilities.

1.51 "Lien Claim" means a Claim secured by a statutory lien or judicial lien on property of Debtor's estate.

1.52 "Litigation Trust" shall have the meaning ascribed to it in the Distribution Plan.

1.53 "Manageco" means the corporation formed for the purpose of providing, in the event REIT treatment is elected, management services to the Holdco Properties and other senior living facilities.

1.54 "Management Committee" means the committee comprised of the CRO, two representatives of the TIC Committee and two representatives of the UCC, acting as a fiduciary committee for all Unsecured Creditors pursuant to the Court Order entered in the SEC Enforcement Action on March 10, 2009.

1.55 "Management Contract" means a management contract, originally between Sunwest Management, Inc. and an entity that is not a Receivership Entity.

1.56 "Member" means a member (excluding the HFG Parties), including a preferred member, of a Receivership Entity, and includes limited partners in a Receivership Entity formed as a limited partnership.

1.57 "MLP" means the Master Limited Partnership referred to herein as SWP Holdings, LP in which REITCO will be the general partner and which will hold title (directly or indirectly, and through DownREITs) to Holdco Properties.

1.58 "Operating Agreement" means an operating agreement in the form attached as Exhibit 7 to be executed by each member and/or manager of a DownREIT.

1.59 "Other Priority Claim" means any Claim for an amount entitled to priority in right of payment under Section 507(a)(3), (4), (5) or (7) of the Bankruptcy Code.

1.60 "Pari Passu" means the treatment of Allowed Claims as being equal in priority for receiving Plan Distributions.

1.61 "Petition Date" means October 2, 2009, or, as to any assets or liabilities of a Receivership Entity that has filed a bankruptcy case, the date on which the petition commencing the bankruptcy case was Filed.

1.62 "Plan" means this Plan of Reorganization, as amended, modified, restated or supplemented from time to time. Plan and Reorganization Plan as used herein shall have the same meaning.

1.63 "Plan Distribution" means anything of value distributed to a Claimant on account of an Allowed Claim pursuant to the Distribution Plan and the Reorganization Plan.

1.64 "Plan Documents" means all agreements, documents and exhibits necessary or appropriate to implement the Plan and close the transactions contemplated by the Plan.

1.65 "Priority Tax Claim" means a Claim of a governmental unit of the kind entitled to priority under Section 507(a)(8) of the Bankruptcy Code or that would otherwise be entitled to such priority but for the secured status of the Claim.

1.66 "Proponents" means Receiver, CRO and Debtor.

1.67 "Proof of Claim" means the form approved by the Court in the Federal Receivership Case required to be filed by any person or entity asserting a Claim as a condition to the right to receive a Plan Distribution.

1.68 "Receiver" means Michael Grassmueck, or any Court-appointed successor, in his capacity as Receiver for the Receivership Entities pursuant to the Receivership Order.

1.69 "Receivership Entities" means the entities over which the Receiver has been appointed to act as a federal equity receiver and the CRO has been appointed to act as chief restructuring officer.

1.70 "Receivership Estate" means the aggregate of all assets, rights and powers created by the Receivership Order.

1.71 "Receivership Order" means the Order entered by the Court on March 10, 2009 in the SEC Enforcement Action, together with the Unopposed Order Granting Additional Preliminary Injunction and Appointing Receiver for Additional Entities entered by the Court on May 27, 2009, and the Further Order Granting Additional Preliminary Injunction and Appointing Receiver for Further Entities entered by the Court on August 28, 2009.

1.72 "REIT" means a qualified real estate investment trust.

1.73 "REITCO" means the corporation created or to be created to serve as the general partner of SWP Holdings, LP and to hold and operate Holdco Properties. REITCO may elect treatment as a REIT.

1.74 "Rents and Profits Receiver" means a receiver appointed by a small case court at the request of a Secured Creditor to take control of real property collateral pending a foreclosure of the collateral.

1.75 "Reorganization Plan" means this Plan of Reorganization, as amended, modified, restated or supplemented from time to time. Plan and Reorganization Plan as used herein shall have the same meaning.

1.76 "Reorganized Company" shall mean and include, as appropriate, REITCO, SWP Holdings, LP, TRS, each DownREIT, other appropriate special purpose entities, and subsidiaries of the foregoing entities.

1.77 "Resident Contracts" means contracts between Debtor and residents of Debtor's Facilities that are Holdco Properties.

1.78 "Schedules" means the Schedules of Assets and Liabilities and the Statement of Financial Affairs Filed by Debtor pursuant to Section 521 of the Bankruptcy Code, as amended, modified, restated or supplemented from time to time.

1.79 "SEC Enforcement Action" means the civil lawsuit commenced by the Securities and Exchange Commission and pending as *Securities and Exchange Commission v. Sunwest*

*Management, Inc., et al.*, United States District Court for the District of Oregon Case  
No. 6:09-cv-6056.

1.80 "Secured Claim" means any Claim against Debtor held by any entity, including, without limitation, an affiliate or judgment creditor of Debtor, to the extent such Claim constitutes a secured Claim under Sections 506(a) or 1111(b) of the Bankruptcy Code.

1.81 "Secured Creditor" means the holder of an Allowed Secured Claim.

1.82 "SWP Holdings, LP" means the MLP created to directly or indirectly hold the title to Holdco Properties. REITCO will be the general partner of SWP Holdings, LP. The Amended and Restated Limited Partnership Agreement of SWP Holdings, LP is attached hereto as Exhibit 4.

1.83 "Tenant" means, in the event that REIT treatment is elected, TRS as the tenant under certain leases to be executed pursuant to this Plan with the MLP, a DownREIT or a TIC as landlord.

