

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
Doral Financial Corporation, *et al.*<sup>1</sup> : Case No. 15-10573 (SCC)  
Debtors. : Jointly Administered  
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**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING  
CHAPTER 11 PLAN OF LIQUIDATION FOR DORAL PROPERTIES, INC.**

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Doral Properties, Inc. (the “Debtor”), having:<sup>2</sup>

- a. commenced, on November 25, 2015 (the “Petition Date”), the Bankruptcy Case (the “Bankruptcy Case”) by filing a voluntary petition in the United States Bankruptcy Court for the Southern District of New York (the “Court”) for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”);
- b. continued to operate its business and manage its properties as debtor in possession pursuant to Bankruptcy Code sections 1107(a) and 1108;
- c. filed, on May 25, 2016, the *Chapter 11 Plan of Liquidation for Doral Properties, Inc.* [Docket No. 612] (the “Plan”) and the *Disclosure Statement for the Chapter 11 Plan of Liquidation for Doral Properties, Inc.* [Docket No. 613] (the “Disclosure Statement”);
- d. obtained, on June 29, 2016, entry of the *Order Approving the (I) Disclosure Statement, (II) Solicitation Procedures and Forms of Solicitation Materials and Notices of Non-Voting Status, and (III) Notice and Objection Procedures for Confirmation of Chapter 11 Plan of Liquidation* [Docket No. 667] (the “Disclosure Statement Order”), by which this Court approved, among other things, (i) the Disclosure Statement, finding it contained adequate information within the meaning of Bankruptcy Code section 1125; (ii) the Debtor’s solicitation procedures (the “Solicitation Procedures”), finding the Solicitation Procedures provide for a fair and equitable voting process and are consistent with Bankruptcy Code section 1126; and (iii) the forms of ballots, master ballots, and

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<sup>1</sup> The last four digits of the taxpayer identification number of the Debtors are: Doral Financial Corporation (2162); Doral Properties, Inc. (2283).

<sup>2</sup> Unless otherwise noted herein, capitalized terms not defined in these findings of fact, conclusions of law, and order (collectively, this “Confirmation Order”) shall have the meanings ascribed to them in the Plan (as defined herein). The rules of interpretation set forth in Section 1.03 of the Plan shall apply to this Confirmation Order.

notices (collectively, the “Solicitation Packages”), Solicitation Packages adequately address the particular needs of the Bankruptcy Case;

- e. caused distribution, on July 6, 2016, and continuing thereafter (the “Solicitation Date”), of the Solicitation Packages and notice of the deadline for objecting to confirmation of the Plan, consistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and the Disclosure Statement Order, as evidenced by, among other things, the *Affidavit of Service re Confirmation Hearing Notice; Order Approving Disclosure Statement; Disclosure Statement Book; and Beneficial Ballot* [Docket No. 675] (the “Solicitation Affidavit”) filed on July 8, 2016 by Garden City Group, LLC;
- f. caused, on July 12, 2016, notice of the confirmation hearing (the “Confirmation Hearing Notice”) to be published in *El Nuevo Dia*, as evidenced by, among other things, the *Certificate of Publication* [Docket No. 693] (the “Publication Affidavit”) filed on August 4, 2016 by Garden City Group, LLC;
- g. filed, on August 2, 2016, the *Declaration of Craig Johnson of Garden City Group, LLC Certifying the Methodology for the Tabulation of Votes on and Results of Voting with Respect to the Chapter 11 Plan of Liquidation for Doral Properties, Inc.* [Docket No. 691] (the “Voting Report”);
- h. filed, on August 4, 2016, the *Declaration of Carol Flaton in Support of Confirmation of (I) Amended Plan of Reorganization Proposed by Doral Financial Corporation and the Official Committee of Unsecured Creditors of Doral Financial Corporation, and (II) Chapter 11 Plan of Liquidation for Doral Properties, Inc.* [Docket No. 697] (the “Flaton Declaration”); and
- i. filed, on August 4, 2016, the *Debtor’s Memorandum of Law in Support of Confirmation of Chapter 11 Plan of Liquidation for Doral Properties, Inc.* [Docket No. 696] (the “Confirmation Brief”).

This Court having:

- j. set August 9, 2016, at 2:00 p.m., prevailing Eastern Time, as the date and time for the commencement of the hearing (the “Confirmation Hearing”) on confirmation of the Plan (“Confirmation”) pursuant to Bankruptcy Rules 3017 and 3018 and Bankruptcy Code sections 1126, 1128, and 1129;
- k. reviewed the Plan, the Plan Supplement, the Disclosure Statement, the Confirmation Brief, the Voting Report, the Flaton Declaration, and all pleadings, exhibits, statements, responses, and comments regarding Confirmation, including all objections, statements, and reservations of rights filed by parties in interest on the docket of the Bankruptcy Case, if any;
- l. held the Confirmation Hearing;
- m. heard the statements and arguments made by counsel in respect of Confirmation;

- n. considered all oral representations, testimony, documents, filings, and other evidence regarding Confirmation;
- o. overruled any and all objections to the Plan and to Confirmation, if any, and all statements and reservations of rights not consensually resolved or withdrawn, if any; and
- p. taken judicial notice of all papers and pleadings filed in the Bankruptcy Case, and all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of the Bankruptcy Case.

NOW, THEREFORE, the Court having found that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation having been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby; and the record of the Bankruptcy Case and the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing, including, but not limited to, the Flaton Declaration, establish just cause for the relief granted in this Confirmation Order; and after due deliberation thereon and good cause appearing therefor, the Court hereby makes and issues the following findings of fact, conclusions of law, and orders:

**I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

**A. Findings of Fact and Conclusions of Law.**

1. The findings of fact and the conclusions of law set forth in this Confirmation Order constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by the Court at the Confirmation Hearing in relation to Confirmation are hereby incorporated into this Confirmation Order to the extent not inconsistent herewith. To the extent that any of the following constitutes findings of fact or conclusions of law, they are adopted as such. To the extent any finding of fact or conclusion of

law set forth in this Confirmation Order (including any findings of fact or conclusions of law announced by the Court at the Confirmation Hearing and incorporated herein) constitutes an order of this Court, it is adopted as such.

**B. Jurisdiction and Venue.**

2. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).

**C. Eligibility for Relief.**

3. The Debtor was and continues to be an entity eligible for relief under Bankruptcy Code section 109.

**D. Commencement of the Bankruptcy Case.**

4. On the Petition Date, the Debtor filed a voluntary petition with this Court for relief under chapter 11 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in the Bankruptcy Case.

**E. Judicial Notice.**

5. The Court takes judicial notice of (and deems admitted into evidence for purposes of Confirmation) the docket of the Bankruptcy Case maintained by the Clerk of the Court or its duly appointed agent, including all pleadings and other documents on file, all orders entered, all hearing transcripts, and all evidence and arguments made, proffered, or adduced at the hearings held before the Court during the Bankruptcy Case. Any resolution of objections to Confirmation explained on the record at the Confirmation Hearing is hereby incorporated by reference. All

unresolved objections, statements, informal objections, and reservations of rights, if any, related to the Plan or Confirmation are overruled on the merits.

**F. Plan Supplement.**

6. On July 20, 2016, the Debtor caused the Plan Supplement to be filed with the Court [Docket No. 685]. The Plan Supplement complies with the Bankruptcy Code and the terms of the Plan, and the filing and notice of such documents were good and proper and in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Disclosure Statement Order, and the facts and circumstances of the Bankruptcy Case. No other or further notice is or will be required with respect to the Plan Supplement. All documents included in the Plan Supplement are integral to, part of, and incorporated by reference into the Plan. Subject to the terms of the Plan, the Debtor reserves the right to alter, amend, update, or modify the Plan Supplement before the Effective Date subject to compliance with the Bankruptcy Code and the Bankruptcy Rules.

**G. Disclosure Statement Order.**

7. On June 29, 2016, the Court entered the Disclosure Statement Order, which, among other things: (a) approved the Disclosure Statement as containing adequate information within the meaning of Bankruptcy Code section 1125 and Bankruptcy Rule 3017; (b) approved the Solicitation Procedures; (c) approved the Solicitation Packages; (d) set July 27, 2016, at 5:00 p.m. (prevailing Eastern Time), as the deadline for voting to accept or reject the Plan (the "Voting Deadline"); (e) set August 3, 2016, at 4:00 p.m. (prevailing Eastern Time), as the deadline for objecting to the Plan (the "Plan Objection Deadline"); and (f) set the date and time for the Confirmation Hearing as August 9, 2016 at 2:00 p.m. (prevailing Eastern Time).

**H. Transmittal and Mailing of Materials; Notice.**

8. As evidenced by the Solicitation Affidavit, the Publication Affidavit, and the Voting Report, due, adequate, and sufficient notice of entry of the Disclosure Statement Order,

the Plan, and the Plan Supplement has been given to, as applicable: (a) all known holders of Claims and Equity Interests; (b) parties that requested notice in accordance with Bankruptcy Rule 2002; (c) all non-Debtor counterparties to executory contracts and unexpired leases; and (d) all taxing authorities listed on the Debtor's Schedules or Claims Register; each in substantial compliance with the Disclosure Statement Order and Bankruptcy Rules 2002(b), 3017, 3019, and 3020(b), and no other or further notice is or shall be required. Due, adequate, and sufficient notice of the Plan Objection Deadline, the Confirmation Hearing (as may be continued from time to time), and any applicable bar dates and hearings described in the Disclosure Statement Order was given in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Disclosure Statement Order, and no other or further notice is or shall be required.

**I. Solicitation of Votes.**

9. The Debtor solicited votes for acceptance and rejection of the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to Bankruptcy Code sections 1125, 1126, and all other applicable sections, Bankruptcy Rules 3017, 3018, and 3019, the Disclosure Statement Order, and all other applicable rules, laws, and regulations.

**J. Voting Report.**

10. Prior to the Confirmation Hearing, the Debtor filed the Voting Report. As set forth in the Voting Report, the procedures used to tabulate the ballots were fair and conducted in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations.

11. As set forth in the Plan, holders of Claims in Class 1 (AFICA Secured Claims) (the "Voting Class") were eligible to vote on the Plan pursuant to the Solicitation Procedures. Holders of Claims or Equity Interests in Class 2 (General Unsecured Claims) and Class 3 (Equity

Interests) (collectively, the “Deemed Rejecting Classes”) are Impaired under the Plan, are entitled to no recovery under the Plan, and are therefore deemed to have rejected the Plan.

12. As evidenced by the Voting Report, the Voting Class voted to accept the Plan.

**K. Bankruptcy Rule 3016.**

13. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The Debtor appropriately filed the Disclosure Statement and the Plan with the Court, thereby satisfying Bankruptcy Rule 3016(b).

**L. Burden of Proof.**

14. The Debtor has met its burden of proving the elements of Bankruptcy Code sections 1129(a) and 1129(b) by a preponderance of the evidence, the applicable evidentiary standard for Confirmation. Further, the Debtor has proven the satisfaction of the elements of Bankruptcy Code sections 1129(a) and 1129(b) by clear and convincing evidence.

**M. Compliance with the Requirements of Bankruptcy Code Section 1129.**

15. The Plan complies with all applicable provisions of Bankruptcy Code section 1129.

**1. Section 1129(a)(1)—Compliance with Applicable Provisions of the Bankruptcy Code.**

16. The Plan complies with all applicable provisions of the Bankruptcy Code, including Bankruptcy Code sections 1122 and 1123, as required by Bankruptcy Code section 1129(a)(1).

**(i) Sections 1122 and 1123(a)(1)—Proper Classification.**

17. The classification of Claims and Equity Interests under the Plan is proper under the Bankruptcy Code. In accordance with Bankruptcy Code sections 1122(a), 1122(b), and 1123(a)(1), Article 3 of the Plan provides for the separate classification of Claims and Equity

Interests into three different Classes, based on differences in the legal nature or priority of such Claims against and Equity Interests in the Debtor (other than Administrative Claims, Priority Claims, Priority Tax Claims, and Professional Fee Claims, which are addressed in Article 2 of the Plan and are not required to be designated as separate Classes by Bankruptcy Code section 1123(a)(1)). The classification of Claims and Equity Interests pursuant to the Plan is as follows:

Class 1—AFICA Secured Claims

Class 2—General Unsecured Claims

Class 3—Equity Interests

18. Valid business, factual, and legal reasons exist for the separate classification of such Claims and Equity Interests. The classifications reflect no improper purpose and do not unfairly discriminate between, or among, holders of Claims or Equity Interests. Each Class of Claims or Equity Interests contains only Claims or Equity Interests that are substantially similar to the other Claims or Equity Interests within that Class. Accordingly, the requirements of Bankruptcy Code sections 1122(a), 1122(b), and 1123(a)(1) have been satisfied.

