

1 William N. Lobel (State Bar No. 093202)
Mike D. Neue (State Bar No. 179303)
2 THE LOBEL FIRM, LLP
840 Newport Center Drive, Suite 750
3 Newport Beach, California 92660
Telephone: (949) 999-2860
4 Facsimile: (949) 999-2870

5 Attorneys for Debtors and
Debtors-in-Possession

6
7 Alan J. Friedman (State Bar No. 132580)
Kerri A. Lyman (State Bar No. 241615)
IRELL & MANELLA LLP
8 840 Newport Center Drive, Suite 400
Newport Beach, California 92660
9 Telephone: (949) 760-0991
Facsimile: (949) 760-5200

10 Attorneys for Debtors and
11 Debtors-in-Possession

12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **SANTA ANA DIVISION**

15 In re)
16 JAMES C. GIANULIAS, and CAMEO)
HOMES, a California corporation,)
17)
18 Debtors and Debtors-in-Possession.)

) Case No. 8:08-bk-13150-RK
) [Substantively Consolidated With:
) Case No. 8:08-bk-13151-RK]
)
) Chapter 11
)
) **ORDER CONFIRMING DEBTORS'**
) **FOURTH AMENDED PLAN OF**
) **REORGANIZATION (DATED MAY 27,**
) **2010), AS MODIFIED [Docket No. 720]**

20)
21) **Confirmation Hearing:**

22) Date: July 9, 2010
23) Time: 11:45 a.m.
24) Place: Courtroom 5D
411 West Fourth Street
Santa Ana, CA 92701

FILED & ENTERED

JUL 19 2010

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY kent DEPUTY CLERK

1 The Confirmation Hearing¹ with respect of the “Debtors’ Fourth Amended Plan of
2 Reorganization (Dated May 27, 2010), As Modified” (the “Plan”) [Docket # 720], filed by James
3 C. Gianulias (“Gianulias”) and Cameo Homes, a California corporation (“Cameo”), the debtors
4 and debtors-in-possession in these substantively-consolidated cases (the “Debtors”), was held on
5 July 9, 2010, at 11:45 a.m., before the Honorable Robert Kwan, United States Bankruptcy Court
6 Judge, in Courtroom 5D, Ronald Reagan Federal Building, 411 W. Fourth Street, Santa Ana,
7 California. Appearances were made as indicated on the record at the Confirmation Hearing.

8 The Court considered the pleadings and documents filed by the Debtors in support of
9 confirmation of the Plan, including: (1) Memorandum of Points and Authorities in Support of
10 Confirmation (the “Confirmation Memorandum”) [Docket # 714], (2) Declaration of James C.
11 Gianulias (the “Gianulias Declaration”) [Docket # 715], (3) Declaration of Dominic Santos (the
12 “Santos Declaration”) [Docket # 716]; and (4) the Declaration of Lori Gauthier Regarding
13 Tabulation of Ballots (the “Ballot Analysis”) [Docket # 717]; collectively, the foregoing documents
14 are the “Supporting Documents”). No objections were filed to the confirmation of the Plan.

15 Based on the above and based upon the arguments of counsel and any evidence presented
16 at the Confirmation Hearing, the Court hereby makes the following findings of fact and
17 conclusions of law:²

18 **FINDINGS OF FACT**

19 A. Venue and Jurisdiction: This matter is a core proceeding over which the Court has
20 jurisdiction pursuant to 28 U.S.C. §§ 157(b) and 1334(a). Venue of this proceeding is proper
21 under 28 U.S.C. §§ 1408 and 1409.

22 B. Notice and Due Process: The Debtors provided notice of the Confirmation Hearing
23 (“Confirmation Hearing Notice”), and of the time fixed for filing objections to Plan confirmation,
24 to all entities entitled to receive that notice, as set forth in the “Order: (1) Approving Disclosure
25

26 ¹ Capitalized terms not otherwise defined in this Confirmation Order shall have the meanings
ascribed to them in the Plan.

27 ² This Confirmation Order constitutes the Court’s findings of fact and conclusions of law
28 pursuant to Rule 9014 and 7052 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”. All
such findings of fact shall constitute findings even if stated as conclusions of law, and all such conclusions
of law shall constitute conclusions of law even if stated as findings of fact.

1 Statement; (2) Approving Notice Procedures; (3) Establishing Confirmation Procedures And
2 Deadlines; And (4) Establishing Certain Bar Dates” (the “Solicitation Procedures Order”). The
3 Confirmation Hearing Notice fully and adequately described the requested relief; was reasonable
4 and appropriate; and complied in all regards with due process. The Confirmation Hearing Notice
5 also complied with the applicable provisions of (1) the Bankruptcy Code, 11 U.S.C.; (2) the
6 Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”), including Bankruptcy Rules 2002,
7 3017, 3018, and 3019; (3) the Local Rules of the United States Bankruptcy Court for the Central
8 District of California; and (4) all relevant orders of this Court, including the Solicitation
9 Procedures Order.

10 C. Solicitation: The Debtors conducted their solicitation of acceptances or rejections of
11 the Plan and their related distribution and tabulation of ballots with respect to that solicitation in
12 good faith. The solicitation, distribution and tabulation complied with the Solicitation Procedures
13 Order; all applicable provisions of the Bankruptcy Rules (including Bankruptcy Rules 3017 and
14 3018); all applicable provisions of the Bankruptcy Code (including sections 1125, 1126 and
15 1127); and all other applicable laws, rules and regulations. Among other things, the Debtors
16 transmitted the Plan and Disclosure Statement to: (i) all creditors that have filed a proof of claim
17 in the Cases (other than claims that have been disallowed, waived, or withdrawn by order of the
18 Court, stipulation, or otherwise); (ii) all creditors that the Debtors scheduled as holding a claim in
19 their respective Schedules of Assets and Liabilities, which claim is not listed as contingent,
20 unliquidated or disputed; (iii) all non-debtor parties to unexpired leases and executory contracts;
21 (iv) all parties that have requested special notice in the Cases; (v) the Office of the United States
22 Trustee and the governmental entities enumerated in Bankruptcy Rule 2002(j); (vi) counsel for the
23 Committee; and (vii) all equity holders of the Debtors.

24 D. Cure Notices: The Debtors served the *Notice Of Cure Amounts To Be Paid In*
25 *Connection With The Assumption Of Certain Leases And Executory Contracts Under Debtors’*
26 *Fourth Amended Plan Of Reorganization (Dated May 27, 2010)* (the “Cure Notice”) in
27 compliance with the service requirements and procedures approved in the Solicitation Procedures
28 Order with respect to the assumption and reject of unexpired leases and executory contracts. The

1 Cure Notice provided sufficient notice and complied with all applicable provisions of the
2 Bankruptcy Code, the Bankruptcy Rules, and the Solicitation Procedures Order and no other or
3 further notice is or shall be required.

4 E. Ballot Analysis: All Ballots were properly tabulated. Pursuant to sections 1124 and
5 1126 of the Bankruptcy Code, all Impaired Classes entitled to vote on the Plan have voted to
6 accept the Plan, except Classes 1B-2 (Secured Claim of Wells Fargo) and 1F (Secured Claim of
7 Countrywide) for which no ballots were cast.

8 F. Compliance with the Requirements of Section 1129: The Plan satisfies all of the
9 requirements of section 1129 of the Bankruptcy Code as follows:

10 1. Section 1129(a)(1). The Plan complies with all applicable provisions of the
11 Bankruptcy Code, as required by section 1129(a)(1) of the Bankruptcy Code, including without
12 limitation sections 1122 and 1123.

13 2. Sections 1122 and 1123(a)(1)-(4). As required by sections 1122(a) and
14 1123(a)(1) of the Bankruptcy Code, Article IV of the Plan designates Classes of Claims and
15 Interests, other than Administrative Claims and Priority Tax Claims.²

16 a. Claims are classified separately in Classes 1A, 1B-1, 1B-2, 1B-3, 1C,
17 1D, 1E, 1F, 1G, 1H and Classes 2 through 5.

18 b. Interests are classified separately in Class 6.

19 c. As required by section 1122(a) of the Bankruptcy Code, each of the
20 Claims and Interests within a Class are substantially similar to the other Claims and Interests
21 within that Class.

22 d. The classification of Claims and Interests under the Plan is proper.

23 e. Pursuant to section 1123(a)(2) of the Bankruptcy Code, Article VI of the
24 Plan specifies all classes of Claims which are not impaired under the Plan.

25
26
27
28 ² Pursuant to section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax
Claims are not required to be classified.

1 f. Pursuant to section 1123(a)(3) of the Bankruptcy Code, Article V of the
2 Plan specifies the treatment of all Classes of Claims and Interests which are impaired under the
3 Plan.