1.84 "TIC" means a tenant in common (excluding the HFG Parties ) or the holder (excluding Insiders) of an interest as a tenant in common, a form of real property ownership comprising a fractional undivided interest in real property.

1.85 "TIC Committee" means the Tenant in Common Committee appointed in this Bankruptcy Case.

1.86 "TIC Interest" means the undivided interest of a TIC in real property.

1.87 "TIC Lease" means a lease to be executed by and between a TIC that elects to retain its TIC Interest pursuant to Section 5.2.3 of this Plan and TRS or MLP.

1.88 "TIC Transfer Proceeding" means the adversary proceedings initiated by Debtor to compel the exchange or transfer of TIC Interests from TICs to Buyer, REITCO or MLP, pursuant to 11 USC § 363(h).

1.89 "Transaction Documents" means the deeds, bills of sale, assignments, or other documents evidencing the transfer of Holdco Properties from Debtor to Reorganized Company pursuant to the terms of this Plan.

1.90 "TRS" means the taxable REIT subsidiary formed or to be formed, in the event REIT treatment is elected, as a wholly owned subsidiary of SWP Holdings, LP for the purpose of leasing certain Holdco Properties from the MLP, the DownREITs and certain TICs that own each Holdco Property.

1.91 "Trustco" means the liquidation trust, or other entity or entities, to be formed to hold, manage and sell Trustco Properties, and may be or include Reorganized Company, in the event Proponents determine that REIT treatment will not be elected.

1.92 "Trustco Properties" means the real properties and affiliated assets that are not Holdco Properties or Divestco Properties, together with all Excluded Properties.

1.93 "UCC" means the Official Unsecured Creditors' Committee appointed in this Bankruptcy Case.

1.94 "Unsecured Claim" means an unsecured Claim that is not an Administrative Expense Claim, a Secured Claim, a Priority Tax Claim or an Other Priority Claim.

1.95 "Unsecured Creditor" means a holder of an Allowed Unsecured Claim.

1.96 "Utility Deposits" means deposits with utilities made by Debtor after the Petition Date pursuant to Section 366(b) of the Bankruptcy Code.

## ARTICLE 2

### UNCLASSIFIED CLAIMS

2.1 Administrative Expense Claims. Each holder of an Administrative Expense Claim shall be paid by Debtor or Reorganized Company in full in Cash on the later of (a) the Effective Date or (b) the date on which such Claim is approved by order of the Court, unless such holder shall agree to a different treatment of such Claim (including, without limitation, any different treatment that may be provided for in any documentation, statute or regulation

governing such Claim); provided, however, that Administrative Expense Claims representing obligations incurred in the ordinary course of business by Debtor during the Bankruptcy Case shall be paid by Debtor or Reorganized Company in the ordinary course of business and in accordance with any terms and conditions of the particular transaction, and any agreements relating thereto.

2.2 Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall be paid by Debtor or Reorganized Company the full amount of its Allowed Priority Tax Claim in Cash, together with interest at a rate calculated in accordance with 11 USC § 511 in 16 equal quarterly payments of principal and interest commencing on April 1, 2010 and continuing on the first day of each calendar quarter thereafter until paid in full. Debtor or Reorganized Company may prepay any Priority Tax Claim, in whole or in part, at any time.

2.3 Bankruptcy Fees. Fees payable by Debtor under 28 USC § 1930 or to the Clerk of the Bankruptcy Court will be paid in full in Cash on the Effective Date. After confirmation, Reorganized Company or Debtor shall continue to pay quarterly fees of the Office of the United States Trustee and to file quarterly reports with the Office of the United States Trustee until this case is closed by the Court, dismissed or converted.

### ARTICLE 3

#### CLASSIFICATION

For purposes of this Plan, Claims (except those treated under Article 2) are classified as provided below. A Claim is classified in a particular Class only to the extent that such Claim qualifies within the description of such Class, and is classified in a different Class to the extent that such Claim qualifies within the description of such different Class.

3.1 Class 1 (Other Priority Claims). Class 1 consists of all Allowed Other Priority Claims.

3.2 Class 2 (Employee Benefit Claims). Class 2 consists of all Employee Benefit Claims.

3.3 Class 3 (Personal Property Secured Claims). Class 3 consists of Allowed Secured Claims secured solely by Collateral consisting of personal property. Each holder of a Class 3 claim shall be deemed to be in a separate subclass, all as listed on Exhibit 2 to this Plan.

3.4 Class 4 (Real Property Secured Claims). Class 4 consists of Allowed Secured Claims secured by Collateral consisting, in part or in whole, of real property. Each holder of a Class 4 Secured Claim shall be deemed to be in a separate subclass, all as listed on Exhibit 3 to this Plan.

3.5 Class 5 (HFG Parties). Class 5 consists of all Claims and interests of any kind or nature of the HFG Parties, or any of them.

3.6 Class 6 (General Unsecured Claims). Class 6 consists of all Allowed Unsecured Claims not otherwise classified and treated under the Plan, including all Claims classified and treated as Administrative Claims, Investor Claims and Unsecured Creditor Claims in the Distribution Plan.

3.7 Class 7 (Lien Claims). Class 7 consists of Allowed Lien Claims. Each holder of a Class 7 Lien Claim shall be deemed to be a separate subclass.

3.8 Class 8 (Interests). Class 8 consists of the Interests.

#### ARTICLE 4

##### TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

4.1 Class 1 (Other Priority Claims). Class 1 is unimpaired. Each Allowed Class 1 Claim will be paid or satisfied in full by Debtor, by Reorganized Company or by Manageco with respect to any obligation owing to any employee that is employed by Manageco after the Effective Date. Each Class 1 Claim will be paid or satisfied on the later of (a) the Effective Date or (b) the date on which such Claim becomes allowed, unless such holder shall agree or has agreed to a different treatment of such Claim (including any different treatment that may be provided for in any documentation, agreement, contract, lease, statute, law or regulation creating and governing such Claim).