**(ii) Section 1123(a)(3)—Specification of Unimpaired Classes.**

19. As there is no Class of Claims or Equity Interests that is not Impaired under the Plan, Bankruptcy Code section 1123(a)(2) is inapplicable to the Plan.

**(iii) Section 1123(a)(3)—Specification of Treatment of Impaired Classes.**

20. Article 3 of the Plan specifies that Claims in Classes 1, 2, and 3 are Impaired under the Plan, and Article 4 of the Plan sets out the treatment for each Class of Impaired Claims. Accordingly, the Plan satisfies the requirements of Bankruptcy Code section 1123(a)(3).

**(iv) Section 1123(a)(4)—No Discrimination.**

21. Article 4 of the Plan provides the same treatment to each Claim or Equity Interest in any particular Class, as the case may be, unless the holder of a particular Claim or Equity

Interest has agreed to a less favorable treatment with respect to such Claim or Equity Interest. Accordingly, the Plan satisfies the requirements of Bankruptcy Code section 1123(a)(4).

**(v) Section 1123(a)(5)—Adequate Means for Plan Implementation.**

22. Pursuant to Bankruptcy Code section 1123(a)(5), Article 5 and various other provisions of the Plan specifically provide in detail adequate and proper means for the Plan's implementation. The implementation measures provided for in the Plan are designed to maximize the value of the Debtor's assets. Accordingly, the Plan satisfies the requirements of Bankruptcy Code section 1123(a)(5).

**(vi) Section 1123(a)(6)—Provisions Regarding the Debtor's Charter Are Inapplicable.**

23. Bankruptcy Code section 1123(a)(6) is inapplicable because the Plan is a liquidating plan and does not provide for the issuance of equity or other securities by the Debtor.

**(vii) Section 1123(a)(7)—Selection of Officers and Directors.**

24. The Plan provides that all officers and directors of the Debtor shall be deemed to have resigned upon the Effective Date. The establishment of the Liquidating Trust is consistent with the interests of creditors. Accordingly, the Plan satisfies the requirements of Bankruptcy Code section 1123(a)(7).

**(viii) Section 1123(b)—Discretionary Contents of the Plan.**

25. The Plan's discretionary provisions comply with Bankruptcy Code section 1123(b) and are not inconsistent with the applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code section 1123(b).

**(a) Section 1123(b)(2)—Rejection of Executory Contracts and Unexpired Leases.**

26. Section 8.01 of the Plan provides that any executory contract or unexpired lease (excluding insurance policies) that (i) has not expired on its own terms prior to the Confirmation

Date, (ii) has not been assumed, assumed and assigned, or rejected with Court approval prior to the Confirmation Date, or (iii) is not the subject of a motion to assume or reject which is pending at the time of the Confirmation Date, shall be deemed rejected on the Effective Date.

27. Entry of this Confirmation Order shall constitute an order of this Court approving the rejections of such executory contracts or unexpired leases as set forth in the Plan, pursuant to Bankruptcy Code sections 365(a) and 1123. Unless otherwise indicated, executory contracts or unexpired leases rejected pursuant to the Plan are deemed rejected as of the Effective Date.

28. Any Proofs of Claim filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged by the Court upon objection by the Debtor or the Liquidating Trust, on notice to the affected holders of such claims.

**(b) Section 1123(b)(3)—Settlement, Releases, Exculpation, Injunction, and Preservation of Causes of Action.**

29. **Compromise and Settlement.** Pursuant to Bankruptcy Code sections 363 and 1123 and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, which distributions and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, including the settlement of the Superpriority Claim set forth in section 5.07 of the Plan, constitute a good faith compromise of all Claims, Equity Interests and controversies relating to the contractual, legal, and subordination rights that a holder of a claim may have with respect to any Allowed Claim or Equity Interest, or any distribution to be made on account of such Allowed Claim or Equity Interest, including distributions made to holders of AFICA Secured Claims via the Indenture Trustee.

30. The entry of this Confirmation Order constitutes the Court's approval of the compromise or settlement of all such Claims, Equity Interests, and controversies, including the

Superpriority Claim, as well as a finding by the Court that such compromise or settlement is in the best interests of the Debtor, its estate, and holders of Claims and Equity Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Liquidating Trust may compromise and settle (i) Claims against, and Equity Interests in, the Debtor and its estate, and (ii) Causes of Action not released by the Plan (the “Preserved Causes of Action”) against other entities.

31. **Subordinated Claims.** The allowance, classification, and treatment of all Claims and Equity Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, Bankruptcy Code section 510(b), or otherwise. Pursuant to Bankruptcy Code section 510, the Debtor or the Liquidating Trust reserve the right to re-classify any Claim or Equity Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

32. **Releases by the Debtors.** The releases set forth in Section 10.03 of the Plan (collectively, the “Debtor Releases”) are an essential provision of the Plan. The evidence in support of the Debtor Releases that was proffered or adduced at the Confirmation Hearing, including, without limitation, the Flaton Declaration and the facts and circumstances of the Bankruptcy Case, establishes that the Debtor Releases, which include by reference each of the related provisions and definitions contained in the Plan, are: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by such releases; (c) in the best interests of the Debtor and all

holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to the Debtor or its estate asserting any claim or cause of action released pursuant to such releases.

33. The Debtor Releases appropriately offer protection to parties that constructively participated in the Bankruptcy Case. Such protections from liability facilitated the participation of stakeholders in the negotiations and compromises that led to the Plan. In addition, the scope of the Debtor Releases is appropriately tailored under the facts and circumstances of the Bankruptcy Case. In light of, among other things, the value provided by the Released Parties to the Debtor and its estate and the critical nature of the Debtor Releases to the Plan, the Debtor Releases are approved.

34. **Exculpation.** The exculpation provisions set forth in Section 11.07 of the Plan (the “Exculpation”) are essential to the Plan. The record in the Bankruptcy Case, including, without limitation, the Flaton Declaration, fully supports the Exculpation and the exculpation provisions set forth in Section 11.07 of the Plan, which are appropriately tailored to protect the Debtor, the Committee, the Indenture Trustee, and related parties from inappropriate litigation. In light of, among other things, the critical nature of the Exculpation to the Plan, the Exculpation is approved.

35. **Injunction.** The injunction provisions set forth in Sections 10.01 and 10.02 of the Plan (the “Injunction”) are necessary to effectuate the Plan, to preserve and enforce the Debtor Releases, and to ensure that the Liquidating Trust can effectively fulfill its responsibilities, as contemplated in the Plan. Such injunction provisions are appropriately tailored to achieve those purposes. Accordingly, the Injunction is approved.

36. **Preservation of Causes of Action.** The provisions regarding the preservation of the Preserved Causes of Action in the Plan are appropriate and are in the best interests of the Debtor, its estate, and holders of Claims and Equity Interests.

**2. Section 1129(a)(2)—The Debtor’s Compliance with the Applicable Provisions of the Bankruptcy Code.**

37. The Debtor has complied with all applicable provisions of the Bankruptcy Code as required by Bankruptcy Code section 1129(a)(2), including Bankruptcy Code sections 1122, 1123, 1124, 1125, 1126, and 1128, and Bankruptcy Rules 3017, 3018, and 3019.

38. As set forth in greater detail in the Voting Report, votes to accept or reject the Plan were solicited by the Debtor and its agents after the Court approved the Disclosure Statement pursuant to Bankruptcy Code section 1125(a) and entered the Disclosure Statement Order. The Debtor and its agents have solicited and tabulated votes on the Plan and have participated in the activities described in Bankruptcy Code section 1125 fairly and in good faith within the meaning of Bankruptcy Code section 1125(e), and in a manner consistent with the applicable provisions of the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations, and are entitled to the protections afforded by Bankruptcy Code section 1125(e) and the Exculpation set forth in the Plan.

39. The Debtor and its agents have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the offering, issuance, and distribution of recoveries under the Plan and, therefore, are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or distributions made thereunder, so long as such distributions are made consistent with and pursuant to the Plan.

**3. Section 1129(a)(3)—Proposal of Plan in Good Faith.**

40. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(3). The Debtor has proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of the Bankruptcy Case, the Plan itself, and the process leading to the Plan's formulation. The Debtor's good faith is evident from the facts and record of the Bankruptcy Case, the Disclosure Statement, the record of the Confirmation Hearing, the Flaton Declaration, and all other proceedings held in the Bankruptcy Case. The Plan is the product of arm's-length negotiations among the Debtor and its key creditor constituencies, including the Indenture Trustee. The Plan itself, and the process leading to its formulation, provide independent evidence of the Debtor's good faith, serve the public interest, and assure fair treatment of holders of Claims and Equity Interests. Consistent with the overriding purpose of chapter 11, the Debtor commenced the Bankruptcy Case, and proposed the Plan, with the legitimate purpose of distributing the Debtor's accumulated cash to holders of claims in accordance with the Bankruptcy Code's priority scheme and the monetization of the Debtor's remaining assets via the Liquidating Trust.

41. The Debtor and each of its officers, directors, managers, members, employees, advisors and professionals, as applicable, (a) acted in good faith in negotiating, formulating and proposing, where applicable, the Plan and the agreements, compromises, settlements, transactions, transfers, and documentation contemplated by the Plan including, without limitation, the Liquidating Trust Agreement, and (b) will be acting in good faith in proceeding to (i) consummate the Plan and the agreements, compromises, settlements, transactions, transfers, and documentation contemplated by the Plan, including, but not limited to, the Liquidating Trust

Agreement, and (ii) take any actions authorized and directed or contemplated by this Confirmation Order.

**4. Section 1129(a)(4)—Court Approval of Certain Payments as Reasonable.**

42. The procedures set forth in the Plan for the Court's review and ultimate determination of the fees and expenses to be paid by the Debtor, or the Liquidating Trust, as applicable, in connection with the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, satisfy the objectives of and are in compliance with Bankruptcy Code section 1129(a)(4). Accordingly, the Plan satisfies the requirements of section 1129(a)(4).

**5. Section 1129(a)(5)—Disclosure of Identity of Proposed Management and Consistency of Management Proposals with the Interests of Creditors and Public Policy.**

43. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(5) because the Debtor has disclosed the identity of the Liquidating Trustee and, upon the Effective Date, the Debtor's remaining officers and members of its board of directors will be deemed to have resigned if they have not already done so. The method of appointment of the Liquidating Trustee was, is, and will be consistent with the interests of holders of Claims and Equity Interests and public policy. Accordingly, the Plan satisfies the requirements of section 1129(a)(5).

**6. Section 1129(a)(6)—Approval of Rate Changes.**

44. Bankruptcy Code section 1129(a)(6) is inapplicable to the Bankruptcy Case. The Plan proposes no rate change subject to the jurisdiction of any governmental regulatory commission.

**7. Section 1129(a)(7)—Best Interests of holders of Claims and Equity Interests.**

45. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(7). The evidence in support of the Plan that was proffered or adduced at the Confirmation Hearing, including, without limitation, the Flaton Declaration and the facts and circumstances of the

Bankruptcy Case: (a) is reasonable, persuasive, credible, and accurate as of the dates such evidence was prepared, presented, or proffered; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; and (d) establishes that holders of Claims or Equity Interests in each Class will recover at least as much under the Plan on account of such Claim or Equity Interest, as of the Effective Date, as such holder would receive if the Debtor were liquidated, on the Effective Date, under chapter 7 of the Bankruptcy Code.

**8. Section 1129(a)(8)—Acceptance of Plan.**

46. Because the Plan has not been accepted by the Deemed Rejecting Classes, the Debtor seeks Confirmation under Bankruptcy Code section 1129(b) rather than Bankruptcy Code section 1129(a)(8). Thus, although section 1129(a)(8) has not been satisfied with respect to the Deemed Rejecting Classes, the Plan is confirmable because the Plan does not discriminate unfairly and is fair and equitable with respect to the Deemed Rejecting Classes and thus satisfies Bankruptcy Code section 1129(b) with respect to each such Class as described further below.

**9. Section 1129(a)(9)—Treatment of Claims Entitled to Priority Pursuant to Bankruptcy Code Section 507(a).**

47. The treatment of Administrative Claims, Priority Claims, Priority Tax Claims, and Professional Fee Claims under Article 2 of the Plan satisfies the requirements of, and complies in all respects with, Bankruptcy Code section 1129(a)(9).

**10. Section 1129(a)(10)—Acceptance by at Least One Impaired Class.**

48. As set forth in the Voting Report, the Voting Class is impaired and has voted to accept the Plan by the requisite number and amount of Claims, determined without including any acceptance of the Plan by any insider (as that term is defined in Bankruptcy Code section

101(31)). Accordingly, the Plan satisfies the requirements of Bankruptcy Code section 1129(a)(10).