4 g. Pursuant to section 1123(a)(4) of the Bankruptcy Code, Article V of the
5 Plan provides the same treatment for each Claim or Interest within a particular Class unless the
6 holder of a particular Claim or Interest in such Class has agreed to a less favorable treatment of its
7 Claim or Interest.

8 3. Section 1123(a)(5). Article VII and various other provisions of the Plan
9 provide adequate means for the implementation of the Plan. On the Effective Date, among other
10 actions, the following will occur or become effective to implement the Plan:

11 a. The Plan Documents, including the Cash Flow Note and the Secondary
12 Note, shall be executed and implemented.

13 b. The Creditors' Trust will be created and the Creditors' Trust Trustee
14 shall begin to perform his responsibilities under the Creditors' Trust Agreement and the Plan
15 Documents.

16 c. Certain secured creditors shall have their debt obligations modified with
17 respect to repayment terms and interest rates as provided in the Plan.

18 d. Title to all assets, claims, causes of action, properties, and business
19 operations of the Debtors and of the Estates shall revert in each respective Reorganized Debtor,
20 and thereafter, the Reorganized Debtors shall own and retain such assets free and clear of all liens
21 and Claims, except as expressly provided in the Plan and the Plan Documents.

22 e. From and after the Effective Date, in accordance with the terms of the
23 Plan and Confirmation Order, the Reorganized Debtors shall perform all obligations under all
24 executory contracts and unexpired leases assumed in accordance with Article IX of the Plan.

25 f. Following the Effective Date, (1) Reorganized Debtor Gianulias and the
26 Gianulias Trust, respectively, will operate and manage their respective interests in Reorganized
27 Debtor Cameo, (2) Reorganized Debtor Gianulias and the Gianulias Trust, respectively, will own
28 and manage their respective Ownership Interests in the Portfolio Entities and Intermediate

1 Entities, and (3) Reorganized Debtor Cameo will own and manage its respective Ownership
2 Interests in the Portfolio Entities and Intermediate Entities.

3 4. Section 1123(a)(6). This provision is inapplicable because Mr. Gianulias is
4 an individual and the Plan does not provide for the issuance of any new securities with respect to
5 Cameo, which is owned 100% by Mr. Gianulias.

6 5. Section 1123(a)(7). The Plan contains only provisions that are consistent
7 with the interests of creditors and equity security holders and with public policy with respect to the
8 manner of selection of any officer, director, or trustee under the Plan and any successor to such
9 officer, director, or trustee.

10 6. Section 1123(b)(1). Article IV of the Plan impairs or leaves unimpaired, as
11 the case may be, each Class of Claims and Interests.

12 7. Section 1123(b)(2). In accordance with section 1123(b)(2) of the
13 Bankruptcy Code, Article IX of the Plan provides for the assumption or rejection of the executory
14 contracts and unexpired leases of the Debtors not previously assume or rejected pursuant to
15 section 365 of the Bankruptcy Code. Under Article IX.A of the Plan, the Debtors have elected to
16 assume each of the contracts and leases identified as “assumed” in Exhibit B to the Plan
17 (collectively, the “Assumed Leases and Contracts”). The Debtors have, within the meaning of
18 section 365(b)(1)(C), established adequate assurance of future performance with respect to all of
19 the Assumed Leases and Contracts in which there has been a default. Furthermore, the cure
20 amounts, if any, for each of the Assumed Leases and Contracts are the only amounts necessary to
21 cure any existing defaults under the Assumed Leases and Contracts in accordance with sections
22 365(b)(1)(A) and (B). Pursuant to Article IX.C of the Plan, the Debtors have elected to reject each
23 of the contracts and leases not identified in Exhibit B to the Plan (collectively, the “Rejected
24 Leases and Contracts”). Each of the Rejected Leases and Contracts is burdensome and the
25 rejection thereof is in the best interest of the Debtors’ estates.

26 The Debtors’ decision to reject the Rejected Leases and Contracts and assume the
27 Assumed Leases and Contracts represents a valid and well-considered exercise of the Debtors’
28 business judgment, is necessary to implementation of the Plan, and is in the best interest of the

Debtors, their estates and their creditors. Nothing herein is a waiver of any defenses, claims, or counterclaims that the Debtors (or their successors) may have against any party to a Rejected Agreement or an Assumed Agreement.

8. Release of Claims (Section 1123(b)(3)(A)). The exculpation provisions of the Plan set forth in Article XI.C are appropriate. The exculpation provisions are designed to prevent parties from circumventing the Plan's discharge injunction by suing affiliates of the Debtors and other third parties for their participation in reorganizing the Debtors and seeking to confirm the Plan. The Debtors, the Committee and their professionals have solicited votes on the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code and the Solicitation Procedures Order and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Article XI.C of the Plan.

9. Retention of Claims (Section 1123(b)(3)(B)). The Plan provides for the retention of claims in accordance with section 1123(b)(3)(B). In particular, the Plan provides that the Avoidance Actions shall be vested in, and prosecuted by, the Creditors' Trust.

10. Modification of Rights of Holders of Claims (Section 1123(b)(5)). Article IV describes which Classes of Claims and Interests are impaired and which are unimpaired.

11. Other Appropriate Provisions (Section 1123(b)(6)). Pursuant to section 1123(b) of the Bankruptcy Code, the Plan contains various provisions that may be construed as discretionary but are not required for Confirmation under the Bankruptcy Code. Such discretionary provisions comply with section 1123(b) of the Bankruptcy Code and, as discussed in greater detail below, are not inconsistent in any way with the applicable provisions of the Bankruptcy Code. As a result, the requirements of section 1123(b) of the Bankruptcy Code have been satisfied.

(a) Settlement of Plan Terms. The Debtors and the Committee have acted in good faith in negotiating the compromises and settlements inherent in the Plan. The compromises embodied in the Plan are reasonable, fair, and equitable based upon consideration of all of the relevant factors. The settlement between the Debtors and the Committee resolved litigation with a highly uncertain outcome concerning unsettled law with respect to the application

1 of Chapter 11 to a substantively consolidated individual and corporation. Further, the settlement
2 negotiated by the Debtors and the Committee results in a substantial payment to Unsecured
3 Creditors and eliminates the continuing accrual of significant expenses associated with the
4 extremely complicated issues. No parties in interest have objected to the terms of the settlement
5 incorporated into the Plan and the Plan Documents. The terms of the settlement incorporated into
6 the Plan are reasonable and appropriate. In particular, the waiver of the right of any holder of a
7 General Unsecured Claim to seek to modify the Plan pursuant to section 1127(e) of the
8 Bankruptcy Code is appropriate.

9 (b) The Interests in the Creditors' Trust are Exempt from Registration. The
10 issuance of the Interests in the Creditors' Trust is in exchange for Claims against the Debtors, or
11 principally in such exchange and partly for cash or property, within the meaning of section
12 1125(a)(1) of the Bankruptcy Code. The Interests in the Creditors' Trust issued pursuant to this
13 provision are exempt from the registration requirements of the Securities Exchange Act of 1933,
14 as amended, and any State or local law requiring registration or qualification for the offer or sale
15 of a security, pursuant to section 1145(a) of the Bankruptcy Code. The Creditors' Trust will not
16 be required to register its membership interests under Section 12(g) of the Securities Exchange Act
17 of 1934, as amended.

18 9. Section 1129(a)(2). The Debtors have complied with all applicable
19 provisions of the Bankruptcy Code, as required by section 1129(a)(2) of the Bankruptcy Code,
20 including sections 1125 and 1126 of the Bankruptcy Code.

21 a. The Debtors are proper debtors under section 109 of the Bankruptcy
22 Code and proper plan proponents under section 1121(a) of the Bankruptcy Code.

23 b. The Disclosure Statement and the procedures by which the ballots for
24 acceptance or rejection of the Plan were solicited and tabulated were fair and properly conducted
25 and in accordance with sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rules
26 3017 and 3018.

1 c. The Debtors and their directors, officers, employees, agents and
2 Professionals, as applicable, have acted in “good faith,” within the meaning of section 1125(e) of
3 the Bankruptcy Code.

4 10. Section 1129(a)(3). The Debtors have proposed the Plan in good faith and
5 not by any means forbidden by law. In determining that the Plan has been proposed in good faith,
6 the Court has examined the totality of the circumstances surrounding the Chapter 11 Cases and the
7 formulation of the Plan and based thereon, the Court finds and concludes that the Plan has been
8 proposed with the legitimate and honest purpose of resolving the affairs of the Debtors and
9 maximizing the returns to Creditors.

10 11. Section 1129(a)(4). The Plan satisfies section 1129(a)(4) of the Bankruptcy
11 Code because Article III.C of the Plan provides that any Professional or other entity requesting
12 compensation or reimbursement of expenses for services rendered before the Effective Date, must
13 file and serve an application for final allowance of compensation and reimbursement of expenses
14 no later than thirty (30) days after the Effective Date.