4.2 Class 2 (Employee Benefit Claims). Class 2 is unimpaired. The Class 2 Claims will be paid or satisfied by Debtor, by Reorganized Company or by Manageco with respect to an obligation owed to any employee that is employed by Manageco after the Effective Date. Each holder of a Class 2 Claim will have and retain each and all of their legal, equitable and contractual rights relating to such Claim. All obligations to each holder of a Class 2 Claim relating to such Class 2 Claim will be paid or satisfied as and when due; provided, however, that the rights of the holders of Class 2 Claims will be subject to modification or termination as provided by the terms of any applicable plan, fund, agreement, contract or program.

4.3 Class 3 (Personal Property Secured Claims). Class 3 is impaired. Unless the holder of a Class 3 Secured Claim is specifically identified and separately treated, then each such holder of each Class 3 Secured Claim in each subclass shall receive the following treatment: each holder of a Class 3 Secured Claim shall retain its security interest in its Collateral with the same priority such security interest had as of the Petition Date. The Class 3 Secured Claim shall be assumed and paid by either of (a) Reorganized Company; (b) the Buyer in the event of an Auction; or (c) Trustco in the event the Collateral is affiliated with a Trustco Property. Each Class 3 Secured Claim shall be paid in full (including unpaid interest accrued at the non-default contract rate) in equal monthly installments of principal and interest in the original contract amount commencing on the first day of the first month following the Effective Date and continuing on the first day of each month thereafter until paid in full. Reorganized Debtor, Trustco or Buyer, as appropriate, shall continue to insure and maintain the Collateral as required in the existing agreements between Debtor and the holder of the Class 3 Secured Claim. The holder of the Class 3 Secured Claim and the acquiring entity shall execute such other and further documents as are necessary or appropriate to accomplish the transactions contemplated herein. The holder of a Class 3 Secured Claim secured by personal property located in and used in connection with a Divestco shall, at its option, be delivered its Collateral in full satisfaction of its Class 3 Claim or (b) otherwise realize on its Collateral as allowed by law.

4.4 Class 4 (Real Property Secured Claims). Class 4 is impaired.

4.4.1. Unless a Class 4 Secured Claim in a particular subclass is specifically identified and separately treated, then each such holder of a Class 4 Secured Claim in each subclass shall receive the following treatment.

4.4.2. The holder of a Class 4 Secured Claim secured by a Holdco Property or a Trustco Property shall retain its security interests and liens in its Collateral with the same priority such security interests and liens had as of the Petition Date. The Allowed Class 4 Secured Claim will be assumed and paid by either of (a) the MLP or DownREIT (or TIC, if the TIC retains its TIC Interest) to which the Collateral is sold, assigned or transferred; (b) the Buyer in the event of an Auction; or (c) Trustco with respect to Collateral that is a Trustco Property. If Collateral is sold, assigned or transferred to a DownREIT, then noneconomic covenants shall be guaranteed by the MLP. The Class 4 Secured Claim shall be paid in full, together with interest at the rate of 4.75% per annum (or such other interest rate as may be set by the Court) as follows: 12 monthly installments of interest only commencing on the first day of the first month following the Effective Date, followed by 48 equal monthly installments of principal and interest based on a 30-year amortization and a balloon payment of all unpaid principal and interest due and payable on the fifth anniversary of the Effective Date. The parties will execute loan and security documents in substantially the form attached hereto as Exhibit 8. Pursuant to the Distribution Plan, Class 4 Secured Claims will not include default interest, late fees, penalties or attorneys fees above a reasonable amount allowed by the Court.

4.4.2.1 The holder of a Class 4 Secured Claim secured by a Divestco Property shall, at its option, either (a) be delivered a deed to its Collateral in full satisfaction of its Class 4 Claim or (b) otherwise realize on its Collateral as allowed by law.

4.4.3. GE. The Class 4 Secured Claims of GE will be allowed and treated as provided in the Stipulated Order Approving Restructuring of Indebtedness Held by General

Electric Corporation and GE Business Financial Services, Inc. and the documents executed pursuant to such Order..

4.4.4. LibertyBank. The Class 4 Secured Claims of LibertyBank will be allowed and treated as provided in the prepetition loan agreements as modified or amended by the agreement attached hereto as Exhibit 9-1. Exhibit 9-1 will be executed on or before the Effective Date.

4.4.5. Wells Fargo Bank. The Class 4 Secured Claims of Wells Fargo will be allowed and treated as provided in the Settlement Term Sheet attached to this Plan as Exhibit 9-2. Wells Fargo and Reorganized Company will execute and deliver such documents as are necessary or appropriate to accomplish the transactions contemplated in the Settlement Term Sheet.

4.4.6. NebraskaLand National Bank. The Class 4 Secured Claims of NebraskaLand National Bank will be allowed and treated as provided in the Settlement Term Sheet attached to this Plan as Exhibit 9-3. NebraskaLand National Bank and Reorganized Company will execute and deliver such documents as are necessary or appropriate to accomplish the transactions contemplated in the Settlement Term Sheet.

4.4.7. First Citizens Bank. The Class 4 Secured Claims of First Citizens Bank will be allowed and treated as provided in the Settlement Term Sheet attached to this Plan as Exhibit 9-4. First Citizens Bank and Reorganized Company will execute and deliver such documents as are necessary or appropriate to accomplish the transactions contemplated in Exhibit 9-4.