**11. Section 1129(a)(11)—Feasibility of the Plan.**

49. The Plan satisfies Bankruptcy Code section 1129(a)(11). The evidence in support of the Plan that was proffered or adduced before and at the Confirmation Hearing, including the Flaton Declaration: (a) is reasonable, persuasive, credible, and accurate as of the dates such evidence was prepared, presented, or proffered; (b) utilizes reasonable and appropriate methodologies and assumptions; (c) has not been controverted by other evidence; (d) establishes that the Plan is a feasible liquidating plan; and (e) establishes that the Liquidating Trust will have sufficient funds available to meet its obligations under the Plan.

**12. Section 1129(a)(12)—Payment of Bankruptcy Fees.**

50. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(12). Pursuant to section 2.02 of the Plan, the outstanding fees due to the U.S. Trustee pursuant to 28 U.S.C. § 1930 and any applicable interest pursuant to 31 U.S.C. § 3717 shall be paid in full on or before the Effective Date.

**13. Section 1129(a)(13)—Retiree Benefits.**

51. The Plan satisfies the requirements of Bankruptcy Code section 1129(a)(13). Bankruptcy Code section 1129(a)(13) requires a plan to provide for retiree benefits (as defined in Bankruptcy Code section 1114) at levels established pursuant to Bankruptcy Code section 1114. The Debtor has not obligated itself to provide retiree benefits and therefore the requirements under Bankruptcy Code section 1129(a)(13) are inapplicable.

**14. Section 1129(b)—Confirmation of Plan Over Non-Acceptance of Impaired Class.**

52. The Plan satisfies the requirements of Bankruptcy Code section 1129(b). Notwithstanding the fact that the Deemed Rejecting Classes have not accepted the Plan, the Plan may be confirmed because: (a) the Voting Class voted to accept the Plan; (b) the Plan satisfies all requirements of Bankruptcy Code section 1129(a) other than Bankruptcy Code section 1129(a)(8); and (c) the Plan does not discriminate unfairly and is fair and equitable with respect to the Deemed Rejecting Classes because there is no Class of equal priority receiving more favorable treatment than the Deemed Rejecting Classes and no Class that is junior to the Deemed Rejecting Classes is receiving or retaining any property on account of their Claims or Equity Interests. The Plan may, therefore, be confirmed even though not all Impaired Classes have voted to accept the Plan.

**15. Section 1129(c)—Only One Plan.**

53. The Plan satisfies the requirements of Bankruptcy Code section 1129(c). The Plan (including previous versions thereof) is the only chapter 11 plan filed in the Bankruptcy Case.

**16. Section 1129(d)—Principal Purpose of the Plan.**

54. The Plan satisfies the requirements of Bankruptcy Code section 1129(d). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act, and no governmental entity has objected to the confirmation of the Plan on any such grounds.

**N. Satisfaction of Confirmation Requirements.**

55. Based upon the foregoing, the Plan satisfies the requirements for plan confirmation set forth in Bankruptcy Code section 1129.

**O. Disclosure: Agreements and Other Documents.**

56. The Debtor has disclosed all material facts, to the extent applicable, regarding: (a) the Liquidating Trust Agreement; (b) the identity of the Liquidating Trustee; (c) the method and manner of distributions under the Plan; (d) the adoption, execution, and implementation of the other matters provided for under the Plan, including those involving corporate action to be taken by or required of the Debtor or the Liquidating Trust, as applicable; (e) the exemption under Bankruptcy Code section 1146(a); and (f) the adoption, execution, and delivery of all contracts, leases, instruments, securities, releases, indentures, and other agreements related to any of the foregoing.

**P. Conditions to Confirmation Date.**

57. Entry of this Confirmation Order shall satisfy the applicable conditions to the Confirmation Date as set forth in Section 7.01 of the Plan.

**Q. Conditions to Effective Date.**

58. Entry of this Confirmation Order shall satisfy the applicable condition to the Effective Date as set forth in Section 7.02 of the Plan, *provided, that*, this Confirmation Order shall not have been stayed, modified, or vacated on appeal. The conditions precedent to Confirmation of the Plan and the Effective Date, set forth in Article 7 of the Plan, may be waived at any time by the Debtor without further order of the Court; *provided, however*, that the condition set forth in Section 7.02(c) of the Plan may not be waived by the Debtor without the consent of the Indenture Trustee.

**R. Implementation.**

59. All documents and agreements necessary to implement the Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents (including, without limitation, the Liquidating Trust Agreement) have been negotiated in good faith and at

arm's length, are in the best interests of the Debtor, and shall, upon completion of documentation and execution, be valid, binding, and enforceable documents and agreements not in conflict with any federal, state, or local law.

## **II. ORDER**

**BASED ON THE FOREGOING FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

### **A. Order.**

60. The Plan, attached hereto as **Exhibit A**, and each of its provisions, including the Plan Supplement, are approved in their entirety and confirmed under Bankruptcy Code section 1129. The terms of the Plan, including the Plan Supplement, are incorporated by reference into and are an integral part of this Confirmation Order. The documents contained in the Plan Supplement, and any amendments, modifications, and supplements thereto, and all documents and agreements related thereto (including all exhibits and attachments thereto), and the execution, delivery, and performance thereof, are authorized and approved as finalized, executed, and delivered. The failure to include or refer to any particular article, section, or provision of the Plan, the Plan Supplement, or any related document or exhibit does not impair the effectiveness of that article, section, or provision; it being the intent of the Court that the Plan, the Plan Supplement, and any related document or exhibit are approved and confirmed in their entirety.

61. The terms of the Plan, the Plan Supplement, all exhibits thereto, and all other relevant and necessary documents shall be effective and binding as of the Effective Date, and shall be binding on and shall inure to the benefit of any heir, executor, administrator, personal representative, successor, or assign of such person, including, but not limited to the Liquidating Trust.

**B. Objections.**

62. All objections to Confirmation of the Plan have been withdrawn, waived, or otherwise resolved by the Debtor prior to entry of this Confirmation Order. To the extent that any objections (including any reservations of rights contained therein) to Confirmation of the Plan have not been withdrawn, waived, or settled prior to entry of this Confirmation Order, are not cured by the relief granted herein, or otherwise resolved as stated by the Debtor on the record of the Confirmation Hearing, all such objections are overruled on the merits.

**C. Amendment of the Plan.**

63. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019 and subject to the limitations contained in the Plan, the Debtor expressly reserves its rights to alter, amend, or modify the Plan, one or more times, after Confirmation, and may initiate proceedings in the Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or this Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan.

64. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019 and subject to the limitations contained in the Plan, but without need for further order or authorization of the Court, the Debtor is authorized and empowered to make any and all modifications to any and all documents included as part of the Plan Supplement, and any other document that is necessary to effectuate the Plan, that does not materially modify the terms of such documents and are consistent with the Plan and this Confirmation Order.

**D. Plan Classification Controlling.**

65. The terms of the Plan shall solely govern the classification of Claims and Equity Interests for purposes of any and all distributions, including distributions made to holders of AFICA Secured Claims via the Indenture Trustee, to be made thereunder. The classifications set forth on the ballots tendered to or returned by the holders of Claims in connection with voting on the Plan: (a) were set forth thereon solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of Claims and Equity Interests under the Plan for distribution purposes; (c) may not be relied upon by any holder of a Claim or Equity Interest as representing the actual classification of such Claim or Equity Interest under the Plan for distribution purposes; and (d) shall not be binding on the Debtor except for voting purposes.

**E. General Settlement of Claims.**

66. Pursuant to Bankruptcy Code section 1123 and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Equity Interests, and controversies resolved pursuant to the Plan. All distributions made to holders of Allowed Claims in any Class, including distributions made to holders of AFICA Secured Claims via the Indenture Trustee, are intended to be and shall be final.

**F. Vesting of Assets.**

67. Except as otherwise provided in the Plan, on the Effective Date, the assets of the Debtor's bankruptcy estate shall vest in the Liquidating Trust free and clear of all liens, Claims, charges, and other encumbrances. On and after the Effective Date, the Liquidating Trust may use, acquire, or dispose of property, and compromise or settle any Claims, Equity Interests, or

the Preserved Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

68. After the Effective Date, the Liquidating Trust may present court order(s) or assignment(s) suitable for filing in the records of every county or governmental agency where the property vested in accordance with the foregoing paragraph is or was located, which provide that such property is conveyed to and vested in the Liquidating Trust. The court order(s) or assignment(s) may designate all liens, Claims, encumbrances, or other interests which appear of record and/or from which property is being transferred, assigned, and/or vested free and clear of, except as otherwise provided in the Plan. The Plan shall be conclusively deemed to be adequate notice that such lien, Claim, encumbrance, or other interest is being extinguished and no notice, other than by the Plan, shall be given prior to the presentation of such court order(s) or assignment(s). Any Person having a lien, Claim, encumbrance, or other interest against any of the property vested in accordance with the foregoing paragraph shall be conclusively deemed to have consented to such transfer, assignment, and vesting of such property to or in the Liquidating Trust, free and clear of all liens, Claims, charges, or other encumbrances by failing to object to confirmation of the Plan, except as otherwise provided in the Plan or this Confirmation Order.

**G. Approval of Restructuring Transactions.**

69. On the Effective Date, or as soon as reasonably practicable thereafter, the Debtor, the Liquidating Trustee, and the Liquidating Trust are authorized and directed to take all actions necessary or appropriate to enter into, implement, and consummate the transactions contemplated by the Plan.

**H. Dissolution of the Debtor.**

70. Upon the completion of its duties and obligations under the Plan, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Debtor

shall be dissolved. Upon the Effective Date, any of the Debtor's remaining officers and members of its board of directors shall be deemed to have resigned, if they have not already done so, without the necessity of any further action or writing, and they shall be released from any responsibilities, duties, and obligations that arise after the Effective Date to the Debtor or its creditors under the Plan or applicable law.

**I. Cancellation of Existing Securities.**

71. On the Effective Date, except as otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing Claims or Equity Interests shall be deemed cancelled and of no further force and effect against the Debtor, without any further action on the part of the Debtor. From and after the making of the applicable distributions pursuant to the Plan, including distributions made to holders of AFICA Secured Claims via the Indenture Trustee, the holders of such notes, instruments, certificates, and other documents shall have no rights against the Debtor or the Liquidating Trust arising from or relating to such notes, instruments, certificates, and other documents or the cancellation thereof, except the rights provided pursuant to the Plan.

**J. Approval of Consents and Authorization to Take Acts Necessary to Implement Plan.**

72. Upon the Effective Date, or as soon thereafter as is reasonably practicable, all actions contemplated by the Plan shall be deemed authorized and approved by the Court in all respects, including, as applicable: (a) the appointment of the Liquidating Trustee; (b) the funding and establishment of the Liquidating Trust; and (c) all other actions contemplated by the Plan (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving any corporate action required by the Debtor in connection with the Plan (including any items listed in the first sentence of this paragraph) shall be deemed to have occurred and shall be in effect, without any requirement of further action by

the security holders, directors, or officers of the Debtor. On or (as applicable) before the Effective Date, the appropriate officers of the Debtor shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Debtor, including the Liquidating Trust Agreement and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not previously authorized by the Court. The authorizations and approvals contemplated by Article 5 of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

**K. Appointment of the Liquidating Trustee.**

73. The appointment of Zolfo Cooper, LLC as the Liquidating Trustee is approved. On the Effective Date, the Liquidating Trustee shall have all the rights and powers set forth in the Plan and the Liquidating Trust Agreement, including, without limitation, the rights to make distributions as contemplated in the Plan, establish and administer the Reserve Fund, and object to Disputed Claims and prosecute, settle, compromise, withdraw or resolve in any manner approved by the Court such Disputed Claims. On the Effective Date, the Liquidating Trustee, and not the Reorganized Debtor, shall be deemed the estate's representative in accordance with section 1123 of the Bankruptcy Code and shall be granted standing to, and have all the rights and powers set forth in the Liquidating Trust Agreement and the Plan.

**L. The Releases, Injunction, Exculpation, and Related Provisions Under the Plan.**

74. The release, exculpation, injunction and related provisions set forth in the Plan shall be, and hereby are, approved and authorized in their entirety, including, but not limited to:

- (a) Releases by the Debtors. The Debtor Releases set forth in Section 10.03 of the Plan are hereby approved.
- (b) Exculpation. The Exculpation provisions set forth in Section 11.07 of the Plan are hereby approved.
- (c) Injunction. The Injunction provisions set forth in Article 10 of the Plan are hereby approved.