15 12. Section 1129(a)(5). The individuals proposed to serve, after confirmation
16 of the Plan, as a director or officer of Reorganized Debtor Cameo are the current officers and
17 director of Cameo. The continuance in such office of such individuals is consistent with the
18 interests of creditors and equity security holders and with public policy. The Debtors have
19 disclosed the identity of any insiders that will be employed or retained by the Reorganized
20 Debtors, and the fact that such insiders are not currently receiving any compensation for such
21 services.

22 The appointment of each of the initial Creditors’ Trust Trustee and Disbursing
23 Agent is appropriate and is approved.

24 13. Section 1129(a)(6). The Debtors’ business does not involve the
25 establishment of rates over which any regulatory commission has or will have jurisdiction after
26 Confirmation, and, therefore, section 1129(a)(6) is not applicable.

27 14. Section 1129(a)(7). The Plan satisfies the “best interests” test of Section
28 1129(a)(7) of the Bankruptcy Code. The Liquidation Analysis attached to the Disclosure

Statement as Exhibit 3 and the information contained in the Disclosure Statement, as supplemented by the evidence proffered or adduced at or prior to the Confirmation Hearing, is reasonable, persuasive and credible, and has not been controverted by other evidence. With respect to each impaired Class of Claims or Interests, each holder of a Claim or Interest in such impaired Class has accepted the Plan or will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. All of the impaired classes have voted to accept the Plan (except for Classes 1B-2 and 1F, for which no ballots were submitted), and there have been no objections contending that the Plan violates section 1129(a)(7). In any event, the distribution to creditors under the Plan is more than creditors would receive in a Chapter 7 liquidation. Moreover, confirmation avoids the additional fees, costs and delays attendant to the administration of the Estates by a trustee in the context of a Chapter 7 case.

15. Section 1129(a)(8). With respect to section 1129(a)(8) of the Code, which requires that each impaired Class has voted to accept the Plan, or is not impaired under the Plan,

a. Claims classified into Class 1A (Secured Claim of Pacific Mercantile) are impaired under the Plan and have voted to accept the Plan.

b. Claims classified into Class 1B-1 (Secured Claim of Wells Fargo on Account of the Colorado Note) are impaired under the Plan and have voted to accept the Plan.

c. Claims classified into Class 1B-3 (Secured Claim of Wells Fargo on Account of the Second Hawaii Note) are impaired under the Plan and have voted to accept the Plan.

d. Claims classified into Class 1C (Secured Claim of National Bank) are unimpaired under the Plan and are deemed to have accepted the Plan.

e. Claims classified into Class 1D (Secured Claim of Robbins) are impaired under the Plan and have voted to accept the Plan.

f. Claims classified into Class 1E (Secured Claim of Gus Gianulias) are unimpaired under the Plan and are deemed to have accepted the Plan.

g. Claims classified into Class 1G (Secured Claim of Chase) are unimpaired under the Plan and are deemed to accept the Plan.

h. Claims classified into Class 1H (Other Secured Claims) are unimpaired under the Plan and are deemed to have accepted the Plan.

i. Claims classified into Class 2 (Priority Claims) are unimpaired under the Plan and are deemed to have accepted the Plan.

j. Claims classified into Class 3 (General Unsecured Claims) are impaired under the Plan and have voted to accept the Plan.

k. Claims classified into Class 4 (Inter-Debtor Claims) are impaired under the Plan and have voted to accept the Plan.

l. Claims classified under Class 5 (Subordinated Claims) are unimpaired under the Plan and are deemed to have accepted the Plan.

m. Interests classified under Class 6 (Interests in Cameo) are unimpaired under the Plan and are deemed to have accepted the Plan.

No ballots were cast in Classes 1B-2 (Secured Claim of Wells Fargo on Account of the First Hawaii Note) and 1F (Secured Claim of Countrywide). Therefore, section 1129(a)(8) is not satisfied as to these Classes. However, as set forth below, the Plan is nevertheless confirmable since the Plan satisfies the requirements of section 1129(b) with respect to Classes 1B-2 and 1F.

16. Section 1129(a)(9). Sections 1129(a)(9) contains provisions generally requiring payment in cash of administrative and non-tax priority claims and permitting the deferred payment of priority tax claims over a period not exceeding five years.

Article III.B of the Plan provides for the payment in full in Cash of Allowed Administrative Claim, unless the holder agrees to other treatment of the Claim. Payment of an Allowed Administrative Claim shall occur on the Effective Date. However, the Allowed Administrative Claims of Professionals shall not be paid in full on the Effective Date. Instead, Allowed Administrative Claims of Professionals shall be paid, Pro Rata, from the cash generated by the Portfolio Entities and Intermediate Entities. All Professionals have agreed to this deferral.

Article III.E of the Plan provides that, unless otherwise agreed, the Reorganized Debtors will pay to an entity holding an Allowed Tax Claim the full amount of the Allowed Tax Claim on the Effective Date or, at the election of the Debtors, in equal, amortized, annual installments beginning on the first anniversary of the Petition Date that falls on a date following the occurrence of the Effective Date and, thereafter, on each anniversary of the Petition Date through the fifth anniversary of the Petition Date. The rate of interest to be paid on Priority Tax Claims paid out over a period not to exceed five (5) years from the Petition Date shall be equal to the underpayment rate specified in 26 U.S.C. § 6621 (determined without regard to 26 U.S.C. § 6621(c)) as of the Effective Date or such higher rate as required by 11 U.S.C. § 511(a).

Article III.F of the Plan provides for the payment in full in Cash of Allowed Gap Claim, unless the holder agrees to other treatment of the Claim. Payment of an Allowed Gap Claim shall occur on the Effective Date.

In addition, Article V.I of the Plan provides that all Allowed Class 2 Claims (i.e., Allowed Priority Claims entitled to priority under any of sections 507(a)(3)-(6) of the Bankruptcy Code) will be paid in full in Cash on the Effective Date.

As a consequence, the Plan satisfies all of the requirements of section 1129(a)(9).

17. Section 1129(a)(10). As indicated in the Ballot Analysis and reflected on the record at the Confirmation Hearing, each impaired Class of Claims for which ballots were submitted has voted to accept the Plan, determined without including any acceptance of the Plan by any insider.

18. Section 1129(a)(11). Plan confirmation is not likely to be followed by either the liquidation or need for further financial reorganization of the Reorganized Debtors. To satisfy their burden under section 1129(a)(11) of the Bankruptcy Code, the Debtors and their advisors prepared Exhibit 2 to the Disclosure Statement, which sets forth the Reorganized Debtors' expected annual performance through the end of 2024 (the "Financial Projections"). The Financial Projections (along with the evidence proffered or adduced at, or prior to, the Confirmation Hearing), establish that the Reorganized Debtors will have sufficient cash flow from the Companies' operations to make all payments that must be made pursuant to the Plan, including

1 paying all Administrative Claims and Priority Claims in full, and, therefore, that confirmation of
2 the Plan is not likely to be followed by liquidation or the need for further reorganization.

3 Based on the Financial Projections and other evidence, the Court finds that the
4 evidence is persuasive and credible and has not been controverted by other evidence. The Court
5 further finds that the Plan is feasible and is not likely to be followed by either of the Reorganized
6 Debtors either liquidating or requiring further financial reorganization, thus satisfying the
7 requirements of section 1129(a)(11) of the Bankruptcy Code.

8 19. Section 1129(a)(12). In accordance with section 1129(a)(12) of the
9 Bankruptcy Code, Article XIII.J of the Plan provides for the payment of all fees payable under 28
10 U.S.C. § 1930.

11 20. Section 1129(a)(13). The Debtors do not have any obligation to pay
12 “retiree benefits,” as that term is defined in section 1114(a) of the Bankruptcy Code, and,
13 therefore, section 1129(a)(13) of the Bankruptcy Code does not apply in these Chapter 11 Cases.

14 21. Section 1129(a)(14). Section 1129(a)(14) of the Bankruptcy Code, which
15 requires a debtor to pay domestic support obligations required to be paid by judicial or
16 administrative order, does not apply in these Chapter 11 Cases.

17 22. Section 1129(a)(15). Section 1129(a)(15) of the Bankruptcy Code applies
18 to cases in which the debtor is an individual. Section 1129(a)(15) provides that when the holder of
19 an unsecured claim objects to confirmation, that the value of the property distributed under the
20 plan cannot be less than the projected disposable income of the debtor during the 5-year period
21 commencing on the date that the first payment is due under the plan.