4.4.8. Capmark. The Class 4 Secured Claims of Capmark will be allowed and treated as agreed between Capmark and Debtor. Capmark and Reorganized Company will execute and deliver such documents as are necessary or appropriate to accomplish the transactions contemplated in the settlement agreement.

4.4.9. United States of America Department of Housing and Urban

Development. The Class 4 Secured Claims of United States of America Department of Housing and Urban Development will be allowed and treated as agreed between Capmark and Debtor. United States of America Department of Housing and Urban Development and Reorganized Company will execute and deliver such documents as are necessary or appropriate to accomplish the transactions contemplated in the settlement agreement.

4.5 Class 5 (HFG Parties). Class 5 is unimpaired. Each holder of a Class 5 Claim will receive distributions of interests in SWP Holdings or as otherwise as provided in the HFG Settlement or by Order of the Court.

4.6 Class 6 (General Unsecured Claims). Class 6 is unimpaired. Each holder of a Class 6 Claim shall receive payments and distributions as provided in the Distribution Plan and Distribution Plan Approval from Reorganized Company.

4.7 Class 7 (Lien Claims). Class 7 is impaired. Unless a Class 7 Lien Claim in a particular subclass is specifically identified and separately treated, then each holder of a Class 7 Lien Claim shall receive the following treatment. Each holder of a Class 7 Lien Claim secured by a Holdco Property or a Trustco Property shall, in the event of an Auction, be paid in full on the later of the Effective Date or the date on which the Lien Claim becomes an Allowed Lien Claim. Otherwise, each holder of a Class 7 Lien Claim secured by a Holdco Property or a Trustco Property shall retain its liens in its Collateral with the same priority such liens had as of the Petition Date. The Class 7 Lien Claim will be assumed and paid by either of (a) the MLP or DownREIT (or TIC, if the TIC retains its TIC Interest) to which the Collateral is sold, assigned or transferred; or (b) Trustco with respect to Collateral that is a Trustco Property. Each Class 7 Lien Claim shall be paid in full, together with interest at the rate of 4.75% per annum (or such other interest as may be set by the Court) in 60 equal, monthly installments of principal and interest, based on a 30-year amortization and a balloon payment of all unpaid principal and interest due and payable on the fifth anniversary of the Effective Date. Holders of a Class 7 Lien

Claim secured by a Divestco Property shall retain their liens on their Collateral and may realize on their Collateral as allowed by law.

4.8 Class 8 (Interests). Class 8 is unimpaired. The Interests are treated as provided in the Distribution Plan and Distribution Plan Approval.

## ARTICLE 5

### CLAIM ALLOWANCE

Claim Allowance. Only Claims that are Allowed as provided in the Distribution Plan, Distribution Plan Approval and related orders entered in the Federal Receivership Case shall be entitled to distributions under the Plan. Allowance of Administrative Expense Claims shall be governed by the Bankruptcy Rules and Orders of the Court. The Secured Claim of each Secured Creditor will be allowed and treated as set forth in this Plan.

## ARTICLE 6

### MEANS TO EFFECTUATE PLAN

6.1 Effective Date Transfers. On the Effective Date, and in the event an Auction has been held, Proponents will sell, assign and transfer the Holdco Properties and assign the Assumed Executory Contracts and Unexpired Leases and Resident Contracts to Buyer pursuant to the terms and conditions of the asset purchase agreement signed between Debtor and Buyer as approved by the Court in connection with the Auction Order and will otherwise perform their obligations thereunder. If no Auction is held, then Debtor will sell, assign and transfer its Holdco Properties to Reorganized Company as follows:

6.1.1. Debtor will sell, assign and transfer its interests in each Facility that is a Holdco Property, including any related Assumed Executory Contract and Unexpired Lease, to REITCO or its assignee subject to the liens and security interests securing the Allowed Secured Claim of any Secured Creditor as provided in this Plan.

6.1.2. CRO or Receiver, or both, will take such actions as may be necessary or appropriate to transfer both equitable and legal title to real estate, including, if appropriate,

**Page 18 of 33 - RECEIVER'S, CRO'S AND DEBTOR'S JOINT PLAN OF REORGANIZATION (NOVEMBER 30, 2009)**

causing any Receivership Entity that retains bare legal title to execute and deliver a deed to REITCO, SWP Holdings, LP, or a DownREIT. Debtor's equitable title will follow any such deed and no further conveyance will be necessary. REITCO will transfer the assets to the appropriate entity in Reorganized Company in exchange for equity interests.

6.1.3. Resident Contracts will be assigned by Debtor to and assumed by TRS, MLP or Reorganized Debtor depending on (a) the type of Facility in which the resident resides and (b) whether Debtor or REITCO elected to be treated as a REIT.

6.1.4. DownREITs and retaining TICs will enter into a long-term lease of the Facility that has been transferred to such DownREIT with either MLP or TRS, as determined by Reorganized Company, depending on the nature of the business conducted at the Facility. Each such lease will be on terms and conditions determined by Reorganized Company in accordance with any applicable REIT provisions.

6.1.5. Except as may otherwise be provided in a separate order of the Court, each Divestco Property will either (a) at the option of the Secured Creditor, be transferred to the Secured Creditor holding an Allowed Secured Claim secured by such Divestco Property by delivering to such Secured Creditor a deed in lieu of foreclosure in full satisfaction of the Secured Creditor's Allowed Secured Claim; or (b) be transferred to Receiver.

6.1.6. In the event REIT treatment is elected, TRS and MLP will enter into management contracts for the management of certain Facilities with Manageco on terms and conditions to be determined by REITCO and Debtor will assign the Management Contracts to Manageco.