**M. Rejection of Executory Contracts and Unexpired Leases**

75. The provisions governing the treatment of executory contracts and unexpired leases set forth in Article 8 of the Plan (including the procedures regarding the resolution of any and all disputes concerning the rejection of such executory contracts and unexpired leases) shall be, and hereby are, approved in their entirety.

76. For the avoidance of doubt, any executory contract or unexpired lease (excluding insurance policies) that (i) has not expired on its own terms prior to the Confirmation Date, (ii) has not been assumed, assumed and assigned, or rejected with Court approval prior to the Confirmation Date, or (iii) is not the subject of a motion to assume or reject which is pending at the time of the Confirmation Date, shall be deemed rejected on the Effective Date.

77. Entry of this Confirmation Order shall constitute an order of this Court approving the rejections of such executory contracts or unexpired leases as set forth in the Plan pursuant to Bankruptcy Code sections 365(a) and 1123. Unless otherwise indicated, rejections of executory contracts or unexpired leases pursuant to the Plan are effective as of the Effective Date.

**N. Release of Liens.**

78. Except as otherwise specifically provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, liens, pledges, or other security interests (other than the liens of the

Indenture Trustee) against any property of the estate shall be fully released, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, liens, pledges, or other security interests (other than the Indenture Trustee) shall vest in the Liquidating Trust and its successors and assigns, in each case, without any further approval or order of the Court and without any action or filing being required to be made by the Debtor.

**O. Provisions Governing Distributions.**

79. The distribution provisions of Article 4 of the Plan shall be, and hereby are, approved in their entirety. Except as otherwise set forth in the Plan or this Confirmation Order, the Liquidating Trust shall make all distributions required under the Plan. The timing of distributions required under the Plan or this Confirmation Order shall be made in accordance with and as set forth in the Plan or this Confirmation Order, as applicable. As set forth in the Plan, any and all distributions on account of the AFICA Secured Claims shall be made via the Indenture Trustee.

**P. Post-Confirmation Notices, Professional Compensation, and Bar Dates.**

**1. Notice of Entry of the Confirmation Order.**

80. In accordance with Bankruptcy Rules 2002 and 3020(c), the Debtor or the Liquidating Trust shall promptly cause the Notice of Confirmation, substantially in the form attached hereto as **Exhibit B**, to be served by United States mail, first class postage prepaid, by hand, or by overnight courier service to all parties served with the Confirmation Hearing Notice; *provided*, that no notice or service of any kind shall be required to be mailed or made upon any entity to whom the Debtor mailed a Confirmation Hearing Notice, but received such notice returned marked “undeliverable as addressed,” “moved, left no forwarding address,” or “forwarding order expired,” or similar reason, unless the Debtor or the Liquidating Trust have been informed in writing by such entity, or are otherwise aware, of that entity’s new address.

Mailing of the Notice of Confirmation in the time and manner set forth in this paragraph will be good, adequate, and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c). No further notice is necessary.

81. The Notice of Confirmation will have the effect of an order of the Court, will constitute sufficient notice of the entry of this Confirmation Order to such filing and recording officers, and will be a recordable instrument, notwithstanding any contrary provision of applicable non-bankruptcy law.

**2. Administrative Claims.**

82. The provisions governing the treatment of Allowed Administrative Claims set forth in Article 2 of the Plan, including, without limitation, the establishment of the Administrative Claims Bar Date, the Administrative Claims Objection Deadline, and the procedures set forth with respect to requests for payment of Administrative Claims, are approved in their entirety.

**3. Professional Compensation.**

83. The provisions governing Professional Fee Claims set forth in Section Article 2 of the Plan are approved in their entirety.

**4. Notice of Subsequent Pleadings.**

84. Except as otherwise may be provided in the Plan or herein, notice of all subsequent pleadings in the Bankruptcy Case after the Effective Date shall be limited to the following parties: (a) the Liquidating Trustee and its counsel; (b) the United States Trustee; (c) counsel for the Committee; (d) any party known to be directly affected by the relief sought therein; and (e) any party that specifically requests additional notice in writing to the Debtor or the Liquidating Trust, as applicable.

**Q. Exemptions from Taxation.**

85. Pursuant to, and to the fullest extent permitted by, Bankruptcy Code section 1146, any transfers of property pursuant hereto shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, sales or use tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and this Confirmation Order hereby directs and shall be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax, recordation fee, or governmental assessment and to accept for filing and recordation any instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment. Such exemption specifically applies, without limitation, to: (a) the creation of any mortgage, deed of trust, lien, or other security interest; (b) the making or assignment of any lease or sublease; and (c) the making or delivery of any deed or other instrument of transfer in furtherance of or in connection with the Plan, including without limitation, (i) any merger agreements, (ii) agreements of consolidation, restructuring, disposition, liquidation, or dissolution, (iii) deeds, (iv) bills of sale, and (v) assignments executed in connection with any transaction occurring under the Plan.

**R. Directors' and Officers' Liability Insurance.**

86. The Management Liability and Company Reimbursement Policy issued by XL Specialty Insurance Company to Doral Financial Corporation, with policy period from October 31, 2015 to October 31, 2017, policy number ELU141669-15 (the "Go-Forward Policy"), shall be reinstated and continued in accordance with its terms for all covered parties, including, without limitation, the Liquidating Trustee.

87. Nothing in the Plan, the Plan Supplement, or this Confirmation Order (including, without limitation, the provisions governing rejection of executory contracts and/or unexpired leases) shall diminish or impair the enforceability of any insurance policies, including, but not limited to, the Go-Forward Policy and the D&O Policies (as defined in the *Amended Plan of Reorganization Proposed by Doral Financial Corporation and the Official Committee of Unsecured Creditors of Doral Financial Corporation* [Docket No. 632, Exhibit A]), or any claims thereunder, covering current or former directors, officers, and managers of the Debtor.

**S. Preservation of Causes of Action.**

88. In accordance with Bankruptcy Code section 1123(b) but subject in all respects to Section 5.06 of the Plan, the Liquidating Trust shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Preserved Causes of Action, and such rights to commence, prosecute, or settle such Preserved Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date.

89. No entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Preserved Causes of Action against it as any indication that the Debtor or the Liquidating Trust will not pursue any and all available Preserved Causes of Action against it. The Debtor and the Liquidating Trust, as applicable, expressly reserve all rights to prosecute any and all Preserved Causes of Action against any entity, except as otherwise expressly provided in the Plan. Unless any Preserved Causes of Action against an entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Court order, the Debtor and the Liquidating Trust, as applicable, expressly reserve all Preserved Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such

Preserved Causes of Action upon, after, or as a consequence of the Confirmation or consummation of the Plan. For the avoidance of doubt, in no instance will any Preserved Cause of Action include any claim or Cause of Action with respect to, or against, a Released Party, except as specifically provided in the Plan.

90. In accordance with Bankruptcy Code section 1123(b)(3), except as otherwise provided in the Plan, any Preserved Causes of Action that the Debtor may hold against any entity shall vest in the Liquidating Trust. The Liquidating Trust, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Preserved Causes of Action. The Liquidating Trustee shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Preserved Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court.

**T. Procedures for Resolving Claims and Disputes.**

91. The procedures for resolving contingent, unliquidated, and Disputed Claims contained in Article 6 of the Plan shall be, and hereby are, approved in their entirety.

**U. Effectiveness of All Actions.**

92. All actions authorized to be taken pursuant to the Plan shall be effective on, prior to, or after the Effective Date pursuant to this Confirmation Order, without further application to, or order of the Court, or further action by the respective officers, directors, managers, members, or stockholders of the Debtor and with the effect that such actions had been taken by unanimous action of such officers, directors, managers, members, or stockholders.

93. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, and regulations of all states and any other governmental authority with

respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, and any documents, instruments, securities, or agreements, and any amendments or modifications thereto.

**V. Effect of Conflict Between Plan and Confirmation Order.**

94. Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than this Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control in all respects; *provided, however*, with respect to any conflict or inconsistency between the Plan and this Confirmation Order, this Confirmation Order shall govern and control.

**W. Reservation of Rights.**

95. Prior to the Effective Date, neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by the Debtor with respect to the Plan, the Disclosure Statement, this Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of the Debtor or the Liquidating Trust with respect to the holders of Claims or Equity Interests.

**X. Injunctions and Automatic Stay.**

96. Unless otherwise provided in the Plan or in this Confirmation Order, all injunctions or stays arising under or entered during the Bankruptcy Case under Bankruptcy Code section 362 or otherwise in existence on the Confirmation Date shall remain in full force and

effect until the later of the Effective Date and the date set forth in the order providing for such injunction or stay.

**Y. Nonseverability of Plan Provisions upon Confirmation.**

97. This Confirmation Order constitutes a judicial determination that each term and provision of the Plan, as it may have been altered or interpreted in accordance with Section 11.02 of the Plan, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtor's consent; and (c) nonseverable and mutually dependent.

**Z. Waiver or Estoppel.**

98. Each holder of a Claim shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim should be Allowed in a certain amount, in a certain priority, secured or not subordinated by virtue of an agreement made with the Debtor or its counsel, or any other entity, if such agreement or the Debtor's or Liquidating Trust's right to enter into the settlements was not disclosed in the Plan, the Disclosure Statement, or papers filed with the Court prior to the Confirmation Date.

**AA. Authorization to Consummate.**

99. The Debtor is authorized to consummate the Plan at any time after the entry of this Confirmation Order subject to the satisfaction or waiver (by the required parties) of the conditions precedent to Consummation set forth in Section 7.02 of the Plan.

**BB. Effect of Non-Occurrence of Conditions to the Effective Date.**

100. If the Effective Date does not occur, then: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount any Claim or Class of Claims or any liens securing any Claim), rejection of executory contracts or unexpired leases effected by the Plan, and any document or agreement

executed pursuant to the Plan, shall be deemed null and void; and (c) nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims by or Claims against or Equity Interests in the Debtor; (ii) prejudice in any manner the rights of the Debtor, any holders of a Claim or Equity Interest, or any other entity; (iii) constitute an admission, acknowledgement, offer, or undertaking by the Debtor, any holders of Claims or Equity Interests, or any other entity in any respect; or (iv) be used by the Debtor or any entity as evidence (or otherwise) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments, or claims.

**CC. Retention of Jurisdiction.**

101. The Court properly retains jurisdiction over the Bankruptcy Case and all matters arising out of, or related to, the Bankruptcy Case, the Plan, and this Confirmation Order, including those matters specifically set forth in Article 9 of the Plan.

**DD. Governing Law.**

102. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan, any agreements, documents, instruments or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtor shall be governed by the laws of the Commonwealth of Puerto Rico.

**EE. Substantial Consummation.**

103. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

**FF. Final Order.**

104. This Confirmation Order is a Final Order which shall be effective and enforceable immediately upon entry and its provisions shall be self-executing, and the period in which an appeal must be filed shall commence upon the entry hereof. In the absence of any person obtaining a stay pending appeal, the Debtor is authorized to consummate the Plan.

Dated: August 10, 2016  
New York, New York

/S/ Shelley C. Chapman  
THE HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT A**

**Plan**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
:  
In re: : Chapter 11  
:  
Doral Financial Corporation, *et al.* : Case No. 15-10573 (SCC)  
:  
Debtors. : Jointly Administered  
:  
-----X

**CHAPTER 11 PLAN OF LIQUIDATION FOR DORAL PROPERTIES, INC.**

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Doral Properties, Inc., a Puerto Rico corporation (the “Debtor”), proposes the following chapter 11 plan of liquidation for the resolution of the outstanding Claims against and Equity Interests in the Debtor pursuant to section 1121 of the Bankruptcy Code. The Debtor is the proponent of the Plan within the meaning of Bankruptcy Code section 1129.

Only holders of AFICA Secured Claims are entitled to vote on the Plan. The Plan is the product of a negotiation with the Indenture Trustee and certain holders of AFICA Secured Claims, who collectively hold an estimated 65% of the AFICA Secured Claims. A Disclosure Statement, distributed contemporaneously with the Plan, contains a discussion of the Debtor’s assets, liabilities, history, and a summary of the Plan and the distributions to be made hereunder.

Other agreements and documents supplementing the Plan are appended as Exhibits to the Plan and have been or will be filed with the Bankruptcy Court. These supplemental agreements and documents are referenced in the Plan and the Disclosure Statement and will be available for review.