22 No parties have objected to the Plan on the grounds that section 1129(a)(15) is not
23 satisfied. However, even if an unsecured creditor had objected, the Plan provides that holders of
24 Allowed General Unsecured Claims will receive distributions significantly greater than those
25 required by section 1129(a)(15). Based on the Financial Projections and other evidence, the Court
26 finds that the evidence is persuasive and credible and has not been controverted by other evidence
27 and that the Plan satisfies the requirements of section 1129(a)(15) of the Bankruptcy Code.

28

23. Section 1129(a)(16). Section 1129(a)(16) of the Bankruptcy Code, which applies only to cases of nonprofit entities, does not apply in these Chapter 11 Cases

G. Non-Consensual Confirmation (Section 1129(b)). The Plan is confirmable pursuant to section 1129(b)(1) of the Code. Notwithstanding that holders of claims in Classes 1B-2 (Secured Claim of Wells Fargo) and 1F (Secured Claim of Countrywide) have failed to vote on the Plan, the Plan may be confirmed because:

1. The Plan does not discriminate unfairly and is fair and equitable with respect to the holders of Claims in Classes 1B-2 and 1F.

2. The Plan provides that Wells Fargo and Countrywide will retain the lien securing their claims in compliance with section 1129(b)(2)(A)(I).

3. The evidence proffered or adduced at or prior to the Confirmation Hearing with respect to the value of the properties securing the Secured Claims of Countrywide and Wells Fargo, is reasonable, persuasive and credible, and has not been controverted by other evidence.

4. The Plan provides that Wells Fargo and Countrywide will receive deferred cash payments on account of their Secured Claims totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property in compliance with section 1129(b)(2)(A)(II).

H. Section 1129(c). Other than the Plan (including previous versions thereof), no other plan has been filed in these Chapter 11 Cases. As a result, the requirements of section 1129(c) have been satisfied.

I. Section 1129(d). The primary purpose of the Plan is not avoidance of taxes or avoidance of the requirements of Section 5 of the Securities Act of 1933, as amended (the "Securities Act"), and there has been no objection filed by any governmental unit asserting such avoidance.

J. Plan Modification: The Debtors and the Committee revised a number of sections of the Plan in the manner discussed in the Confirmation Memorandum. For the reasons discussed in the Confirmation Memorandum, these revisions to the Plan are non-material, do not diminish the treatment of Allowed Claims under the Plan, materially alter the Plan, or bear upon its

1 feasibility in such a way that additional disclosure or re-solicitation would be necessary. No
2 modifications to the Plan since the approval of the Disclosure Statement adversely changed the
3 treatment under the Plan of the Claim of any creditor that voted to accept the Plan other than the
4 Re-Solicited Parties, which were each permitted to change their vote or election under the Plan.
5 No modification to the Plan resulted in the Plan failing to meet the requirements of section 1122 or
6 1123. Finally, no further or other disclosure was required by section 1125 because no other
7 parties voting on the Plan were materially affected by any of the modifications to the Plan.
8 Accordingly, all Plan modifications complied in all respects with section 1127(a) and Bankruptcy
9 Rule 3019(a). See, e.g., In re American Solar King, 90 B.R. 808, 822-26 (Bankr. W.D. Tex.
10 1988); In re Mt. Vernon Plaza Cmty. Urban Redev. Corp. I, 79 B.R. 305, 306 (Bankr. S.D. Ohio
11 1987).

12 K. The Plan Documents: On or about the Effective Date, the Debtors will enter into
13 the Plan Documents. The Creditors' Trust shall have valid, binding and enforceable claims and
14 rights in accordance with the terms of the Plan Documents, and, further, shall have a security
15 interest in certain collateral, as set forth in the Security Agreement. Specifically, the Court makes
16 the following findings with respect to the Security Agreement:

17 1. The Collateral is the sole and separate property of each of the Grantors, and
18 Grantors have all right, title and interest in and to, and subject to the provisions of Section 4(e) of
19 the Security Agreement, Grantors are the legal and beneficial owner of, the Collateral, free from
20 any Liens of any kind, other than the security interest created in the Security Agreement and the
21 Priority Claims.

22 2. The Security Agreement and the other Security Documents, including,
23 without limitation, any instrument, document or agreement required in connection therewith, when
24 delivered, will constitute, legal, valid and binding obligations of each Grantor and Grantors, taken
25 as a whole, enforceable against it and them in accordance with their respective express written
26 terms except as enforceability may be limited by applicable bankruptcy, insolvency,
27 reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally
28

1 and by general equitable principles (whether enforcement is sought by proceedings in equity or at
2 law).

3 3. No additional consent or approval is required in connection with the
4 Security Agreement, the Notes, the other Security Documents, and the transactions contemplated
5 therein.

6 4. The Security Documents do not provide for the grant of a security interest
7 in the Ownership Interests in the Portfolio and/or Intermediate Entities or real estate held by the
8 Portfolio Entities.

9 i. Pursuant to the Plan, Debtors are issuing to the Creditor's Trust two
10 promissory notes: (1) the Cash Flow Note, which is secured as described in the Security
11 Agreement, and (2) the Secondary Note, which is unsecured.

12 ii. The Cash Flow Note is secured by means of a grant of a security
13 interest in certain Collateral, which Collateral consists of all distributions received by Grantors in
14 connection with the Ownership Interests held by Grantors in the Portfolio Entities and the
15 Intermediate Entities, as well as certain claims, deposits, prepayments, refunds, rebates, causes of
16 action, rights of recovery, rights of setoff and rights of recoupment relating to such distributions,
17 and all substitutions, replacements, products derived or attributable with respect to any of the
18 above-mentioned, and proceeds from any and all of the foregoing.

19 iii. Neither the Security Agreement nor any other Security Document
20 (1) grants a security interest in or other lien upon all or any part of the Ownership Interests held by
21 Grantors in the Portfolio Entities and/or Intermediate Entities, (2) assigns, transfers or creates by
22 its terms any lien on all or any part of the Ownership Interests of Grantors in the Portfolio Entities
23 and Intermediate Entities, or (3) grants the Creditor's Trust any security interest or lien of
24 whatsoever kind in any real property owned by any Portfolio Entity. The Committee and the
25 Debtors, for themselves and for their respective successors and assigns, including any trustees that
26 may be appointed in either or both of the Cases, acknowledge that, to the extent the Term Sheet
27 (the "Term Sheet") purported to provide for a grant of any collateral, beyond what is actually
28

1 granted in the Security Documents, the Security Documents (as interpreted in the Security
2 Agreement) shall control.

3 5. Debtors and the Creditors' Trust are bound by the terms and conditions of
4 the Plan and the Security Documents; the Grantors, and other partners, members and owners in the
5 Portfolio Entities and Intermediate Entities (the "Other Owners") are bound by such entities'
6 operative Governing Documents. The Security Documents do not bind the Other Owners because
7 the Other Owners are not parties to the Security Documents; in a similar vein, the Governing
8 Documents do not bind the Creditors' Trust because it is not a party to such documents. In
9 particular, the Security Documents do not grant the Creditors' Trust any right to be admitted as an
10 owner, partner or member of any Portfolio Entity or Intermediate Entity, or to participate in any
11 manner in the decision-making process, management and/or operations, of any Portfolio Entity or
12 Intermediate Entity, including, without limitation, any right to vote or otherwise participate in
13 decisions regarding the assets of the Portfolio Entities or Intermediate Entities. The Creditors'
14 Trust and the Grantors understand that the Other Owners are not waiving any right to object to any
15 action taken by the Creditors' Trust in the future, including without limitation any effort to
16 intervene in any way with partnership/company operations and decision making, and that the
17 Other Owners are specifically reserving the right to challenge any such action and to prevent the
18 same and/or have the same declared void, just as the Other Owners should recognize that the
19 Creditors' Trust is not waiving any right to object to any action taken by Debtors and/or the Other
20 Owners now or in the future relating to the terms and conditions of the Security Documents,
21 including, without limitation, any effort to intervene in any way with the terms and conditions of
22 the Security Documents and the obligations of the parties thereto, and that the Creditors' Trust is
23 specifically reserving the right to challenge any such action and to prevent the same and/or have
24 the same declared void.

25 6. The Security Documents, in addition to providing for a lien on distributions
26 paid to Grantors and/or deposited into the Control Account, do place certain obligations on
27 Grantors with respect to any sale, transfer or assignment by Grantors of any interest in the
28 Ownership Interests (but not interests of the Other Owners). These obligations are designed to,

1 among other things, protect the rights and remedies granted to the Creditors' Trust under the
2 Security Documents to receive payments under the Cash Flow Note from certain payments made
3 to Grantors in connection with the ownership, sale, transfer, assignment or financing of the
4 Ownership Interests. To be clear, however, the consent of the Creditors' Trust is not required
5 under the Security Documents for any sale, transfer or refinance of any of the assets now or
6 hereafter owned by the Portfolio Entities or Intermediate Entities, including, without limitation,
7 any real property owned or held by any Portfolio Entity. Those obligations would also not
8 prohibit any transfers of Ownership Interests that are required to be made by Grantors to Other
9 Owners under the Governing Documents.