6.1.7. Except as otherwise specifically provided in this Plan or in a separate order of the Court, Debtor will sell, transfer and assign all other assets to REITCO.

6.1.8. Reorganized Company and REITCO, SWP Holdings, LP, TRS, each DownREIT and Manageco will execute and deliver to Proponents and Members, TICs and other holders of Allowed Claims such documents, including loan and security agreements, assumption

agreements and the like, as may be necessary or appropriate to accomplish the transactions contemplated by this Plan.

6.1.9. If an Auction is held, then Debtor will assign the Management Contracts to an assignee and will sell or otherwise dispose of any other assets not specifically dealt with in this Plan on the terms to be determined by the CRO, in his sole discretion.

6.1.10. Except as otherwise provided in a separate order of the Court, each Trustco Property will be transferred to Trustco subject to liens and security interests securing the Allowed Secured Claim of any Secured Creditor as provided in this Plan.

## 6.2 Sale or Exchange of TIC Interests

6.2.1. Unless a TIC with a TIC interest in a Holdco Property elects to exchange its TIC Interest pursuant to Section 6.2.2 of this Plan or to retain its TIC Interest pursuant to Section 6.2.3 of this Plan, the TIC Interest in Holdco Properties of each TIC will be transferred and conveyed to REITCO, or Buyer in the event of an Auction, by the judgment entered in the TIC Transfer Proceeding compelling the conveyance, transfer and exchange of the TIC Interests for REIT shares or cash distributions.

6.2.2. Unless an Auction has been held, each TIC with a TIC Interest in a Holdco Property shall have the option to settle the TIC Transfer Proceeding by exchanging its TIC Interests for SWP Holdings, LP units. The SWP Holdings, LP units will be issued in the amounts and on the terms set forth in the Distribution Plan and Distribution Plan Approval. The SWP Holdings, LP units will be issued to each TIC contemporaneously with the execution and delivery by such TIC of a deed conveying its TIC Interest, along with certain other required information as set forth in the transfer documents, to SWP Holdings, LP.

6.2.3. Unless an Auction has been held, each TIC with a TIC Interest in a Holdco Property may, on or before the Claims Bar Date, elect to retain bare legal title to such TIC Interest subject to a new and superseding TIC Lease with Tenant in the form attached hereto as Exhibit 6 (or in some cases an operating agreement with MLP or TRS) and the execution of a

TIC agreement reflecting the following. All such elections shall be made by delivering to the Receiver on or before the Claims Bar Date a notice of election concurrently with the delivery of its Proof of Claim. The TIC Lease will provide that the TIC will have no role, veto or authority whatsoever with respect to the Facility, or any decision regarding its ownership, operation, sale or merger. Rent or income will be payable under the TIC Lease at the times and in the amounts that distributions would be paid to the TIC as if the TIC had elected to exchange its TIC Interest for SWP Holdings, LP units pursuant to Section 6.2.2 of this Plan. Upon sale or merger, the TIC Interest will automatically be converted to an interest in SWP Holdings, LP and the TIC will receive payment in the same amount as the TIC would have received had it exchanged its TIC Interest for SWP Holdings, LP units. All rent, distributions and payments payable to the electing TIC will be subject to a deduction in the amount of any additional administrative expense incurred by Reorganized Company as a result of the election to retain the TIC Interest. Any TIC that retains its TIC Interest may cancel election by submitting written notice to the Receiver, on or before November 30, 2010.

6.2.4. TIC Interests in Trustco Properties will be transferred and conveyed to Trustco by judgment entered in the TIC Transfer Proceeding in exchange for Unsecured Claims. In either event, the transfer and conveyance of TIC Interests is necessary to and a condition of the effectiveness of this Reorganization Plan.

### 6.3 Issuance of Securities

6.3.1. Unless an Auction has been held, on the Effective Date, and subject to the elections provided in Sections 6.2.2, 6.2.3, 6.4 and 6.5 of this Plan, REITCO, SWP Holdings, LP and Manageco will issue shares or units to either (a) holders of Allowed Unsecured Claims on the terms and in the amounts set forth in the Distribution Plan and Distribution Plan Approval;<sup>1</sup> or (b) to Receiver for the benefit of Claimants. Shares and units issued to Receiver

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<sup>1</sup> Depending on certain circumstances, the structure may be revised to provide for the TRS to own less than 35% of Manageco, as opposed to the Claimants.

will be delivered by Receiver to holders of Allowed Unsecured Claims on the terms and in the amounts set forth in the Distribution Plan and Distribution Plan Approval as and when their Claim becomes an Allowed Unsecured Claim. One share or unit will be issued and delivered in respect of each \$100 of Allowed Unsecured Claim. Fractional shares will not be issued and each Allowed Unsecured Claim will be rounded down to the nearest \$100. Any shares or units issued to Receiver and not delivered to the holder of an Allowed Unsecured Claim will be returned to REITCO or SWP Holdings, LP as appropriate, for cancellation.

6.3.2. On the Effective Date, Reorganized Company and Debtor will perform their obligations under the HFG Settlement. Unless an Auction is held, on the Effective Date, SWP Holdings, LP will, subject and pursuant to the HFG Settlement, issue an interest or interests to the HFG Parties that entitles the HFG Parties to receive the economic equivalent of up to 25% of SWP Holdings, LP, after satisfaction of certain valuation triggers, pursuant to the terms and restrictions approved by the Court in connection with the Distribution Plan Approval. The interests will have no management or voting rights.

6.3.3. Unless an Auction is held, additional securities may be issued by REITCO or SWP Holdings, LP pursuant to the terms of this Plan, including Sections 6.2.3 and 6.4. Further, nothing in this Plan will limit or restrict the issuance of securities by REITCO or SWP Holdings, LP, after the Effective Date, in exchange for new investment or otherwise in the discretion of the REITCO Board of Directors.