**ALL CREDITORS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE DISCLOSURE STATEMENT IN ITS ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN SECTION 1127 OF THE BANKRUPTCY CODE, IN BANKRUPTCY RULE 3019, AND IN THE PLAN, THE DEBTOR RESERVES THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE, OR WITHDRAW THE PLAN PRIOR TO ITS SUBSTANTIAL CONSUMMATION.**

## **ARTICLE 1 DEFINITIONS**

1.01 Terms Defined in the Plan. Capitalized terms used in the Plan shall have the following meanings when used in capitalized form in the Plan:

“1999 AFICA Bonds” shall mean the \$44.765 million in bonds issued by AFICA in 1999 pursuant to the 1999 Trust Agreement, the proceeds of which were borrowed by the Debtor, pursuant to the 1999 Loan and Guaranty Agreement, to finance the acquisition, development, and construction of the office building located at 1451 Franklin D. Roosevelt Avenue in San Juan, Puerto Rico.

“1999 Loan and Guaranty Agreement” shall mean that certain Loan and Guaranty Agreement, dated as of November 3, 1999, among AFICA, the Debtor, and DFC, pursuant to which the Debtor borrowed the proceeds of the 1999 AFICA Bonds from AFICA.

“1999 Trust Agreement” means the Trust Agreement, dated November 3, 1999, between AFICA and the Indenture Trustee, pursuant to which the 1999 AFICA Bonds were issued by AFICA.

“2002 AFICA Bonds” shall mean the \$7.6 million in bonds issued by AFICA in 2002, the proceeds of which were borrowed by the Debtor, pursuant to the 2002 Loan and Guaranty Agreement, to finance improvements to the office building located at 1451 Franklin D. Roosevelt Avenue in San Juan, Puerto Rico.

“2002 Loan and Guaranty Agreement” shall mean that certain Loan and Guaranty Agreement, dated as of November 1, 2002, among AFICA, the Debtor, and DFC, pursuant to which the Debtor borrowed the proceeds of the 2002 AFICA Bonds from AFICA.

“Administrative Claim” shall mean a Claim for costs and expenses of administration of the Bankruptcy Case that is allowed under section 503(b) of the Bankruptcy Code and that is entitled to priority under section 507(a)(2) of the Bankruptcy Code, including, but not limited to: (a) any actual and necessary costs and expenses, incurred on or after the Petition Date, of preserving the estate and operating the Debtor; (b) Professional Fee Claims; (c) all fees and charges assessed against the estate under Chapter 123 of Title 28 of the United States Code; and (d) all other Claims entitled to administrative claim status pursuant to a non-appealable order of the Bankruptcy Court.

“Administrative Claims Bar Date” shall mean the date that is thirty (30) days after the entry of the Confirmation Order.

“Administrative Claims Objection Deadline” shall mean the date that is sixty (60) days after the Effective Date.

“AFICA” shall mean the Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority (a/k/a Autoridad de Puerto Rico para el Financiamiento de Facilidades Industriales, Turisticas, Educativas, Medicas y de Control Ambiental).

“AFICA Secured Claims” means the secured claims of AFICA against the Debtor under the 1999 Loan and Guaranty Agreement. The AFICA Secured Claims are Allowed in Section 4.01(b) of the Plan in the amount of \$1,602,030. The Allowed amount of the AFICA Secured Claims reflects a reduction of \$20,500,000 for the \$20,500,000 in cash already paid on the AFICA Secured Claims consistent with the Sale Order.

“AFICA Unsecured Claims” means the unsecured deficiency claims asserted by AFICA under the 1999 Loan and Guaranty Agreement and the unsecured claims asserted by AFICA under the 2002 Loan and Guaranty Agreement.

“Allowed” shall mean, with respect to Claims: (i) any Claim (a) for which a proof of claim has been timely filed on or before the applicable Claims Bar Date (or that by the Bankruptcy Code or Final Order is not or shall not be required to be filed) or (b) that is listed in the Schedules as of the Effective Date as not disputed, not contingent, and not unliquidated, and for which no proof of claim has been timely filed; provided, that in each case, any such Claim shall be considered Allowed only if and to the extent that no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or such an objection has been interposed and the Claim has been thereafter Allowed by a Final Order; or (ii) any Claim allowed pursuant to the Plan, a Final Order of the Bankruptcy Court (including pursuant to any stipulation approved by the Bankruptcy Court) and any Stipulation of Amount and Nature of Claim. Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder.

“Available Cash” shall mean, as of the Effective Date, all Cash held by the Debtor less the Reserve Fund.

“Avoidance Actions” means any and all actual or potential Causes of Action to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 550, 551, 553(b), and 724(a) of the Bankruptcy Code.

“Bankruptcy Case” shall mean the bankruptcy case commenced in the Bankruptcy Court by the Debtor, captioned *In re Doral Properties, Inc.*, No. 15-13160 (SCC).

“Bankruptcy Code” shall mean Title 11 of the United States Code.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the Southern District of New York.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure as in effect on the Confirmation Date and as thereafter amended, together with local rules adopted by the Bankruptcy Court, or such similar rules as may be in effect from time to time in the Bankruptcy Court.

“Business Day” shall mean any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

“Cash” shall mean cash, cash equivalents, and other readily marketable securities or instruments.

“Cash Collateral Order” means the Interim Order Approving Use of Cash Collateral by Doral Properties, Inc., dated December 4, 2015 [Docket No. 418], which became a Final Order by its terms on December 24, 2015.

“Causes of Action” means all claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, rights to legal remedies, rights to equitable remedies, rights to payment, and Avoidance Actions belonging to the Estate, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured and whether asserted or assertable directly or indirectly or derivatively in law, equity, or otherwise.

“Claim” shall mean any claim against the Debtor as defined in section 101(5) of the Bankruptcy Code which has not been disallowed by an order of the Bankruptcy Court or for which an order of disallowance of the Bankruptcy Court has been reversed on appeal by a Final Order of an appellate court.

“Claims Bar Date” shall mean, as applicable, the Administrative Claims Bar Date and any other date or dates to be established by an Order of the Bankruptcy Court by which Proofs of Claim must be filed in the Debtor’s Bankruptcy Case, including the general bar date of February 24, 2016 and the governmental bar date of May 23, 2016 established by the *Order*

*Establishing Deadlines to File Proofs of Claim and Approving the Form and Notice Thereof*  
[Docket No. 478].

“Class” shall mean any class of holders of Claims or Equity Interests as specified in Article 3 of the Plan.

“Committee” shall mean the Official Unsecured Creditors’ Committee appointed for the Bankruptcy Case.

“Confirmation Date” shall mean the date on which the Confirmation Order is entered on the docket by the Bankruptcy Court.

“Confirmation Order” shall mean the order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

“Debtor” means Doral Properties, Inc., as debtor in the Bankruptcy Case.

“DFC” means Doral Financial Corporation, the 100% direct parent of Doral Properties, Inc.

“Disclosure Statement Order” shall mean an order entered by the Bankruptcy Court approving, among other things, the Disclosure Statement as containing adequate information pursuant to section 1125 of the Bankruptcy Code, authorizing solicitation of the Disclosure Statement and the Plan, and approving related solicitation materials.

“Distribution Date” shall mean, with respect to the first Distribution Date, a Business Day designated by the Liquidating Trustee that shall be within ten (10) Business Days after the Effective Date, and with respect to any other Distribution Date, a Business Day, designated by the Liquidating Trustee, promptly following the end of each calendar quarter.

“Distribution Record Date” shall mean, with respect to the distributions to be made on the first Distribution Date, five (5) Business Days after the Effective Date, and with respect to any other Distribution Date, that date which is ten (10) Business Days prior to such Distribution Date.

“Effective Date” shall mean a Business Day, as determined by the Debtor, that: (i) is as soon as reasonably practicable after the Confirmation Date; and (ii) is the day on which (a) all conditions to the Effective Date in Article 7.02 have been met or waived pursuant to Article 7.03 and (b) no stay of the Confirmation Order is in effect.

“Equity Interest” shall mean any rights of holders of equity of the Debtor.

“Final Order” shall mean an order as to which (i) any appeal that has been taken has been finally determined or dismissed, or (ii) the time for filing a notice of appeal or petition for certiorari has expired and no notice of appeal or petition for certiorari has been timely filed.

“General Unsecured Claim” shall mean any Claim that is not an AFICA Secured Claim, Administrative Claim, Priority Claim, or Priority Tax Claim. General Unsecured Claims include, without limitation, the AFICA Unsecured Claims.

“Impaired” shall mean, with respect to any Claim, Equity Interest, or Class, the condition or effects described in section 1124 of the Bankruptcy Code.

“Indenture Trustee” means UMB Bank, N.A., in its capacity as successor trustee under the 1999 Trust Agreement.

“Liquidating Trust” means the trust to be formed on the Effective Date and governed by the Liquidating Trust Agreement.

“Liquidating Trust Agreement” means the agreement establishing and delineating the terms and conditions of the Liquidating Trust, a form of which will be included in the Plan Supplement.

“Liquidating Trust Assets” has the meaning given in Section 5.02 of the Plan.

“Liquidating Trust Interests” means the beneficial interests of the holders of the Allowed AFICA Secured Claims in the Liquidating Trust, the treatment of which is described in Section 5.06 of the Plan.

“Liquidating Trustee” means the trustee for the Liquidating Trust.

“Petition Date” means November 25, 2015, the date of the filing by the Debtor of its voluntary petition commencing the Bankruptcy Case.

“Plan” shall mean this Chapter 11 Plan of Liquidation for Doral Properties, Inc., dated May 25, 2016, filed by the Debtor, together with the exhibits thereto, either in their present form or as altered, amended, or modified from time to time.

“Plan Supplement” shall mean the compilation of documents and forms of documents as amended from time to time that constitute exhibits to the Plan filed with the Bankruptcy Court no later than seven (7) days before the earlier of the (i) deadline for voting on the Plan and (ii) deadline for objections to Confirmation of the Plan (or such later date as may be approved by the Bankruptcy Court).

“Priority Claim” shall mean the Claims against the Debtor, if any, entitled to priority under section 507(a) of the Bankruptcy Code other than Priority Tax Claims and Administrative Claims.

“Priority Tax Claim” shall mean an Unsecured Claim of the kind entitled to priority in payment under sections 502(i) and 507(a)(8) of the Bankruptcy Code.

“Pro Rata” shall mean, with respect to an amount of Cash to be distributed to the holder of an Allowed Claim of a particular class on a particular date, the same proportion that such Allowed Claim bears to the aggregate of all Claims of that particular class on that particular date.

“Professional” means any professional employed in the Bankruptcy Case pursuant to sections 327, 328, 363, or 1103 of the Bankruptcy Code or any professional or other entity seeking compensation or reimbursement of expenses in connection with the Bankruptcy Case pursuant to section 503(b)(4) of the Bankruptcy Code.

“Professional Administrative Claims” means (i) Administrative Claims of Professionals and Garden City Group, LLC and (ii) the fees and expenses, payable under the Cash Collateral Order, of the Indenture Trustee and its counsel.

“Professional Fee Claim” means a Claim of a Professional for compensation or reimbursement of costs and expenses relating to services rendered from and after the Petition Date and prior to and including the Effective Date, subject to any limitations imposed by order of the Bankruptcy Court.

“Released Party” shall mean DFC, the Indenture Trustee, the Committee, Morgan Stanley & Co. LLC, Good Hill Master Fund LP, Good Hill Master Fund II LP, and their and the Debtor’s respective current and former directors, managers, officers, equity holders, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

“Reserve Fund” shall mean a reserve fund to be deposited with the Liquidating Trust to pay Administrative, Priority Tax, and Other Priority Claims and to otherwise administer the Liquidating Trust. The amount of the Reserve Fund will be identified in the Plan Supplement.

“Sale Order” means the *Order Authorizing and Approving the Sale of Certain Real Estate Assets Free and Clear of Liens, Claims, Encumbrances and Interests and Granting Related Relief*, dated January 15, 2016 (Docket No. 488).

“Schedules” means, collectively, the (a) schedules of assets, liabilities, and executory contracts and unexpired leases and (b) statement of financial affairs, as each may be amended and supplemented from time to time, filed by the Debtor pursuant to section 521 of the Bankruptcy Code.

“Secured” shall mean, with respect to any Claim, a Claim secured by a valid and unavoidable lien on or security interest in property of the Debtor, to the extent of the value of such lien or security interest.

“Solicitation Order” shall mean the *Order Approving (I) Disclosure Statement, (II) Solicitation Procedures and Forms of Solicitation Materials and Notices of Non-Voting Status, and (III) Notice and Objection Procedures for Confirmation of Chapter 11 Plan of Liquidation*, entered by the Bankruptcy Court on June 29, 2016 [Docket No. 667].

“Stipulation of Amount and Nature of Claim” shall mean a stipulation or other agreement between the Debtor or Liquidating Trust and a holder of a Claim or Interest establishing the allowed amount or nature of such Claim or Interest that is (a) entered into in accordance with any Claim settlement procedures established by order of the Bankruptcy Court in this Bankruptcy Case, (b) expressly permitted by the Plan, or (c) approved by order of the Bankruptcy Court.