10 7. Any Sale Transaction with respect to Ownership Interests shall require the
11 prior written consent of the Creditors' Trust Trustee, which consent shall not be unreasonably
12 withheld, except that the Creditors' Trust Trustee shall not have any right to consent to (a) the
13 dilution or transfer of an Ownership Interest resulting from a Capital Call Transaction or (b) the
14 sale, transfer and/or assignment (and not encumbrance) of an Ownership Interest to any Other
15 Owner(s) in instances in which such sale, transfer and/or assignment is (i) solely initiated by an
16 Other Owner(s) pursuant to any right of an Other Owner(s) to purchase the Ownership Interest of
17 a Grantor under any Governing Document or (ii) not initiated by a Grantor but is required by the
18 Governing Documents; provided such sale, transfer and/or assignment is effected pursuant to and
19 in accordance with the terms and conditions of such Governing Document; provided, further that
20 the exceptions set forth in subsections (a) and (b) above shall not apply to any Ownership Interest
21 in River Knolls, LP, a California limited partnership, River Knolls, LLC, GVSC, LP, a California
22 limited partnership, and Grass Valley Shopping Center, LLC.

23 8. The consent of the Creditor's Trust is not required to sell, transfer, assign,
24 encumber, finance or refinance any asset or property (including, without limitation, real property)
25 owned and/or held by any Portfolio Entity or Intermediate Entity. Creditor's Trust will remove
26 the Negative Pledge of record within seven (7) days of written request, if provided with evidence
27 that a lender alleges the same is a default, or evidence that removal is required by a proposed
28 lender in connection with refinance of a property owned by a Portfolio Entity or Intermediate

Entity; provided, however, that Grantors and Creditor's Trust hereby agree that the removal of the Negative Pledge of record shall not impair, amend, modify or otherwise affect the provisions set forth in the Negative Pledge.

L. Retention of Jurisdiction: The Court reserves jurisdiction to enter appropriate orders in aid of implementation of the Plan pursuant to section 1142, except as otherwise provided in the Plan Documents; provided, however, that nothing in the Plan Documents shall be deemed to limit the authority or jurisdiction of this Court with respect to any order or other relief of any kind or nature whatsoever concerning the Reorganized Debtors, the Creditors' Trust, Marilyn Gianulias or any other Person in connection with the implementation of the Plan, except with respect to those matters which shall be resolved by the Dispute Resolution Procedure pursuant to Section 20(a) of the Security Agreement. As set forth in the Plan Documents, following the Effective Date, the Mediator shall have authority to make any determination and/or resolve any disputes arising between the Debtors and the Committee or the Reorganized Debtors and the Creditors' Trust through the Dispute Resolution Procedure pursuant to the terms and conditions set forth herein and in the Plan Documents, subject to the terms and conditions of this Section L.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Plan filed on July 7, 2010 [Docket No 720], is CONFIRMED.
2. The Plan, including the Plan documents attached thereto, is approved and confirmed in its entirety under section 1129 of the Bankruptcy Code. The failure to reference or discuss any particular provision of the Plan or a Plan Document in this Order shall have no effect on this Court's approval and authorization of, or the validity, binding effect and enforceability of, such provision; and each provision of the Plan and the Plan Documents is hereby expressly authorized and approved and each provision of the Plan and the Plan Documents shall have the same validity, binding effect and enforceability as every other provision of the Plan and the Plan Documents.
3. Any modifications or amendments to the Plan since the solicitation, as embodied in the form of the Plan filed on May 27, 2010, as disclosed in filings with the Court or disclosed in open Court at or prior to the Confirmation Hearing, or set forth herein, are approved pursuant to

1 section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation
2 under Bankruptcy Rule 3019.

3 4. The Provisions of the Plan, the Plan Documents and this Confirmation Order shall
4 bind the Debtors, their Estates, the Creditors' Trust, the Creditors' Trust Trustee, and all Creditors
5 and Interest Holders of the Debtors, whether or not the Claims or Interests of such persons or
6 entities are impaired under the Plan, whether or not such persons or entities have voted to accept
7 or reject the Plan, and whether or not such persons or entities have filed or are deemed to have
8 filed proofs of Claim or Interest in these Cases.

9 5. On the Effective Date, all persons and entities shall be forever enjoined from
10 asserting any Claims (including post-Effective Date Claims) or Interests against the Estates, or
11 property of the Estates, except as provided under the Plan.

12 6. Except as otherwise provided in the Plan, the Plan Documents, or this Order, on the
13 Effective Date, all property of the Estates shall vest in the Reorganized Debtors, free and clear of
14 all Claims, liens, encumbrances, and Interests. From and after the Effective Date, the Reorganized
15 Debtors may operate their business and use, acquire and dispose of property without supervision
16 by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than
17 those restrictions expressly imposed by the Plan, the Plan Documents and the Confirmation Order.

18 7. Except with respect to rights assigned under the Plan or the Plan Documents to the
19 Creditors' Trust, the Reorganized Debtors shall be vested with and retain and enforce any claims,
20 rights, powers, and causes of action that the Debtors and the Estates may hold or have against any
21 entity.

22 8. Pursuant to Bankruptcy Rule 9019, the terms of the settlement negotiated between
23 the Debtors and the Committee and incorporated into the Plan constitutes a good faith compromise
24 and settlement and is in the best interest of the Debtors, their Estates, and their Creditors.

25 9. On or about the Effective Date, the Reorganized Debtors, and any authorized
26 officers and agents thereof, shall be and hereby are authorized to execute and deliver each and all
27 of the Plan, this Order, the Creditors' Trust Agreement, and the Plan Documents (in substantially
28 the form filed with the Plan, with any modifications subject to the approval of the Committee and

1 the Immell/Hamilton Entities and the Lucas Entities) as well as execute, deliver, authorize the
2 filing of, record, and/or issue any notes, intercreditor agreements, documents (including but not
3 limited to, UCC financing statements, security agreements, mortgages, deeds of trusts or other
4 security instruments or collateral documents), instruments, certificates, or agreements necessary or
5 appropriate to give effect to the transactions contemplated thereby and/or grant, perfect, impose
6 and continue liens and security interests upon each and all of the real and personal property
7 described therein and intended to be encumbered thereby, and perform each and all of their
8 respective obligations thereunder, in each case without further notice to or order of this Court, act
9 or action under applicable law, regulation, order or rule or the vote, consent, authorization, or
10 approval of any person or entity (other than as expressly required by any applicable document or
11 agreement), including but not limited to the extent that, under applicable non-bankruptcy law, any
12 of these actions otherwise would require the consent or approval of any other person or entity (as
13 such terms are defined in the Bankruptcy Code), all in accordance with the Plan and the Plan
14 Documents and the documentation, instruments, certificates and agreements entered into and/or
15 delivered in connection therewith. The foregoing documents and agreements shall be the valid,
16 binding and enforceable obligations of the Reorganized Debtors party thereto concurrently with
17 the respective execution and delivery of each and every such document. The liens and security
18 interests granted and to be granted by the Reorganized Debtors by the execution and delivery of
19 the foregoing agreements and documents and the entry of this Order shall irrevocably be and be
20 deemed perfected on the Effective Date, subject only to such liens and security interests as may be
21 expressly permitted under the Plan or Plan Documents and the documentation, instruments,
22 certificates and agreements entered into and/or delivered in connection therewith. To effectuate
23 these transactions, the Plan and the Plan Documents, the authorized officers and agents of the
24 Debtors and the Reorganized Debtors and Creditors' Trust are hereby authorized — without
25 further notice, application to, or order of this Court — to execute, deliver, authorize the filing of,
26 file, or record any documents and to take any other actions that those agents may determine to be
27 necessary or desirable, regardless of whether such actions or documents are specifically referred to
28 in the Plan or this Order.

1 10. The Creditors' Trust and the Creditors' Trust Trustee shall have all of the rights,
2 powers and duties set forth in the Creditors' Trust Agreement, the Plan Documents and Article
3 VII.F of the Plan. Tom Seamon shall serve as the initial Creditors' Trust Trustee, subject to the
4 terms and conditions of the Creditors' Trust Agreement, and shall be compensated pursuant to the
5 terms of the Creditors' Trust Agreement. As of the Effective Date, the Creditors' Trust shall be
6 vested with and retain and may enforce the Avoidance Actions.