6.4 Member Election. Unless an Auction is held, each Member may elect to receive a membership interest in lieu of receiving an Allowed Claim. Such election must be made by delivering to the Receiver on or before the Claims Bar Date a notice of election concurrently with the delivery of its Proof of Claim. In the event that a Member makes an election to retain a membership interest, then the Member shall not receive any distribution under the Distribution Plan on account of an Allowed Unsecured Claim. Rather, the electing Member will receive a membership interest in a DownREIT to which the Facility in which such Member had an interest

is transferred. Each electing Member shall execute an Operating Agreement that contains provisions, including, but not limited to, the following provisions with respect to the Member's membership interest:

(a) The Member will receive no distribution from the DownREIT for two full years following the Effective Date, except for distributions necessary to pay any tax or income attributed to the Member;

(b) Distributions from the DownREIT for the third and fourth years following the Effective Date will be from a portion of the rent paid by the Tenant under a Lease or from operations that equals in amount a return of 2.65% on the value attributed to their ownership percentage as of March 2, 2009 as set forth in Exhibit 9;

(c) Thereafter, the Member will receive distributions from a portion of the rent paid by Tenant under the Lease based on the Member's ownership interest in the amount the Member would have received from the Receivership Entity in which the Member was previously a member prior to the entry of the Receivership Order.

(d) Upon sale of the Facility owned by the DownREIT in which they are a Member, the Member shall receive a distribution equal to the value attributable to their ownership percentage as of March 2, 2009 as set forth in Exhibit 9 (the adjusted capital account), plus 55% percent of any appreciation in value of their interest in the Facility through the DownREIT to the date of sale, with recognition that the Member's Interest in the DownREIT is not a controlling interest; and

(e) The Member shall have no role, veto. management rights, or authority whatsoever with respect to the DownREIT, its ownership, operation, sale or merger.

6.5 Bare Land Investor Election. Investors in Bare Land Properties may elect, by unanimous agreement, to retain their interests in exchange for their release of all claims against the Receivership Estate, including any rights to distributions under the Distribution Plan, and a deemed assignment of all of their third party claims, or by Order of the Court so long as such

modification is determined by the Court to be a nonmaterial modification of the Distribution Plan. Subject to the conditions described on Exhibit 12 to the Distribution Plan, as such may be modified through a mediation, the Bare Land Election shall be exercised by submission of an election notice with the elector's Proof of Claim, to be received no later than the Claims Bar Date. The election notice shall be in the form distributed with the Proof of Claim forms.

6.6 Board of Directors. The REITCO Board of Directors shall have seven members. The initial Board of Directors will be comprised of four independent directors and three holders of Allowed Unsecured Claims. The initial directors will be announced at least 10 days prior to the Confirmation Date.

6.7 Distribution of Proceeds. Any proceeds from the sale or disposition of Debtor's assets to a Buyer, or as otherwise authorized under the Plan, remaining after the payment of (or reservation of funds sufficient to pay) Debtor's obligations under this Plan will be disbursed to Receiver to be paid or distributed pursuant to the Distribution Plan.

6.8 Corporate Action. Upon entry of the Confirmation Order, all actions to be taken by or on behalf of Debtor as contemplated by this Plan shall be authorized and approved in all respects, including, without limitation, the execution, delivery and performance of all documents and agreements relating to or provided by the Plan. On the Effective Date, the CRO is authorized and directed to execute and deliver all agreements, documents and instruments contemplated by the Plan or the Disclosure Statement in the name of and on behalf of Debtor.

6.9 REIT Election. Proponents may, in their sole discretion, determine that an election to be treated as a REIT is not in the best interests of Debtor and Claimants. In that event, the transfers, assignments and other actions provided in this Plan as they related to TRS or Manageco, or either of them, will not occur on the Effective Date and management of Holdco Properties and Trustco Properties will be retained by Reorganized Debtor. No decision by Proponents will bind the REITCO Board of Directors.

**ARTICLE 7****EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

7.1 Assumption. Except as may otherwise be provided in a separate order of the Court, the Assumed Executory Contracts and Unexpired Leases and all Resident Contracts are assumed by Debtor on the Effective Date. The Confirmation Order shall constitute an order authorizing assumption of the Assumed Executory Contracts and Unexpired Leases and all Resident Contracts except those otherwise specifically rejected. In the event of an Auction and subject to the Auction Order, Debtor or Buyer shall promptly pay or provide adequate assurance of prompt payment of all amounts required under Section 365 of the Bankruptcy Code to cure any defaults and assume the Assumed Executory Contracts and Unexpired Leases and Residential Contracts. Reorganized Company or Trustco shall, absent an Auction, promptly pay or provide assurance of prompt payment of all amounts required under Section 365 of the Bankruptcy Code to cure any defaults and assume the Assumed Executory Contracts and Unexpired Leases and Resident Contracts; provided that payment or cure within 12 months following the Effective Date shall be deemed to be prompt payment or cure.

7.2 Assignment. All Assumed Executory Contracts and Unexpired Leases (except for Management Contracts) and Resident Contracts shall be assigned as of the Effective Date to and assumed by the appropriate entity of Reorganized Company, Buyer, in the event of an Auction, or Trustco, with respect to Assumed Executory Contracts and Unexpired Leases affiliated with Trustco Properties, all as more particularly identified in the Confirmation Order. Management Contracts will be assigned to and assumed by Manageco as of the Effective Date unless there is an Auction, in which event Management Contracts will be assigned as provided in the Confirmation Order. The Confirmation Order shall constitute an order authorizing such assignment and assumption.