“Superpriority Claim” means the “Superpriority Claim,” as defined in the Cash Collateral Order, held by the Indenture Trustee on behalf of the holders of the AFICA Secured Claims.

“United States Trustee” means the Office of the United States Trustee for the Southern District of New York.

“Unsecured Claim” shall mean any Claim to the extent of the amount of such Claim which (i) is not secured by any valid and unavoidable lien on or security interest in property of the Debtor, or (ii) is greater than the value of any valid and unavoidable lien on or security interest in property of the Debtor which secures such Claim.

1.02 Terms Defined in the Bankruptcy Code. Capitalized terms used in the Plan which are not defined in Section 1.01 but which are defined in the Bankruptcy Code shall have the respective meanings specified in the Bankruptcy Code.

1.03 Rules of Interpretation. For purposes of the Plan: (i) whenever it appears appropriate from the context, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (ii) any reference in the Plan to a contract, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means such document substantially in such form or substantially on such terms and conditions; (iii) any reference in the Plan to an existing document or exhibit means such document or exhibit, as it may have been or may be amended, modified, or supplemented; (iv) the words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan; and (v) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply, except to the extent inconsistent with the express provisions of this Section 1.03 of the Plan.

1.04 Exhibits. Exhibits to the Plan may be amended from time to time, and both original and amended Exhibits may be filed with the Bankruptcy Court from time to time, but in no event later than five (5) Business Days before the date set for the hearing on the confirmation of the Plan or such other date as may be authorized by the Bankruptcy Court. Current copies of Exhibits may be obtained by reference to the Bankruptcy Court’s docket or shall be provided to parties in interest upon written request to the Debtor.

1.05 Time Periods. Except as specifically provided in the Plan, Bankruptcy Rule 9006(a) applies to the computation of any period of time prescribed or allowed by the Plan, and Bankruptcy Rules 9006(b) and 9006(c) apply respectively to the enlargement or reduction of any period of time prescribed or allowed by the Plan.

1.06 Reference to Monetary Figures. All references in the Plan to monetary figures refer to the lawful currency of the United States of America.

1.07 Governing Law. Except to the extent that the Bankruptcy Code or Bankruptcy Rules are applicable, and subject to the provisions of a contract, instrument, release, or other agreement or document entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and constructed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflicts of law thereof.

**ARTICLE 2**  
**PAYMENT OF ADMINISTRATIVE EXPENSES, TAX CLAIMS, AND**  
**CERTAIN UNCLASSIFIED CLAIMS**

2.01 Administrative Expenses. Each holder of an Allowed Administrative Claim shall receive, in full and final satisfaction and discharge thereof, Cash equal to the unpaid portion of such Allowed Administrative Claim (except to the extent such holder agrees to less favorable treatment thereof) on, or as soon as reasonably practicable after, the later of (i) the first Distribution Date, or (ii) the date such Administrative Claim becomes an Allowed Administrative Claim.

2.02 U.S. Trustee's Fees. The outstanding fees due to the United States Trustee pursuant to 28 U.S.C. § 1930 (and any applicable interest pursuant to 31 U.S.C. § 3717) shall be paid in full on or before the Effective Date. All fees payable pursuant to 28 U.S.C. § 1930 (and any applicable interest pursuant to 31 U.S.C. § 3717) after the Effective Date shall be paid by the Liquidating Trust in accordance therewith until the earlier of the conversion or dismissal of the Bankruptcy Case under section 1112 of the Bankruptcy Code or closing of the Bankruptcy Case pursuant to section 350(a) of the Bankruptcy Code.

2.03 Fees of Professionals. Professionals employed at the expense of the estate of the Debtor and entities which may be entitled to an allowance of fees and expenses from the estate of the Debtor incurred prior to the Effective Date shall be paid by the Liquidating Trust, in Cash, as soon as practicable after the order approving such allowance of compensation or reimbursement of expenses becomes a Final Order.

Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or any order of the Bankruptcy Court entered before the Effective Date governing the retention of, or compensation for services rendered by, Professionals shall terminate.

2.04 Priority Tax Claims. On, or as soon as reasonably practicable after, the later of (a) the first Distribution Date or (b) the date on which a Priority Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim shall receive, in full and final satisfaction and discharge thereof, (i) payment in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, or (ii) payment as agreed between the holder of the Allowed Priority Tax Claim and the Debtor or the Liquidating Trust.

2.05 Other Priority Claims. On, or as soon as reasonably practicable after, the later of (i) the first Distribution Date or (ii) the date on which a Priority Claim becomes an Allowed Priority Claim, each holder of an Allowed Priority Claim shall receive, in full and final satisfaction and discharge thereof, Cash equal to the unpaid portion of such Allowed Priority Claim or payment as agreed between the holder of the Allowed Priority Claim and the Debtor or the Liquidating Trust.

2.06 Bar Date for Administrative Claims. Except as otherwise provided herein, requests for payment of Administrative Claims (other than Professional Fee Claims) must be filed and served on the Liquidating Trust pursuant to the procedures specified in the

Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, file and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtor, the Liquidating Trust, or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be filed and served on the Liquidating Trust and the requesting party no later than the Administrative Claims Objection Deadline.

All requests for Professional Fee Claims must be filed and served on the Liquidating Trustee and the United States Trustee pursuant to the procedures specified in the Confirmation Order no later than forty-five (45) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to such requests, if any, must be filed and served on the Liquidating Trustee, the United States Trustee, and the requesting party no later than twenty (20) days (or such longer period as may be allowed by order of the Bankruptcy Court or agreed upon between the requesting party and the United States Trustee) after the date on which the applicable request for payment was served.

### **ARTICLE 3 CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS**

The Claims against, and Equity Interests in, the Debtor are categorized below for all purposes under the Plan including voting, confirmation, and distribution pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code.

3.01 Claims shall comprise the following Classes:

<b>Class</b>	<b>Designation</b>	<b>Impairment</b>	<b>Entitled to Vote</b>
1	AFICA Secured Claims	Impaired	Yes
2	General Unsecured Claims	Impaired	No
3	Equity Interests	Impaired	No

### **ARTICLE 4 TREATMENT OF CLASSES OF CLAIMS AND EQUITY INTERESTS**

4.01 Class 1 – AFICA Secured Claims.

(a) *Classification:* Class 1 shall consist of the AFICA Secured Claims.

(b) *Allowance:* The AFICA Secured Claims are Allowed as Secured Claims against the Debtor in the amount of \$1,602,030.

(c) *Treatment:* Each holder of an Allowed Class 1 Claim shall receive, via distribution to the Indenture Trustee in accordance with the 1999 Trust Agreement, a Pro Rata share of (i) the Available Cash and (ii) the Liquidating Trust Interests.

(d) *Voting:* Class 1 Claims are Impaired. Each holder of a Class 1 Claim is entitled to vote to accept or reject the Plan. Solely for purposes of voting on the Plan, the holders of 1999 AFICA Bonds shall be deemed to be holders of Class 1 Claims in lieu of the holder of the AFICA Secured Claims. Accordingly, the holders of 1999 AFICA Bonds shall be entitled to vote their 1999 AFICA Bonds as further set forth in the Solicitation Order, and the votes of the holders of 1999 AFICA Bonds shall be deemed to be the votes of the holder of the AFICA Secured Claims.

#### 4.02 Class 2 – General Unsecured Claims.

(a) *Classification:* Class 2 shall consist of General Unsecured Claims.

(b) *Treatment:* Class 2 Claims are Impaired. The holders of Class 2 Claims shall not receive any distribution pursuant to the Plan or retain any property or interest on account of such Class 2 Claims.

(c) *Voting:* Class 2 Claims are Impaired. Each holder of a Class 2 Claim shall be conclusively deemed to have rejected the Plan and is, therefore, not entitled to vote.

#### 4.03 Class 3 – Equity Interests.

(a) *Classification:* Class 3 shall consist of Equity Interests.

(b) *Treatment:* Class 3 Equity Interests are Impaired. On the Effective Date, Equity Interests shall be cancelled and extinguished. Holders of Equity Interests shall not receive any distribution pursuant to the Plan or retain any property or interest on account of such Equity Interest.

(c) *Voting:* Class 3 Equity Interests are Impaired. Each holder of Equity Interests shall be conclusively deemed to have rejected the Plan and is, therefore, not entitled to vote.

4.04 Compliance with Tax Requirements. For purposes of distributions on any interest-bearing obligations, distributions under the Plan shall be applied first in payment of the principal portion of such Allowed Claims and, after full payment of such principal portion, then to the portion of such Allowed Claims comprised of any interest accrued but unpaid at the Petition Date. Notwithstanding any other provision of this Plan, each entity receiving a distribution pursuant to this Plan will have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on it by any governmental unit on account of such distribution, including income, withholding, and other tax obligations.

4.05 Set Offs and Recoupments. Except to the extent an Administrative or Priority Claim has been previously Allowed or is Allowed by the Plan, the Liquidating Trust

may, but shall not be required to, set off or recoup against any Administrative or Priority Claim and the payments or other distributions to be made pursuant to the Plan in respect of such Administrative or Priority Claim, claims of any nature whatsoever which the Debtor may have against the holder of such Administrative or Priority Claim to the extent such claims may be set off or recouped under applicable law, but neither the failure to do so nor the allowance of any Administrative Claim hereunder shall constitute a waiver or release by the Liquidating Trust of any such claim or counterclaim that it may have against such holder.

4.06 Manner of Payments. Unless the person or entity receiving a payment agrees otherwise, any payment of Cash to be made by the Debtor or the Liquidating Trust shall be made, at the election of the Debtor or the Liquidating Trustee, as applicable, by check drawn on a domestic bank or by electronic or wire transfer from a domestic bank; provided, however, that no Cash payments shall be required to be made to a holder of an Allowed Claim unless the amount payable thereto is equal to or greater than twenty dollars (\$20.00).

4.07 Delivery of Distributions. Subject to the provisions of Section 4.09 of the Plan, distributions and deliveries to each holder of an Allowed Administrative or Priority Claim will be made (i) at the address set forth for such holder in the Debtor's Schedules if no proof of claim has been filed on behalf of such holder, (ii) at the address reflected in the proof of claim filed by such holder, or (iii) at the address set forth in any written notices of address change delivered after the date of any related proof of claim by such holder. If any distribution is returned as undeliverable, no further distributions to the applicable holder will be made unless and until the Liquidating Trust is notified of the holder's then current address, in which case all missed distributions will be made to the holder without interest on the next Distribution Date. Any claim in respect of such an undeliverable distribution shall be made on or before the first anniversary of the Effective Date. After such date, all claims in respect of undeliverable distributions shall be discharged and forever barred and the Liquidating Trust shall retain all monies related thereto. The Debtor and the Liquidating Trust, as applicable, shall be entitled to rely upon the register of Claims as of the Distribution Record Date. Notwithstanding anything herein to the contrary, all distributions on account of the AFICA Secured Claims shall be made to the Indenture Trustee (for the benefit of the holders of the 1999 AFICA Bonds), subject to any right of the Indenture Trustee to assert a charging lien against the distributions and make provision for the payment of unpaid fees and expenses of the Indenture Trustee.

4.08 Application of Distribution Date. At the close of business on the first Distribution Record Date, the claims register maintained by the claims agent and the register of the holders of 1999 AFICA Bonds maintained by the Indenture Trustee shall be closed and, notwithstanding the records of any other party, there shall be no further changes in the listed holders of the 1999 AFICA Bonds. The Liquidating Trustee, the Indenture Trustee, the claims agent, and each of their respective agents, successors, and assigns shall have no obligation to recognize any transfer, assignment, or sale of Claims or 1999 AFICA Bonds occurring after the first Distribution Record Date and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders stated on the claims register as of the close of business on the first Distribution Record Date irrespective of the number of distributions to be made under the Plan to such Persons or the date of such distributions.

4.09 Uncashed Checks. Checks issued by the Debtor or the Liquidating Trust on account of Allowed Administrative or Priority Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for reissuance of any check shall be made in writing directly to the Liquidating Trust by the holder of the Allowed Administrative or Priority Claim with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of (i) the first anniversary of the Effective Date or (ii) ninety (90) days after the date of issuance of such check. After such date, all claims in respect of voided checks shall be discharged and forever barred and the Liquidating Trust shall retain all monies related thereto.

4.10 Amendment to Claims. On or after the Effective Date, except as provided herein, a Claim may not be amended without the prior authorization of the Bankruptcy Court or the Liquidating Trustee, and, to the extent such prior authorization is not received, any such amended Claim filed shall be deemed disallowed in full and expunged without any further action.