7 11. The issuance and distribution of Interests in the Creditors' Trust are in exchange for
8 Claims against the Debtors, or principally in such exchange. Under section 1145 of the
9 Bankruptcy Code, to the extent, if any, that the Interests in the Creditors' Trust constitute
10 "securities": (i) the offering of such items is exempt and the issuance and distribution of such
11 items will be exempt from Section 5 of the Securities Act and any State or local law requiring
12 registration prior to the offering, issuance, distribution, or sale of securities; and (ii) all of the
13 above-described items will be freely tradeable by the recipients thereof, subject to (x) the
14 provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an
15 underwriter in Section 2(a)(11) of the Securities Act, and compliance with any rules and
16 regulations of the SEC, if any, applicable at the time of any future transfer of such securities or
17 instruments; (y) the restrictions, if any, on the transferability of such securities and instruments,
18 and (z) applicable regulatory approval.

19 12. Mesa Management shall serve as the Disbursing Agent pursuant to the terms and
20 conditions of the Disbursing Agent Agreement, and shall have all of the rights, powers and duties
21 set forth in the Disbursing Agent Agreement and Article VII.C of the Plan.

22 13. Following the Effective Date, Reorganized Debtor Cameo shall remain in
23 existence, with all powers of a corporation and may operate free of any restrictions imposed by the
24 Bankruptcy Code, the Bankruptcy Rules or by the Court, subject only to the terms and conditions
25 of the Plan, the Plan Documents (including, without limitation, all documentation, instruments,
26 certificates and agreements entered into and/or delivered in connection therewith) and this
27 Confirmation Order. The Court approves as consistent with the interests of Creditors and with
28 public policy the continuance of the current officers and directors of Cameo. On the Effective

1 Date, the operation of Reorganized Debtor Cameo shall become the general responsibility of the
2 officers and directors of Reorganized Debtor Cameo.

3 14. As provided by Article XI.C of the Plan, neither the Committee (solely with respect
4 to its conduct as a committee and not with respect to the actions of its members as individual
5 creditors), or any of its respective present members and their representatives, Professionals,
6 advisors, attorneys, financial advisors, investment bankers or agents (solely with respect to each
7 member's conduct in furtherance of its, his, or her duties as a member of the Committee, and not
8 with respect to the actions of such members as individual creditors), the Debtors and their
9 representatives, Professionals, advisors, attorneys, investment bankers, officers, directors or
10 agents, and the Financial Advisors shall have nor incur, and are hereby released from, any Claim,
11 obligation, cause of action or liability to one another or to any holder of a Claim or an Interest, or
12 any other party in interest, or any of its members, representatives, advisors, attorneys, financial
13 advisors, investment bankers, agents, or affiliates, or any of its successors or assigns, for any act or
14 omission in connection with, relating to, or arising out of, these Cases, the pursuit of Confirmation
15 of the Plan, the consummation of this Plan, or the administration of this Plan or the property to be
16 distributed under the Plan, except for (i) claims which arise or relate to actions or omissions
17 occurring prepetition, and (ii) willful misconduct or gross negligence at any time. In all respects
18 the Committee and/or the Debtors shall be entitled to reasonably rely upon the advice of counsel
19 with respect to their duties and responsibilities under the Plan.

20 15. As provided by Article XI.D of the Plan, the right of any holder of a General
21 Unsecured Claim to seek to modify the Plan pursuant to section 1127(e) of the Bankruptcy Code
22 is waived.

23 16. As of the Effective Date and upon the payment of any Cure Amounts (if
24 applicable), pursuant to Article IX.A of the Plan, each of the Assumed Leases and Contracts shall
25 be deemed assumed by the Reorganized Debtors and shall be in full force and effect, except to the
26 extent that they have been modified consensually with the agreement of the parties thereto. To the
27 extent that the non-debtor party to any Assumed Lease or Contract has filed a proof of Claim
28 against one or more of the Debtors asserting pre-petition arrearages under an Assumed Lease or

1 Contract, payment of the Cure Amount pursuant to Article IX.B of the Plan shall be deemed to
2 satisfy, in full, any pre-petition arrearage, irrespective of whether the Cure Amount is less than the
3 amount set forth in any such proof of claim.

4 17. Each of the Rejected Leases and Contracts shall be rejected by the Debtors as of the
5 Effective Date. All proofs of claim arising from the rejection of the Rejected Leases and
6 Contracts must be filed within thirty (30) days after the Effective Date.

7 18. Any party wishing to assert an Administrative Claim or Administrative Claim of
8 Professionals against one or more of the Estates must, on or before thirty (30) days after the
9 Effective Date, both file with the Court a motion requesting allowance of the Administrative
10 Claim and serve the motion on the Reorganized Debtors and the U.S. Trustee. The Reorganized
11 Debtors may seek to extend the time for filing Administrative Claims or Administrative Claim of
12 Professionals by filing a motion no later than thirty (30) days after the Effective Date.

13 19. On the Effective Date, the Committee shall be released and discharged from the
14 rights and duties arising from or related to the Cases, except with respect to final applications for
15 professionals' compensation. The professionals retained by the Committee and the members
16 thereof shall not be entitled to compensation or reimbursement of expenses for any services
17 rendered or expenses incurred after the Effective Date, except for services rendered and expenses
18 incurred in connection with any applications by such professionals or Committee members for
19 allowance of compensation and reimbursement of expenses pending on the Effective Date or
20 timely Filed after the Effective Date as provided in the Plan, as approved by the Court.

21 20. Within five (5) days following, the Effective Date, the Reorganized Debtors shall
22 mail a "Notice of Occurrence of Effective Date," which shall include notice of entry of this Order,
23 to all creditors and interest holders of record as of the date of entry of this Order.

24 21. Any and all other objections to the Plan or confirmation of the Plan not previously
25 withdrawn are overruled.

26 22. Section 1146(c) of the Bankruptcy Code shall not apply to the Plan as set forth in
27 Article XIII.F of the Plan.

28

1 23. Transfers from the Debtors' Estates to the Creditors' Trust pursuant to the Plan or
2 the Plan Documents shall be treated as disbursements pursuant to 28 U.S.C. § 1930(a)(6) and shall
3 be paid by the Debtors or the Reorganized Debtors. Distributions from the Creditors' Trust
4 pursuant to the Plan or the Creditors' Trust Agreement shall not be treated as disbursements
5 pursuant to 28 U.S.C. § 1930(a)(6).

6 24. As and when the Plan is fully administered, the Debtors shall move the Court,
7 pursuant to section 350 of the Bankruptcy Code and Bankruptcy Rule 3022, for a final decree and
8 order closing these bankruptcy Cases.

9 25. The Court reserves jurisdiction to enter appropriate orders in aid of implementation
10 of the Plan pursuant to section 1142; provided, however, that nothing in the Plan Documents shall
11 be deemed to limit the authority or jurisdiction of this Court with respect to any order or other
12 relief of any kind or nature whatsoever concerning the Reorganized Debtors, the Creditors' Trust,
13 Marilyn Gianulias or any other Person in connection with the implementation of the Plan, except
14 with respect to those matters which shall be resolved by the Dispute Resolution Procedure
15 pursuant to Section 20(a) of the Security Agreement. Subject to the terms and conditions of this
16 Section 25, (a) the Court retains jurisdiction over the Debtors, their assets and their Estates as set
17 forth in Article XII of the Plan, except as otherwise provided in the Plan Documents, and (b) as set
18 forth in the Plan Documents, following the Effective Date, the Mediator shall have authority to
19 make any determination and/or resolve any disputes arising between the Debtors and the

20 ///

21 ///

22

23

24

25

26

27

28

Committee or the Reorganized Debtors and the Creditors' Trust through the Dispute Resolution
Procedure pursuant to the terms and conditions set forth herein and in the Plan Documents.