7.3 Rejection Claims. Rejection Claims must be Filed pursuant to the Distribution Plan Approval, Distribution Plan or other Order entered in the Federal Receivership Case no

later than 30 days after the Effective Date. Any such Rejection Claim not Filed within such time shall be forever barred from assertion against the Receivership Estate, Debtor, the Reorganized Company and their property and estate. Each Rejection Claim resulting from such rejection shall constitute a Class 6 Claim.

## **ARTICLE 8**

### **EFFECT OF CONFIRMATION**

The effect of confirmation shall be as set forth in Section 1141 of the Bankruptcy Code. Except as otherwise provided in the Plan or in the Confirmation Order, confirmation of the Plan shall act as a permanent injunction applicable to entities against (a) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against Debtor, any successor to Debtor, or any entity acquiring assets from Debtor, that was or could have been commenced against Debtor before the entry of the Confirmation Order, (b) the enforcement against Debtor, any successor to Debtor, or any entity acquiring assets from Debtor, or their assets of a judgment obtained against Debtor before the Petition Date, and (c) any act to obtain possession of or to exercise control over or to create, perfect, or enforce a lien upon all or any part of the assets of Debtor or the assets of any entity that are acquired from Debtor pursuant to this Plan.

## **ARTICLE 9**

### **RETENTION OF JURISDICTION**

9.1 Notwithstanding the entry of the Confirmation Order, the Court shall retain jurisdiction of this Chapter 11 Case pursuant to and for the purposes set forth in Section 1127(b) of the Bankruptcy Code and to:

9.1.1. Classify the Claim or interest of any Creditor or stockholder, reexamine Claims or Interests which have been Allowed for voting purposes and determine any objections that may be Filed to Claims or Interests,

- 9.1.2. Determine requests for payment of Administrative Expense Claims entitled to priority under Section 507(a)(2) of the Bankruptcy Code,
- 9.1.3. Avoid transfers or obligations and to subordinate Claims under Chapter 5 of the Bankruptcy Code,
- 9.1.4. Approve the assumption, assignment or rejection of an executory contract or an unexpired lease pursuant to this Plan,
- 9.1.5. Resolve controversies and disputes regarding the interpretation of this Plan,
- 9.1.6. Implement the provisions of this Plan and enter orders in aid of confirmation,
- 9.1.7. Adjudicate adversary proceedings and contested matters pending or hereafter commenced in this Chapter 11 Case;
- 9.1.8. Adjudicate any action seeking partition of any real property in which Debtor or Reorganized Company and any TIC have an interest;
- 9.1.9. Adjudicate any dispute between or among any holder of a Class 3 or Class 4 Claim and Reorganized Company arising from or relating to the terms of this Plan or the treatment provided in this Plan, and
- 9.1.10. Enter a final decree closing this Chapter 11 case.

## ARTICLE 10

### ADMINISTRATIVE PROVISIONS

10.1 Modification or Withdrawal of the Plan. Proponents may alter, amend or modify the Plan pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 at any time prior to the time that the Bankruptcy Court has signed the Confirmation Order. After such time and prior to the substantial consummation of the Plan, Proponents may, so long as the treatment of holders of Claims and Interests under the Plan is not adversely affected, institute proceedings in Bankruptcy Court to remedy any defect or omission or to reconcile any

inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order and any other matters as may be necessary to carry out the purposes and effects of the Plan; provided, however, prior notice of such proceedings shall be served in accordance with Bankruptcy Rule 2002.

10.2 Revocation or Withdrawal of Plan

10.2.1. Right to Revoke. Proponents reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date.

10.2.2. Effect of Withdrawal or Revocation. If Proponents revoke or withdraw the Plan prior to the Effective Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against Debtor or any other Entity or to prejudice in any manner the rights of Proponents or any Entity in any further proceeding involving Debtor.

10.3 Nonconsensual Confirmation. Proponents shall request that the Bankruptcy Court confirm the Plan pursuant to Section 1129(b) of the Bankruptcy Code if the requirements of all provisions of Section 1129(a) of the Bankruptcy Code, except subsection 1129(a)(8) are satisfied.

10.4 Conditions to Effectiveness. The Effective Date will not occur and the Plan will not become effective unless and until each of the following conditions has been satisfied or waived by Proponents:

10.4.1. The Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably acceptable to Proponents which shall, among other things, approve the Plan Documents required to consummate the transactions contemplated by the Plan;

10.4.2. No stay of the Confirmation Order shall be in effect;

10.4.3. Licenses and regulatory approvals have been obtained as necessary to operate each of the Holdco Properties;

10.4.4. Judgments have been entered or settlements reached in the TIC Transfer Proceeding that allow the consummation of the transactions contemplated by this Plan; and

10.4.5. All conditions to Closing have occurred.

## ARTICLE 11

### MISCELLANEOUS PROVISIONS

11.1 Utility Deposits. All utilities holding a Utility Deposit shall immediately after the Effective Date return or refund such Utility Deposit to Debtor. At the sole option of Debtor, any Utility Deposit that has not been refunded may be applied in satisfaction of any payments due or to become due from the Reorganized Company to a utility holding such a Utility Deposit.

11.2 Rights of Action. Except as otherwise expressly provided herein, any rights or causes of action (including, without limitation, any and all avoidance actions or other causes of action arising under Chapter 5 of the Bankruptcy Code) accruing to Debtor shall remain assets of Debtor. Debtor may pursue such rights of action, as appropriate, and shall pay and deliver any proceeds, after payment of related legal fees and expenses, and fees arising under 28 USC § 1930, to the Litigation Trust.