## **ARTICLE 5 IMPLEMENTATION OF THE PLAN**

5.01 Corporate Action. Confirmation of the Plan shall constitute authorization for the Debtor and the Liquidating Trust, and their respective trustees, officers, board of directors, and agents, to effectuate the Plan and to execute, issue, deliver, file, or record all contracts, instruments, and other agreements or documents, and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan without further notice to or action, order, or approval of the Bankruptcy Court or any other entity except for those expressly required pursuant to this Plan. All matters provided for in the Plan involving any corporate action to be taken by or required of the Debtor or the Liquidating Trust in connection with the Plan shall be deemed to have occurred, and be effective as provided herein, and shall be authorized, approved and, to the extent taken prior to the Effective Date, ratified in all respects, without any requirement of further action by the Debtor, the Liquidating Trust, or their agents, representatives, trustees, stockholders, members, managers, officers, or directors.

5.02 Vesting of Assets. Except as otherwise provided in the Plan, including with respect to the distribution of the Available Cash on the Effective Date pursuant to Section 4.01(c) of the Plan, on the Effective Date, the assets of the Debtors' bankruptcy estate, including the Reserve Fund and Causes of Action not released by the Plan, shall vest in the Liquidating Trust (such assets transferred to the Liquidating Trust, the "Liquidating Trust Assets"), free and clear of all liens and other encumbrances (other than the liens of the Indenture Trustee).

5.03 Dissolution of the Debtor. The Debtor shall be dissolved after the Effective Date upon its completion of its duties and obligations under the Plan and all corporate approvals necessary for such action shall be deemed satisfied. Upon the Effective Date, any of the Debtor's remaining officers and members of its board of directors shall be deemed to have resigned, if they have not already done so, without the necessity of any further action or writing,

and they shall be released from any responsibilities, duties, and obligations that arise after the Effective Date to the Debtor or its creditors under the Plan or applicable law.

5.04 Continuation of Stays. Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays in effect pursuant to sections 105 or 362 of the Bankruptcy Code or otherwise and in effect on the Confirmation Date shall remain in full force and effect until the Effective Date.

5.05 Cancellation and Surrender of Instruments, Securities, and Existing Agreements.

(a) Except with respect to the 1999 Trust Agreement and the 1999 Loan and Guaranty Agreement, on the Effective Date and concurrently with the applicable distributions made pursuant to Articles 2 and 4, all notes, instruments, certificates, and other documents evidencing Claims or interests against the Debtor shall be deemed cancelled and of no further force and effect against the Debtor, without any further action on the part of any Debtor. From and after the making of the applicable distributions pursuant to the Plan, the holders of such notes, instruments, certificates, and other documents shall have no rights against the Debtor or the Liquidating Trust arising from or relating to such notes, instruments, certificates, and other documents or the cancellation thereof, except the rights provided pursuant to the Plan.

(b) In connection with distributions under the Plan, the Indenture Trustee shall have the right to establish one or more payment dates and may require the surrender of 1999 AFICA Bonds in order to receive distributions in accordance with the 1999 Trust Agreement.

5.06 Liquidating Trust.

(a) Vesting of Assets. On the Effective Date, (i) the Debtor shall transfer the Reserve Fund and the Liquidating Trust Assets to the Liquidating Trust, and (ii) the Liquidating Trust Agreement shall be deemed to be valid, binding, and enforceable in accordance with its terms and provisions. After the Effective Date, the Liquidating Trust Agreement may be amended in accordance with its terms without further order of the Court.

(b) Establishment of Liquidating Trust. The transfer of the Liquidating Trust Assets to the Liquidating Trust shall be made for the benefit and on behalf of the holders of the Liquidating Trust Interests. The assets comprising the Liquidating Trust Assets will be treated for tax purposes as being transferred by the Debtor to the holders of the Liquidating Trust Interests pursuant to the Plan as a distribution on the Allowed AFICA Secured Claims and then by the holders of the Liquidating Trust Interests to the Liquidating Trust in exchange for the Liquidating Trust Interests. The Liquidating Trust shall be treated as a grantor trust for federal income tax purposes, and the holders of the Liquidating Trust Interests shall be treated as the grantors and initial owners of the Liquidating Trust. Upon the transfer of the Liquidating Trust Assets, the Liquidating Trust shall succeed to all of the Debtor's rights, title, and interest in the Liquidating Trust Assets.

(c) Liquidating Trustee. The Liquidating Trust will be managed by the Liquidating Trustee. The initial Liquidating Trustee shall be Scott Martinez of Zolfo Cooper, LLC. Except as otherwise ordered by the Court, the expenses incurred by the Liquidating Trust on or after the Effective Date may be paid by the Liquidating Trust in accordance with the Liquidating Trust Agreement, without further order of the Bankruptcy Court.

(d) Liquidating Trust Interests. The Liquidating Trust Interests shall be evidenced by book entries and shall not be certificated. The Liquidating Trust Interests shall not be transferable except in accordance with the Liquidating Trust Agreement.

5.07 Settlement Regarding Indenture Trustee's Superpriority Claim. As a settlement under Bankruptcy Rule 9019, which settlement is conditioned on the occurrence of the Effective Date, the Indenture Trustee and the Debtor have agreed as follows:

(a) The Superpriority Claim shall be Allowed in the amount of \$1,530,000 against the Debtor;

(b) The Superpriority Claim shall be subordinated to (i) the Professional Administrative Claims and (ii) a maximum of \$100,000 in Allowed Administrative Claims (excluding Professional Administrative Claims), Priority Tax Claims, and Other Priority Claims;

(c) The Superpriority Claim shall be subordinated in the amount of \$100,000 to the AFICA Secured Claims;

(d) The Indenture Trustee accepts, as less favorable treatment, for the Superpriority Claim to receive the lesser of (i) payment in full or (ii) payment of the assets remaining in the Liquidating Trust following distributions on the Claims to which the Superpriority Claim is subordinated under subsections (b) and (c) of this Section 5.07 and the payment of the expenses of the Liquidating Trust;

(e) The Indenture Trustee accepts, as less favorable treatment, for the Distribution Date for the Superpriority Claim to be the next Distribution Date following the completion by the Liquidating Trustee of all distributions on the Claims to which the Superpriority Claim is subordinated under subsections (b) and (c) of this Section 5.07.

## **ARTICLE 6**

### **PROVISIONS FOR TREATMENT OF SUBSEQUENT PLAN DISTRIBUTIONS**

6.01 Objections to and Estimation of Claims. With respect to Administrative and Priority Claims (and to the extent any distributions are made on General Unsecured Claims or Equity Interests, General Unsecured Claims and/or Equity Interests), the Debtor or the Liquidating Trustee shall object to the allowance of Claims and Equity Interests with respect to which they dispute liability in whole or in part. All objections shall be litigated to a Final Order; provided, however, that the Debtor or the Liquidating Trustee may compromise and settle, withdraw, or resolve by any other method approved by the Bankruptcy Court, any objections to Claims or Equity Interests. In addition, the Debtor or the Liquidating Trustee may, at any time,

request that the Bankruptcy Court estimate any contingent Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtor or the Liquidating Trustee has previously objected to such Claim. Except as otherwise provided by order of the Bankruptcy Court, the Liquidating Trustee may file an objection to any Claim until 120 days after the Effective Date.

6.02 Plan Reserves. Subject to any liens of the Indenture Trustee, with respect to Administrative Claims, Priority Tax Claims, Other Priority Claims, and AFICA Secured Claims (and to the extent any distributions are made on General Unsecured Claims or Equity Interests, General Unsecured Claims and/or Equity Interests), on each Distribution Date, in calculating amounts available for distributions to holders of Claims and Interests under the Plan, the Liquidating Trustee shall retain and set aside an amount in Cash, in one or more accounts maintained by the Liquidating Trust, such that the aggregate balance of such funds (exclusive of any interest earned thereon) shall be sufficient to make all payments and distributions which may be subsequently required by Articles 2 and 4 of the Plan and Section 6.03 of the Plan, or such lesser amount as may be approved by the Bankruptcy Court from time to time.

6.03 Subsequently Allowed Claims or Interests. Subsequent to the Effective Date, when a Claim shall become an Allowed Claim, the Liquidating Trustee shall, on the next Distribution Date, pay to the holder of such Allowed Claim Cash in an amount equal to the Cash distributions, if any, which would have previously been made to such holder if such Allowed Claim had been an Allowed Claim eligible for distribution on the Effective Date.

6.04 Payments and Distributions on Disputed Claims. No partial payments and no partial distributions shall be made with respect to a disputed Claim until the resolution of such disputes by settlement or Final Order. On the next Distribution Date after a disputed Claim becomes an Allowed Claim, the holder of such Allowed Claim shall receive all payments and distributions to which such holder is then entitled under the Plan.

## **ARTICLE 7**

### **CONDITIONS TO CONFIRMATION AND EFFECTIVENESS OF THE PLAN**

7.01 Conditions to Confirmation. The confirmation of the Plan by the Bankruptcy Court shall be subject to, and conditioned upon, entry of an order by the Bankruptcy Court approving the Disclosure Statement.

7.02 Conditions to the Effective Date. The effectiveness of the Plan shall be subject to, and conditioned upon:

- (a) The Confirmation Order becoming a Final Order,
- (b) The Administrative Claims Bar Date shall have passed,
- (c) The aggregate asserted Administrative Claims (excluding Professional Administrative Claims), Priority Tax Claims, and Priority Claims against the Debtor shall be less than or equal to \$100,000;
- (d) No request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall have been made or, if made, remaining pending, and

(e) All other actions and documents necessary to implement the Plan shall have been effected or executed.

7.03 Waiver of Conditions to Confirmation or the Effective Date. The conditions to confirmation and the conditions to the Effective Date (other than the condition in Section 7.02(a)) may be waived in whole or part at any time by the Debtor without an order of the Bankruptcy Court; provided, however, that the Debtor may not waive the condition in Section 7.02(c) without the consent of the Indenture Trustee.

7.04 Effect of Nonoccurrence of Conditions to the Effective Date. The Debtor reserves the right to seek to vacate the Plan at any time prior to the Effective Date. If the Confirmation Order is vacated pursuant to this Section 7.04: (i) the Plan shall be null and void in all respects, and (ii) nothing contained in the Plan shall (a) constitute a waiver or release of any claims by or against, or any interest in, the Debtor or (b) prejudice in any manner the rights of the Debtor or any other party in interest.

7.05 Notice of Effective Date. The Debtor shall provide notice of the Effective Date of the Plan in accordance with the Bankruptcy Rules and orders of the Bankruptcy Court.

## **ARTICLE 8 TREATMENT OF CONTRACTS AND LEASES**

8.01 Rejection of Executory Contracts and Unexpired Leases. Pursuant to sections 1123(b)(2) and 365(a) of the Bankruptcy Code, any executory contract or unexpired lease (excluding insurance policies) that (i) has not expired by its own terms on or prior to the Confirmation Date, (ii) has not been assumed, assumed and assigned, or rejected with the approval of the Bankruptcy Court on or prior to the Confirmation Date, or (iii) is not the subject of a motion to assume or reject which is pending at the time of the Confirmation Date, shall be deemed rejected on the Effective Date. The entry of the Confirmation Order by the Bankruptcy Court shall constitute the approval of the rejection of executory contracts and unexpired leases pursuant to this Section of the Plan and sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

8.02 Claims Based on Rejection of Executory Contracts and Unexpired Leases. Claims created by the rejection of executory contracts and unexpired leases pursuant to Section 8.01 of the Plan, or the expiration or termination of any executory contract or unexpired lease prior to the Effective Date, must be filed with the Bankruptcy Court and served on the Liquidating Trustee no later than thirty (30) days after the Effective Date. Any Claims arising from the rejection of an executory contract or unexpired lease pursuant to Section 8.01 for which proofs of Claim are not timely filed within that time period will be forever barred from assertion against the Debtor, the Debtor's estate, the Liquidating Trust, their successors and assigns, and their assets and properties, unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as General Unsecured Claims under the Plan and shall be subject to the provisions of Article 4 of the Plan.

**ARTICLE 9**  
**RETENTION OF JURISDICTION**

9.01 Retention of Jurisdiction. The Bankruptcy Court shall retain exclusive jurisdiction of these proceedings for the following purposes, among other things:

(a) to determine any and all applications, adversary proceedings, and contested matters pending as of the Effective Date, if any;

(b) to determine any and all objections to the allowance of Claims and Equity Interests, if any;

(c) to determine any and all applications for allowance of compensation and reimbursement of expenses;

(d) to determine any and all controversies and disputes arising under or in connection with the Plan and such other matters as may be provided for in the Confirmation Order;

(e) to effectuate payments under and performance of the provisions of the Plan;

(f) to enter such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(g) to determine the Debtor's motion, if any, to modify the Plan in accordance with section 1127 of the Bankruptcy Code;

(h) to issue orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(i) to consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, in the Confirmation Order;

(j) to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan and any related documents;

(k) to hear and determine any issue for which the Plan or any related document requires a Final Order of the Bankruptcy Court;

(l) to enter a final decree closing the Bankruptcy Case; and

(m) to determine any other matter not inconsistent with Chapter 11 of the Bankruptcy Code.

## **ARTICLE 10 INJUNCTIONS AND RELEASES**

10.01 Injunction Against Asserting Claims of Debtor. On and after the Confirmation Date, subject to the Effective Date, all Persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right, or cause of action of the Debtor for which the Debtor or Liquidating Trust, as the case may be, retains sole and exclusive authority to pursue in accordance with Section 5.02 of the Plan.

10.02 Injunction Against Interference with Plan. Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

10.03 Releases by the Debtor. On the Effective Date and effective simultaneously with the effectiveness of this Plan, the Debtor on its own behalf and as representative of the Debtor's estate releases unconditionally and is hereby deemed to release unconditionally, each and all of the Released Parties of and from any and all claims, obligations, suits, judgments, damages, debts, rights, remedies, causes of action, and liabilities of any nature whatsoever, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, matured or unmatured, existing or hereafter arising, in law, equity, or otherwise, that are or may be based in whole or in part upon any act, omission, transaction, event, or other occurrence taking place or existing on or prior to the Effective Date that are in connection with the Debtor, its assets, property, or estate, the Bankruptcy Case, the Plan, or the disclosure statement; provided, however, that nothing in this Section 10.03 shall be construed to release any party from liability for actions or omissions constituting willful misconduct or gross negligence as determined by a Final Order.

## **ARTICLE 11 MISCELLANEOUS**

11.01 Headings. The headings used in the Plan are inserted for convenience only and neither constitute a portion of this Plan nor in any manner affect the construction of the provisions of this Plan.

11.02 Severability. Should any provision in the Plan be determined to be unenforceable following the Effective Date, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Plan.

11.03 Successors and Assigns. The rights, duties, and obligations of any person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors, heirs, and assigns of such person.

11.04 Revocation of the Plan. The Debtor reserves the right to revoke and withdraw the Plan prior to the Confirmation Date. If the Debtor revokes or withdraws the Plan, then the Plan shall be deemed null and void and nothing contained herein shall be deemed to

constitute a waiver or release of any claims by or against the Debtor or any other person or to prejudice in any manner the rights of the Debtor or any person in any further proceedings involving the Debtor.

11.05 Effectuating Documents; Further Transactions; Timing. Each of the officers of the Debtor shall be deemed to be authorized as fully as if under resolutions of the Debtor's board of directors or shareholders to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents, and to take such action(s) as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued pursuant to the Plan. All transactions that are required to occur on the Effective Date under the terms of the Plan shall be deemed to have occurred simultaneously.

11.06 Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, none of (i) the issuance transfer or exchange of any security under, in furtherance of, or in connection with, this Plan, (ii) the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by this Plan (including real and personal property), or (iii) the disposition and/or encumbrance of assets in connection with any transactions contemplated hereunder (including any subsequent sale of property pursuant to the Plan), shall be subject to any stamp, real estate transfer, mortgage recording sales, use, or other similar tax.

11.07 Exculpation. To the fullest extent permitted by applicable law and approved in the Confirmation Order, none of the Debtor, the Committee, the Indenture Trustee, nor any of their respective former or current directors, officers, employees, advisors, affiliates, attorneys, financial advisors, representatives, or agents shall have or incur any liability to any holder of a Claim or Equity Interest for any act or omission in connection with or arising out of, (i) any act, omission, transaction, or other occurrence taking place on or after the Petition Date and in any way relating to the Debtor or the Bankruptcy Case, (ii) the formulation, negotiation, confirmation, or consummation of the Plan, (iii) the solicitation of acceptances of the Plan, (iv) the administration of the Plan or property to be distributed under the Plan, or (v) the enforcement of the terms of the Plan and the contracts, instruments, releases, agreements, and documents delivered thereunder, except for acts or omissions that constitute or are the result of fraud, criminal conduct, gross negligence, or willful misconduct. Exculpated parties shall, in all respects, be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Nothing herein shall abrogate any applicable attorney disciplinary rule.

11.08 Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of the Debtor, the holders of all Claims and Equity Interests and their respective successors and assigns.

11.09 Modification of Payment Terms. The Debtor reserves the right to modify the treatment of any Allowed Claim in any manner adverse only to the holder of such Claim at any time after the Effective Date upon the prior written consent of the holder or the indenture trustee whose Allowed Claim treatment is being adversely affected.

11.10 Notices. Any notice required or permitted to be provided under the Plan shall be in writing and served by: (i) certified mail, return receipt requested, postage prepaid; (ii) hand delivery; or (iii) reputable overnight carrier service, freight prepaid, to be addressed as follows:

If to the Debtor, to:

Doral Properties, Inc.  
c/o Zolfo Cooper  
Grace Building  
1114 Avenue of the Americas, 41<sup>st</sup> Floor  
New York, NY 10036  
Attn: Scott Martinez, CRO  
Facsimile: (212) 213-1749  
smartinez@zolfocooper.com

with copies to:

Ropes & Gray LLP  
1211 Avenue of the Americas  
New York, NY 10036-8704  
Attn: Mark I. Bane  
Facsimile: (212) 596-9090  
mark.bane@ropesgray.com

Ropes & Gray LLP  
Prudential Tower  
800 Boylston Street  
Boston, MA 02199-3600  
Attn: James A. Wright III  
Facsimile: (617) 951-7050  
james.wright@ropesgray.com

If to the Liquidating Trust, to:

Zolfo Cooper  
1114 Avenue of the Americas  
41<sup>st</sup> Floor  
New York, NY 10036  
Attn: Scott Martinez  
Facsimile: (212) 213-1749  
smartinez@zolfocooper.com

with copies to counsel to the Indenture Trustee:

Eckert Seamans Cherin & Mellott, LLC  
10 Bank Street, Suite 700  
White Plains, NY 10606  
Attn: Christopher F. Graham  
Facsimile: (914) 949-5424  
cgraham@eckertseamans.com

11.11 Post-Confirmation Fees And Reports. Unless otherwise ordered by the Bankruptcy Court, the Liquidating Trustee shall be responsible for the timely payment of all fees incurred pursuant to section 1930 of Title 28 to the United States Code. Unless otherwise ordered by the Bankruptcy Court, the Liquidating Trustee also shall file with the Bankruptcy Court, and serve on the U.S. Trustee, a quarterly financial report for each quarter (or portion thereof) that the Bankruptcy Case remain open, in a format prescribed by the U.S. Trustee in accordance with the guidelines of the Office of the U.S. Trustee.

New York, New York  
May 25, 2016

DORAL PROPERTIES, INC.

By: /s/ Scott Martinez  
Name: Scott Martinez  
Title: Chief Restructuring Officer

**SUMMARY OF EXHIBITS**

<b>Exhibit</b>	<b>Document</b>
A	Form of Liquidating Trust Agreement

The form of Liquidating Trust Agreement shall be filed with the Plan Supplement.

**EXHIBIT A**

**Form of Liquidating Trust Agreement**

[To be filed in the Plan Supplement]

**EXHIBIT B**

**Form of Notice of Entry of Confirmation Orders**

ROPES & GRAY LLP  
Mark I. Bane  
Marc B. Roitman  
1211 Avenue of the Americas  
New York, NY 10036-8704  
Telephone: (212) 596-9000  
Facsimile: (212) 596-9090

-and-

James A. Wright III  
Prudential Tower  
800 Boylston Street  
Boston, MA 02199-3600  
Telephone: (617) 951-7000  
Facsimile: (617) 951-7050

*Counsel to the Debtors*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re	: Chapter 11
	: :
Doral Financial Corporation, et al., <sup>1</sup>	: Case No. 15-10573 (SCC)
	: :
Debtors.	: (Jointly Administered)
-----X	

**NOTICE OF ENTRY OF CONFIRMATION ORDERS AND RELATED BAR DATES**

**PLEASE TAKE NOTICE** that on [●], 2016, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered the *Findings of Fact, Conclusions of Law, and Order Confirming Amended Plan of Reorganization Proposed by Doral Financial Corporation and the Official Committee of Unsecured Creditors of Doral Financial Corporation* [Docket No. [●]] (the “Doral Financial Confirmation Order”), pursuant to which the Bankruptcy Court approved and confirmed the *Amended Plan of Reorganization Proposed by Doral Financial Corporation and the Official Committee of Unsecured Creditors of Doral Financial Corporation* [Docket No. 632, Exhibit A] (the “Doral Financial Plan”).

**PLEASE TAKE FURTHER NOTICE** that on [●], 2016, the Bankruptcy Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming Chapter 11 Plan of Liquidation for Doral Properties, Inc.* [Docket No. [●]] (the “Doral Properties Confirmation”).

<sup>1</sup> The last four digits of the taxpayer identification number of the debtors are: Doral Financial Corporation (2162); Doral Properties, Inc. (2283).

Order” and, together with the Doral Financial Confirmation Order, the “Confirmation Orders”), pursuant to which the Bankruptcy Court approved and confirmed the *Chapter 11 Plan of Liquidation for Doral Properties, Inc.*, dated May 25, 2016 [Docket No. 612] (the “Doral Properties Plan” and together with the Doral Financial Plan, the “Plans”).<sup>2</sup>

**PLEASE TAKE FURTHER NOTICE** that all injunctions provided for under the Plans and the Confirmation Orders, and any and all documents related thereto, are now in full force and effect.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Doral Financial Plan and the Doral Financial Confirmation Order, requests for payment of Administrative Claims (other than Professional Fee Claims) must be filed and served on the United States Trustee and the Creditors’ Trustee no later than [●], 2016. **Holders of Administrative Claims that are required to, but do not, file and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtor or its property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be filed and served on the Creditors’ Trustee, the United States Trustee and the requesting party no later than forty-five (45) days after the Effective Date.**

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Doral Properties Plan and the Doral Properties Confirmation Order, requests for payment of Administrative Claims (other than Professional Fee Claims) must be filed and served on the Liquidating Trust no later than [●], 2016. **Holders of Administrative Claims that are required to, but do not, file and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtor, the Liquidating Trust, or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be filed and served on the Liquidating Trust and the requesting party no later than sixty (60) days after the Effective Date.**

**PLEASE TAKE FURTHER NOTICE** that in accordance with Bankruptcy Rules 2002 and 3020(c), the Debtors shall promptly cause this Notice of Confirmation to be served by United States mail, first class postage prepaid, by hand, or by overnight courier service to all parties served with a notice of the confirmation hearing; *provided*, that no notice or service of any kind shall be required to be mailed or made upon any Entity to which the Debtors mailed a notice of the confirmation hearing, but received such notice returned marked “undeliverable as addressed,” “moved, left no forwarding address,” or “forwarding order expired,” or similar reason, unless the Debtors have been informed in writing by such entity, or are otherwise aware, of such entity’s new address.

**PLEASE TAKE FURTHER NOTICE** that copies of the Confirmation Orders, the Plans, or any other related documents are available upon request to Garden City Group, LLC, the

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<sup>2</sup> Capitalized terms used but not otherwise not defined herein shall have the meanings set forth in the Plans or the Confirmation Orders, as applicable.

noticing agent retained by the Debtors in these chapter 11 cases (the “Noticing Agent”) by: (a) accessing the Debtors’ restructuring website with the Noticing Agent at [www.gardencitygroup.com/cases/dor](http://www.gardencitygroup.com/cases/dor); (b) writing to the Noticing Agent at Doral Financial Corporation, c/o GCG, P.O. Box 10168, Dublin, OH 43017-3168; (c) calling the Noticing Agent at (855) 382-6443; or (d) emailing [DORinfo@gardencitygroup.com](mailto:DORinfo@gardencitygroup.com). You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: <http://www.deb.uscourts.gov>.

**PLEASE TAKE FURTHER NOTICE** that the Plans and their provisions are binding upon the Debtors, as applicable, and any and all holders of Claims or Equity Interests (regardless of whether such Claims or Equity Interests are deemed to have accepted or rejected the Plans), all entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plans, each entity acquiring property under the Plans or the Confirmation Orders, and any and all non-debtor parties to executory contracts and unexpired leases with the Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plans regardless of whether any holder of a Claim or debt has voted on the Plans.

Dated: [ ], 2016  
New York, New York

/s/ DRAFT  
ROPE & GRAY LLP  
Mark I. Bane  
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1211 Avenue of the Americas  
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-and-

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