###

DATED: July 19, 2010



United States Bankruptcy Judge

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 840 Newport Center Drive, Suite 400, Newport Beach, CA 92660-6324

The foregoing document described as [Proposed] **ORDER CONFIRMING DEBTORS' FOURTH AMENDED PLAN OF REORGANIZATION (DATED MAY 27, 2010), AS MODIFIED [Docket No. 720]** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") –

Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On _____, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL(indicate method for each person or entity served):

On July 9, 2010, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. *Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.*

Office of the U.S. Trustee, Attn: Michael Hauser, Esq., 411 W. Fourth Street, #9041, Santa Ana, CA 92701-4593

Debtor

James Gianulias/Cameo Homes, Attn: John McFadden, 1105 Quail St, Newport Beach, CA 92660

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on July 9, 2010

I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. *Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.*

CAUSED TO BE SERVED VIA PERSONAL DELIVERY/MESSENGER

Chambers of Honorable Robert W. Kwan

United States Bankruptcy Court

411 W. Fourth Street

Santa Ana, CA 92701

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

7/9/2010

Lori Gauthier

/s/ Lori Gauthier

Date

Type Name

Signature

SERVED VIA E-MAIL

- John B Acierno ecfcacb@piteduncan.com
- Jess R Bressi jbreffi@luce.com
- Frank Cadigan frank.cadigan@usdoj.gov
- Jon M Chatalian efile@pbgc.gov, chatalian.jon@pbgc.gov
- Sean T Cork scork@ssd.com
- Paul J Couchot pcouchot@winthropcouchot.com, pj@winthropcouchot.com
- Melissa Davis mdavis@shbllp.com
- Susan S Davis sdavis@coxcastle.com
- Daniel Denny ddenny@gibsondunn.com
- Lei Lei Wang Ekvall lekvall@wglp.com
- David K Eldan malvarado@pmcos.com, rpinal@pmcos.com;calendar@pmcos.com
- Alan J Friedman afriedman@irell.com
- Jose A Garcia ecfcacb@piteduncan.com
- Beth Gaschen bgaschen@wglp.com
- Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com;mforsythe@goeforlaw.com
- Michael J Hauser michael.hauser@usdoj.gov
- Whitman L Holt wholt@stutman.com
- Marsha A Houston mhouston@reedsmith.com
- John J Immordino john.immordino@wilsonelser.com, raquel.burgess@wilsonelser.com
- Lance N Jurich ljurich@loeb.com, kpresson@loeb.com
- Bradford Klein brad.e.klein@gmail.com
- Donna L La Porte dlaporte@wrightlegal.net, bkgroup@wrightlegal.net
- Daniel A Lev dlev@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
- Kerri A Lyman klyman@irell.com
- David F Makkabi cmartin@pprlaw.net
- Robert C Martinez rmartinez@mclex.com
- Andrew K Mauthe mauthelaw@attglobal.net
- Elissa Miller emiller@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
- Randall P Mroczynski randym@cookseylaw.com
- Mike D Neue mneue@thelobelfirm.com, jmattiace@thelobelfirm.com;pnelson@thelobelfirm.com
- Penelope Parmes pparmes@rutan.com
- Steven G Polard spolard@perkinscoie.com
- Timothy R Pomeroy tpomeroy@klinedinstlaw.com
- Hamid R Rafatjoo hrafatjoo@venable.com, ataylor@venable.com;revey@venable.com;jnassiri@venable.com;bclark@venable.com
- Cassandra J Richey cmartin@pprlaw.net
- Christopher O Rivas crivas@reedsmith.com
- Martha E Romero Romero@mmomerolawfirm.com
- Anthony J Rothman anthony@arothmanlaw.com
- Victor A Sahn vsahn@sulmeyerlaw.com
- John D Schlotter ecfmail@aclawlp.com
- Mark C Schnitzer mschnitzer@rhlaw.com
- Leonard M Shulman lshulman@shbllp.com
- Timothy J Silverman tim@sgsslaw.com
- Derrick Talerico dtalerico@loeb.com, kpresson@loeb.com;ljurich@loeb.com
- James E Till jtill@milbank.com, jmattiace@thelobelfirm.com;pnelson@thelobelfirm.com
- James E Till jtill@thelobelfirm.com, jmattiace@thelobelfirm.com;pnelson@thelobelfirm.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov
- Matthew S Walker matthew.walker@pillsburylaw.com,
- Joshua D Wayser joshua.wayser@kattenlaw.com, kim.johnson@kattenlaw.com
- Steven Werth swerth@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
- Deborah A Winslow ecf@shermeta.com
- John H Wunsch sandra.g.mcmasters@wellsfargo.com
- jpomerance@sulmeyerlaw.com

NOTICE OF ENTERED ORDER AND SERVICE LIST

Notice is given by the court that a judgment or order entitled (*specify*) **ORDER CONFIRMING DEBTORS' FOURTH AMENDED PLAN OF REORGANIZATION (DATED MAY 27, 2010), AS MODIFIED [Docket No. 720]** was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner indicated below:

I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s), the foregoing document was served on the following person(s) by the court via NEF and hyperlink to the judgment or order. As of **July 13, 2010** the following person(s) are currently on the Electronic Mail Notice List for this bankruptcy case or adversary proceeding to receive NEF transmission at the email address(es) indicated below.

☒ Service information continued on attached page

II. SERVED BY THE COURT VIA U.S. MAIL: A copy of this notice and a true copy of this judgment or order was sent by U.S. Mail, first class, postage prepaid, to the following person(s) and/or entity(ies) at the address(es) indicated below:

James C Gianulias
1105 Quail St
Newport Beach, CA 92660

III. TO BE SERVED BY THE LODGING PARTY: Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by U.S. Mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following person(s) and/or entity(ies) at the address(es), facsimile transmission number(s) and/or email address(es) indicated below:

I. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

- John B Acierno ecfacb@piteduncan.com
- Jess R Bressi jbreffi@luce.com
- Frank Cadigan frank.cadigan@usdoj.gov
- Jon M Chatalian efile@pbgc.gov, chatalian.jon@pbgc.gov
- Sean T Cork scork@ssd.com
- Paul J Couchot pcouchot@winthropcouchot.com, pj@winthropcouchot.com
- Melissa Davis mdavis@shbllp.com
- Susan S Davis sdavis@coxcastle.com
- Daniel Denny ddenny@gibsondunn.com
- Lei Lei Wang Ekvall lekvall@wglp.com
- David K Eldan malvarado@pmcos.com, rpinal@pmcos.com;calendar@pmcos.com
- Alan J Friedman afriedman@irell.com
- Jose A Garcia ecfacb@piteduncan.com
- Beth Gaschen bgaschen@wglp.com
- Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com;mforsythe@goeforlaw.com
- Michael J Hauser michael.hauser@usdoj.gov
- Whitman L Holt wholt@stutman.com
- Marsha A Houston mhouston@reedsmith.com
- John J Immordino john.immordino@wilsonelser.com, raquel.burgess@wilsonelser.com
- Lance N Jurich ljurich@loeb.com, kpresson@loeb.com
- Bradford Klein brad.e.klein@gmail.com
- Donna L La Porte dlaporte@wrightlegal.net, bkgroup@wrightlegal.net
- Daniel A Lev dlev@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
- Kerri A Lyman klyman@irell.com
- David F Makkabi cmartin@pprlaw.net
- Robert C Martinez rmartinez@mclex.com
- Andrew K Mauthe mauthelaw@attglobal.net
- Elissa Miller emiller@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
- Randall P Mroczynski randym@cookseylaw.com
- Mike D Neue mneue@thelobelfirm.com, jmattiace@thelobelfirm.com;pnelson@thelobelfirm.com
- Penelope Parmes pparmes@rutan.com
- Steven G Polard spolard@perkinscoie.com
- Timothy R Pomeroy tpomeroy@klinedinstlaw.com
- Hamid R Rafatjoo hrafatjoo@venable.com, ataylor@venable.com;revey@venable.com;jnassiri@venable.com;bclark@venable.com
- Cassandra J Richey cmartin@pprlaw.net
- Christopher O Rivas crivas@reedsmith.com
- Martha E Romero Romero@mromerolawfirm.com
- Anthony J Rothman anthony@arothmanlaw.com
- Victor A Sahn vsahn@sulmeyerlaw.com
- John D Schlotter ecfmail@aqlawllp.com
- Mark C Schnitzer mschnitzer@rhlaw.com
- Leonard M Shulman lshulman@shbllp.com
- Timothy J Silverman tim@sgsslaw.com
- Derrick Talerico dtalerico@loeb.com, kpresson@loeb.com;ljurich@loeb.com
- James E Till jtill@milbank.com, jmattiace@thelobelfirm.com;pnelson@thelobelfirm.com
- James E Till jtill@thelobelfirm.com, jmattiace@thelobelfirm.com;pnelson@thelobelfirm.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov
- Matthew S Walker matthew.walker@pillsburylaw.com,
- Joshua D Wayser joshua.wayser@kattenlaw.com, kim.johnson@kattenlaw.com
- Steven Werth swerth@sulmeyerlaw.com, asokolowski@sulmeyerlaw.com
- Deborah A Winslow ecf@shermeta.com
- John H Wunsch sandra.g.mcmasters@wellsfargo.com

Certificate of Service Page 31 of 89

CERTIFICATE OF NOTICE

District/off: 0973-8
Case: 08-13150

User: admin
Form ID: pdf031

Page 1 of 2
Total Noticed: 49

Date Rcvd: Jul 19, 2010

The following entities were noticed by first class mail on Jul 21, 2010.