11.3 Setoffs. Debtor may, but shall not be required to, set off against any Claim and the distributions to be made pursuant to the Reorganization Plan in respect of such Claim, any claims of any nature whatsoever which Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claim Debtor may have against such holder.

11.4 Property Acquisition. Consistent with tax objectives, certain additional properties may be acquired for the benefit of SWP Holdings, LP.

11.5 Governing Law. Except to the extent the Bankruptcy Code, the Bankruptcy Rules or other federal laws are applicable, the laws of the State of Oregon shall govern the construction and implementation of the Plan, and all rights and obligations arising under the Plan.

11.6 Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection therewith and distributions thereon, Debtor and Reorganized Company shall comply with all withholding, reporting, certification and information

requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall, to the extent applicable, be subject to any such withholding, reporting, certification and information requirements. Entities entitled to receive distributions hereunder shall, as a condition to receiving such distributions, provide such information and take such steps as Debtor or Reorganized Company may reasonably require to ensure compliance with such withholding and reporting requirements, and to enable Debtor or Reorganized Company to obtain the certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law.

11.7 Time. Unless otherwise specified herein, in computing any period of time prescribed or allowed by the Plan, the day of the act or event from which the designated period begins to run shall not be included. The last day of the period so computed shall be included, unless it is not a Business Day, in which event the period runs until the end of the next succeeding day which is a Business Day.

11.8 Section 1146(a) Exemption. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan, or the execution, delivery or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by the Plan, or the revesting, transfer, conveyance or sale of any real property, including any TIC Interest of Debtor, Reorganized Company or a TIC, pursuant to, in implementation of, or as contemplated by the Plan, shall not be taxed under any state or local law imposing a stamp tax, transfer tax, or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any city, county or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument without requiring the payment of any documentary stamp tax, deed stamps, transfer tax, intangible tax or similar tax.

11.9 Severability. In the event that any provision of the Plan is determined to be unenforceable, such determination shall not limit or affect the enforceability and operative effect

of any other provisions of the Plan. To the extent that any provision of the Plan would, by its inclusion in the Plan, prevent or preclude the Bankruptcy Court from entering the Confirmation Order, the Bankruptcy Court, on the request of Proponents, may modify or amend such provision, in whole or in part, as necessary to cure any defect or remove any impediment to the confirmation of the Plan existing by reason of such provision

11.10 Binding Effect. The provisions of the Plan shall bind Debtor, Reorganized Company and all holders of Claims and Interests, and their respective successors, heirs and assigns.

11.11 Retiree Benefits. On or after the Effective Date, to the extent required by Section 1129(a)(13) of the Bankruptcy Code, Reorganized Company or Manageco shall continue to pay all retiree benefits (if any) as that term is defined in Section 1114 of the Bankruptcy Code, maintained or established by Debtor prior to the Effective Date, without prejudice to the rights of Reorganized Company or Manageco under applicable non-bankruptcy law to modify, amend or terminate the foregoing arrangements.

11.12 Recordable Order. The Confirmation Order shall be deemed to be in recordable form, and shall be accepted by any recording officer for filing and recording purposes without further or additional orders, certifications or other supporting documents.

11.13 Plan Controls. In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, or any other instrument or agreement contemplated to be executed pursuant to the Reorganization Plan, the provisions of the Plan shall control and take precedence.

11.14 Exhibits. All Exhibits to this Plan are incorporated into and are a part of this Plan as if set forth in full herein.

11.15 Effectuating Documents and Further Transactions. Debtor and Reorganized Company shall execute, deliver, file or record such contracts, instruments, assignments and other

agreements or documents, and take or direct such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

11.16 Notices. All notices required or elections allowed to be served on Debtor or Reorganized Company in connection with this Plan shall be writing and served by hand delivery or reputable overnight delivery service, all charges prepaid, and shall be deemed given when received by the following parties:

Michael A. Grassmueck  
The Grassmueck Group  
Fiduciary and Insolvency Services  
2120 SW Jefferson, Suite 300  
Portland, OR 97201

David L. Osias  
Allen Matkins Leck Gamble  
Mallory & Nastis LLP  
501 West Broadway, 15th Floor  
San Diego, CA 92101-3541

Clyde A. Hamstreet  
Clyde A. Hamstreet & Associates LLC  
One SW Columbia, Suite 1000  
Portland, OR 97258

Albert N. Kennedy  
Tonkon Torp LLP  
888 SW Fifth Avenue, Suite 1600  
Portland, OR 97204

11.17 Discharge of Rents and Profits Receivers. As of the Effective Date, any Rents and Profits Receiver that has not previously been discharged will be discharged and will immediately take all actions necessary to return any and all records and assets to Reorganized Company and

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provide Reorganized Company with copies of all the Rents and Profits Receiver's records relating to the property.

DATED this 30th day of November, 2009.

Respectfully submitted,

CLYDE HAMSTREET, IN HIS CAPACITY AS CHIEF  
RESTRUCTURING OFFICER FOR DEBTOR AND THE  
RECEIVERSHIP ENTITIES

By /s/ Clyde A. Hamstreet  
Clyde A. Hamstreet, CRO

RECEIVER FOR THE RECEIVERSHIP ENTITIES  
PURSUANT TO THE RECEIVERSHIP ORDER

By /s/ Michael A. Grassmueck  
Michael A. Grassmueck, Receiver

TONKON TORP LLP

By /s/ Albert N. Kennedy  
Albert N. Kennedy, OSB No. 82142  
Timothy J. Conway, OSB No. 85175  
Of Attorneys for Debtor

ALLEN MATKINS LECK GAMBLE MALLORY

By /s/ David L. Osias  
David L. Osias  
Of Attorneys for Receiver