db	+James C Gianulias, 1105 Quail St, Newport Beach, CA 92660-2705
aty	+Alan Friedman Irell & Manella, 840 Newport Center Drive, Suite 400, Newport Beach, CA 92660-6323
aty	+Houston M Watson, Klinedinst PC, 501 W Broadway Ste 600, San Diego, CA 92101-3584
aty	+John D Klinedinst, Klinedinst PC, 501 W Broadway Ste 600, San Diego, CA 92101-3584
aty	+Lanak & Hanna P C, 400 N Tustin Ave, Santa Ana, CA 92705-3813
aty	+Lei Lei Wang Ekvall, Weiland, Golden, et al., 650 Town Center Drive, Suite 950, Costa Mesa, CA 92626-7021
aty	+Lori Scott, 1301 Fifth Ave Ste 3100, Seattle, WA 98101-2649
aty	+Peter L Duncan, 401 B St Ste 1500, San Diego, CA 92101-4238
cr	+Arch Insurance Company, 135 North Los Robles Ave Suite 825, Pasadena, CA 91101-4531
cr	+BAC Home Loans Servicing, LP, 7105 Corporate Drive, PTX-B-35, Plano, TX 75024-4100
consult	+BMC Group Inc, 444 N. Nash Street, El Segundo, CA 90245-2822
cr	+California Bank & Trust, c/o Peter L. Duncan, Esq., Pyle Sims Duncan & Stevenson, APC, 401 B Street, Suite 1500, San Diego, CA 92101-4238
ptcrd	+California National Bank, 221 South Figueroa Street, Los Angeles, CA 90012-2524
intp	+Cameo Homes, 1105 Quail St, Newport Beach, CA 92660-2705
cr	+Capital Drywall, LP, c/o Hines Smith Carder, 3080 Bristol St Ste 540, Costa Mesa, CA 92626-7321
intp	+Charlene H. Immell, Trustees of the M and C Immell Trust, c/o Michael W. Immell, 611 Anton Blvd., 14th Floor, Costa Mesa, CA 92626-7681
cr	+Chase Home Finance LLC - OHIO, its successors and/, 4375 Jutland Drive, Suite 200, P.O. Box 17933, San Diego, CA 92177-7921
cr	+Clarke Masonry, Inc., Lanak & Hanna PC, 625 The City Dr S Ste 190, Orange, CA 92868-4983
sp	+Croudace & Dietrich LLP, 4750 Von Karman Avenue, Newport Beach, CA 92660-2123
intp	+DAHL California, LLC, c/o Hamid R. Rafatjoo, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 11th Floor, Los Angeles, CA 90067-4003
fa	+FTI CONSULTING INC, 633 West 5th Street, 16th Fl, Los Angeles, CA 90071-2005
ptcrd	+Famille Holdings L.P., 27675 Chapala, Mission Viejo, CA 92692-1236
cr	+Gateway Insulation, Inc., c/o Hines Smith Carder, 3080 Bristol St Ste 540, Costa Mesa, CA 92626-7321
cr	+Gateway Plastering, Inc., c/o Hines Smith Carder, 3080 Bristol St Ste 540, Costa Mesa, CA 92626-7321
fa	+Glassrathner Advisory & Capital Group LLC, 18500 Von Karman Ave Ste 390, Irvine, CA 92612-0528
acc	+Haskell & White LLP, 16485 Laguna Canyon Road, Third Floor, Irvine, CA 92618-3837
intp	+Lantex Landscape Architecture Inc, 28052 Camino Capistrano Ste 211, Laguna Niguel, CA 92677-1107
cr	+Linda Watanabe-Mitchell, David Evans and Associates Inc, 320 SW Upper Terrace Dr Ste 200, Bend, OR 97702-1384
ptcrd	+M.W. Housing Partners III LP, c/o Perkins Coie LLP, 1620 26th St 6th Fl, Santa Monica, CA 90404-4075
cr	+Marilyn Robbins Gianulias, c/o Rutan & Tucker LLP, 611 Anton Blvd Ste 1400, Costa Mesa, CA 92626-1931
cr	+Mercedes-Benz Credit Corporation, c/o Shermeta, Adams & Von Allmen, P.C., P.O. Box 80908, Rochester Hills, MI 48308-0908
intp	+Michael W. Immell, Michael W. Immell and Charlene H. Immell, as trustees of the M and C Immell Trust, c/o Michael W. Immell, 611 Anton Blvd., 14th Floor, Costa Mesa, CA 92626-7681
cr	+National Bank of Arizona, a national banking assoc, Wright, Finlay & Zak, LLP, 4665 MacArthur Court, Ste 280, Newport Beach, CA 92660-1811
cr	+PNC Bank, National Association, Polsinelli Shalton Flanigan Suelthaus PC, Daniel J Flanigan, 700 W 47th St Ste 1000, Kansas City, MO 64112-1805
cr	+Pacific Mercantile Bank, c/o Shulman Hodges & Bastian LLP, 26632 Towne Centre Drive, Suite 300, Foothill Ranch, CA 92610-2814
cr	+Pacific Western Bank, c/o David K. Eldan, Esq., Parker, Milliken, et al., 555 S. Flower St., 30th Fl., Los Angeles, CA 90071-2300
intp	+Phillip and Janet Hamilton, Co-Trustees of Hamilton Family Trust, c/o Phillip D. Hamilton, 760 West 16th Street, Suite C, Costa Mesa, CA 92627-4319
cr	+Riverside County Treasurer - Tax Collector Paul Mc, Romero Law Firm, BMR Professional Building, 6516 Bright Ave., Whittier, CA 90601-4503
intp	+Squire, Sanders & Dempsey LLP, Patrick Fields, 555 S. Flower Street, 31st Floor, Los Angeles, CA 90071-2300
intp	+Squire, Sanders & Dempsey LLP, Sean T. Cork, 40 N. Central Ave., #2700, Phoenix, AZ 85004-4498
sp	+Stutman Treister & Glatt Professional Corporation, 1901 Avenue of the Stars 12th Floor, Los Angeles, CA 90067-6001
sp	+The Lobel Firm, LLP, 840 Newport Center Dr Ste 750, Newport Beach, CA 92660-6364
cr	+Universal Bank, c/o Anthony Rothman, Rothman Law Offices, 1901 Avenue of the Stars, 2nd Floor, Los Angeles, CA 90067-6001
cr	+Victor J Mahony, 2700 E. Adams Avenue, Orange, CA 92867-6240
cr	+WELLS FARGO HOME MORTGAGE, PITE DUNCAN, LLP, 4375 Jutland Drive, Suite 200, P.O. Box 17933, San Diego, CA 92177-7921
cr	+Wachovia Bank, National Association, c/o Reed Smith LLP, 355 South Grand Avenue, Suite 2900, Los Angeles, CA 90071-1514
cr	+Wells Fargo Bank, National Association, Office of the General Counsel, John H. Wunsch, Wells Fargo & Company, 21680 Gateway Center Dr, Ste 280, Diamond Bar, CA 91765-2456
cr	+c/o Susan S Davis Laing/Sequoia Partners LLC, Cox Castle & Nicholson LLP, 2049 Century Park East Suite 2800, Los Angeles, CA 90067-3284
cr	+c/o Susan S Davis South Banning Properties LLC, Cox Castle & Nicholson, 2049 Century Park East Suite 2800, Los Angeles, CA 90067-3284

The following entities were noticed by electronic transmission.
NONE.

TOTAL: 0

District/off: 0973-8
Case: 08-13150

User: admin
Form ID: pdf031

Page 2 of 2
Total Noticed: 49

Date Rcvd: Jul 19, 2010

***** BYPASSED RECIPIENTS (continued) *****

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

cr	BANK OF THE WEST			
br	BJ Adams and Company			
intp	Courtesy NEF			
cr	DCFS TRUST			
consult	Deloitte Financial Services Group, LLP			
cr	Deutsche Bank Berkshire Mortgage, Inc.			
cr	Fasching Haus East Condominium Assoc			
cr	Housing Capital Company			
cr	Interwest Mortgage Investment Company			
cr	Interwest Mortgage Investment Company			
cr	JPMorgan Chase Bank, N.A.			
cr	Joint Committee of Creditors Holding Unsecured Cla			
intp	M.and C. Immell Revocable Trust, Hamilton Family			
cr	Official Joint Committee of Unsecured Creditors			
cr	Pension Benefit Guaranty Corporation			
cr	US Bank National Association			
cr	WELLS FARGO BANK, N.A.			
intp	##+Lucas Companies, Robert P. Goe, GOE & FORSYTHE, LLP, 660 Newport Center Drive, Suite 320, Newport Beach, CA 92660-6499			

TOTALS: 17, * 0, ## 1

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

Addresses marked '##' were identified by the USPS National Change of Address system as undeliverable. Notices will no longer be delivered by the USPS to these addresses; therefore, they have been bypassed. The debtor's attorney or pro se debtor was advised that the specified notice was undeliverable.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jul 21, 2010

Signature:

