

# HOMEOWNERS SETTLEMENT AGREEMENT

## SUMMARY AND ANALYSIS

The following is a brief analysis and summary of the Settlement Agreement (the "Settlement Agreement") between the members of the Marina City Club Homeowners Association (the "Association") and Marina City Club L.P., formerly known as J.H. Snyder Co. (the "Debtor"). The Settlement Agreement is contained in a letter dated June 30, 1994 from the Debtor to the Association. A copy of the Settlement Agreement is attached to this summary and as an exhibit to the Plan of Reorganization. This summary does not discuss every provision of the Settlement Agreement, but only the most important provisions. The Settlement Agreement itself should be read in its entirety for all of its terms.

After each discussion of a provision of the Settlement Agreement below, there will be a reference in parentheses to the section of the Settlement Agreement which contains that provision.

**A MAJORITY OF THE BOARD OF DIRECTORS OF THE ASSOCIATION (BY A VOTE OF FOUR TO ONE) ARE IN FAVOR OF THE SETTLEMENT AGREEMENT AND URGE YOU TO VOTE IN FAVOR OF THE PLAN OF REORGANIZATION.**

### **WHAT YOU GET:**

#### **1. A VOICE IN MANAGEMENT.**

Before the Settlement Agreement, homeowners had no voice in the management of the project. The Settlement Agreement provides for the formation of a new Management Council to manage all common areas in the tower and any other areas covered by the monthly maintenance fees paid by homeowners. (These areas do not include certain areas of the project owned by the Debtor, such as the Promenade Apartments and the boat slips). The Management Council will have four to five members -- two homeowner representatives appointed by the Board of Directors of the Association (the "Board"), two representatives appointed by the Debtor and, if two or more members of the Management Council believe that it is necessary, one independent member to be agreed to by both the Board and the Debtor (the "Independent Member").

(Section A, paragraphs 1 through 3)

#### **2. INDEPENDENT MANAGEMENT COMPANY.**

The Management Council will select, hire and supervise a qualified independent management company to manage the project.

(Section A, paragraph 4)

**3. CONTROL OVER REPLACEMENT RESERVES.**

Before the Settlement Agreement, the Debtor had sole control over the reserves for replacements and capital expenditures which are funded by maintenance fees paid by homeowners and the Debtor. The Settlement Agreement provides for division of the existing reserves into two separate reserves: one for the common areas that are shared by both the towers areas and the remainder of the project (the "Shared Common Areas Reserve Account") and another just for the common areas of the towers (the "Towers Reserve Account"). The Management Council will have the authority to decide how the existing reserve account is to be divided as between the two new reserve accounts.

a. **JOINT CONTROL OF SHARED COMMON AREAS RESERVE.** The Settlement Agreement provides that all checks written on the Shared Common Areas Reserve Account will have need two signatures: one from a homeowner representative on the Management Council and a second signature, which can be either that of a Debtor representative on the Management Council or the Independent Member. There is an exception for disbursements that are required to cure defaults under the ground lease. If the Homeowner representative refuses to sign for such a disbursement, two Debtor representatives or one Debtor representative and the Independent Member may sign the check in the amount necessary to cure the default.

b. **SOLE CONTROL OF TOWER RESERVES.** The Association will have sole control over the Tower Reserve Account. However, if the County of Los Angeles (the "County") declares a default under the ground lease with respect to the towers that is not cured, then the Debtor or the Independent Member may sign checks from the Tower Reserve Account as necessary to cure the default.

(Section A, paragraph 9)

**4. REPAIR OF ELEVATORS AND EXTERIOR WALLS.**

The Debtor has agreed to promptly repair the Tower elevators and earthquake damage to exterior walls. Such repairs will be funded from maintenance fees, to the extent set forth in the current budget for the Shared Common Areas and the Tower Common Areas, and thereafter from existing reserves.

(Section A, paragraph 10)

**5. OPTION TO SUBORDINATE ENFORCEMENT DEED OF TRUST.**

Some of you may have had difficulty in obtaining refinancing because of the existence of the "Enforcement Deed of Trust" as a first lien on your property. The Enforcement Deed of Trust creates a lien on the condos to secure each homeowner's obligation to pay maintenance fees and assessments. If a homeowner fails to pay its fees, the

Debtor can foreclose the Enforcement Deed of Trust on that homeowner's unit (after following the proper procedures, which give the homeowner several chances to cure the default).

Although the Enforcement Deed of Trust may be an effective deterrent to defaults in paying maintenance fees and ground rent, it has caused homeowners a great deal of difficulty in dealing with lending institutions and obtaining financing for their units. The Settlement Agreement addresses this issue by permitting any homeowner to elect to subordinate the Enforcement Deed of Trust on its unit to new financing. Any Homeowner that makes this election will have to deposit with an independent Escrow Holder an amount equal to two months of ground rent and maintenance fees. This deposit will be held for the purpose of funding any failure by any homeowner that has elected to subordinate its Enforcement Deed of Trust to pay maintenance fees and ground rent in the future.

(Section B, Exhibit A)

6. REDUCTION OF TRANSFER FEE.

According to the current documents affecting the condominiums, the Debtor is entitled to receive a fee on any sale of a condominium. That fee is equal to one percent of the sale price. The Debtor has agreed as part of the Settlement Agreement to reduce its transfer fee to one half of a percent of the sale price. This reduction will become effective upon the Effective Date of the Debtor's plan of reorganization in its bankruptcy case.

(Section C)

7. REIMBURSEMENT OF LEGAL FEES.

As all of you have been notified in the past, the Association has hired legal counsel to represent it in the Debtor's bankruptcy case. That counsel has worked to protect homeowners' rights, to represent homeowners' interests in the bankruptcy case and to negotiate as many benefits for homeowners as possible in the Settlement Agreement. The Debtor has agreed to pay \$185,000 of the legal fees and costs incurred by homeowners. To date, more than \$210,000 of unpaid attorneys' fees remain outstanding. Although the Board intends to negotiate with counsel for the Association in an effort to eliminate any attorneys' fees in excess of amounts paid by the Debtor, you may be assessed for some or all of these excess fees if these negotiations prove unsuccessful. In the event that a Plan of Reorganization is not approved incorporating the Settlement Agreement, you may be assessed for the full amount of such legal fees and costs. You should also be aware that (1) Actna's approval of the terms of the Settlement Agreement is a condition precedent to the effectiveness of the Settlement Agreement and Letter Agreement and (2) Actna has advised the Debtor and the Association, before it will be in position to decide whether or not to approve this portion of the Settlement Agreement, it will need to review the fee statements of counsel for the Association to determine whether the figure set forth above represents a reasonable fee for the services provided. (Section D)

8. CONVERSION OF EXISTING CULTURAL CENTER TO USE BY THE ASSOCIATION.

If the Settlement Agreement is approved, the Debtor will lease the cultural center to the Association for one dollar each year. The Debtor will spend up to \$7,500 if necessary to provide the center for the Association's use.

(Section F)

9. USE OF OFFICE SPACE.

Currently, the Debtor uses certain office space located in the project. Pursuant to the Settlement Agreement, the Debtor will turn over exclusive use of the following office space to the Association, rent free: the offices currently used by Isabelle Sciommeri and her staff located within the East Tower, on Level 3G and the Mezzanine Level, and the five offices presently being used for the administration of the Health Club.

(Section M)

10. CONTROL OF THE HEALTH AND TENNIS CLUB.

Due to continuing operating losses, American Club Corporation, the sublessee and operator of the health club, closed the health club in 1992 pursuant to a court order. Many homeowners requested that the health club be reopened. The Association and the Debtor entered into an agreement dated September 15, 1992 pursuant to which the health club would be reopened. That Agreement provided for the health club to be managed by a three-person Executive Council. It also provided that the homeowners would pay for any continuing operating losses out of their monthly maintenance fees.

The Settlement Agreement provides that the Executive Council will be expanded to five members, consisting of three homeowner representatives, one representative of the Debtor, and one representative elected by non-homeowner members of the health club. If for any reason any areas of the health and tennis club cease to be administered by the Executive Council, those areas would be administered by the Management Council discussed in paragraph 1, above.

In the event that the Executive Council or Management Council takes any action that violates any license or permit held by the Debtor in connection with the health club, such as the liquor license, massage license and health and spa permit, then the Debtor will have final control over such action to ensure that the violation does not occur or is cured. The Debtor may only exercise such final control after first giving the Executive or Management Council a reasonable opportunity to resolve the violation and at least five days notice of the Debtor's proposed solution. The Management Council will have final approval over the budget of the health club.

(Section H)

**11. AUDIT OF RECORDS.**

The Board has employed Michael Steiger, a certified public accountant, to audit the books and records of the Debtor relating to the income and expenditures of the entire project (including expenditures of all dues paid by the members of the Association, expenditures made from the Existing Combined Reserve Account, etc.). The Association and the Debtor will have an opportunity to review the results of this audit. If any expenditure or allocation is found to be unauthorized or inappropriate, Debtor will be required to reimburse the appropriate account for such expenditure, or reallocate the funds, as appropriate. If disputes exist among the parties as to the propriety of any expenditures, these disputes will be submitted to the Management Council for resolution.

(Section I)

**12. RESOLUTION OF WILSHIRE-MARINA CITY VENTURE LAWSUIT.**

Wilshire-Marina City Venture (the "Venture"), a partnership controlled by Raymond Kaplan, an attorney of the Debtor, has sued the Association and certain individual board members over matters pertaining to a special assessment for legal fees imposed in 1992 (the "1992 Special Assessment"). A settlement agreement is under negotiation with Venture which provides various mechanisms to approve the 1992 Special Assessment.

The Settlement Agreement provides for the Debtor to make certain concessions if the settlement with Venture is finalized, executed and approved by the applicable court. First, the Debtor will pay \$10,000 towards reimbursement of Venture's legal fees. This benefits the homeowners because it provides an inducement to Venture to settle the matter. Second, the Debtor will cooperate in the Association's efforts to have any question as to the Association's ability to make such assessments or the validity of the 1992 Special Assessment resolved in the Association's favor.

(Section K, Section D)

**WHAT YOU GIVE UP:**

In exchange for the benefits described above, the homeowners will be required to release the Debtor and its General Partners from all liability for claims relating to the following:

1. **FAILURE TO DISCLOSE FACTS AND CIRCUMSTANCES THAT HAVE MADE IT DIFFICULT FOR HOMEOWNERS TO RESELL OR REFINANCE THEIR UNITS.** These facts and circumstances alleged include the percentage of non-owner occupied units, the existence of the enforcement deed of trust and the operating losses relating to the health club and other amenities.

**2. THE EXISTENCE OF AND FAILURE TO FIX CERTAIN DEFECTS IN THE CONSTRUCTION OF THE PROJECT.** The defects alleged include security system cameras that fail to operate properly, elevators that fail to function properly, leaky windows, inadequate drainage in several areas, inadequate ventilation in certain units' restrooms, and misplaced electrical outlets.

**3. FAILURE TO PROPERLY MAINTAIN THE PROJECT.** The maintenance problems alleged include the need to (a) repaint various areas of the project, (b) replace the asphalt surrounding the pool and tennis areas, (c) repair cracks and holes in stairwell plaster, (d) complete the decoration in certain common areas, and (e) repair exterior earthquake damage.

The homeowners will not be required to release claims that are unique to individual homeowners, such as claims for overpayment of ground rent or amounts due under sale/leaseback agreements; however, in order to assert such claims against the Debtor, homeowners must have filed proofs of claim by the December, 1992 bar date. (The Debtor has reviewed all proofs of claim filed by homeowners and contends that all claims asserted on these proofs of claim fall within the scope of the releases to be granted under the Settlement Agreement.

(Section J)

## **HOW THE SETTLEMENT BECOMES EFFECTIVE:**

The Settlement Agreement must be approved by the Bankruptcy Court in two ways. The first is as a settlement of a class action. The second is as part of the Debtor's plan of reorganization.

### **1. CLASS ACTION SETTLEMENT.**

In order to resolve the class proof of claim filed on behalf of the Association, the Settlement Agreement provides for a "class action" mechanism. The Association and the Debtor will work together to ask the Bankruptcy Court to certify a "non-opt out" class consisting of all persons, including the Debtor, that either (a) currently own units or (b) owned units as of December 23, 1992 (the record date used in the class proof of claim). If the Bankruptcy Court approves the class action mechanism and finds that the settlement is fair and reasonable, the Settlement Agreement will be binding on all homeowners in the class if the Debtor's plan of reorganization is confirmed. The Court has scheduled a hearing to consider whether or not to approve the Settlement Agreement for 2:00 p.m. on August 3, 1994. The deadline for parties in interest to object to approval of the Settlement Agreement is July 27, 1994.

(Section L).

## **2. THE PLAN OF REORGANIZATION.**

The goal of the Debtor in its bankruptcy case is to confirm a plan of reorganization. As part of its plan of reorganization, the Debtor will propose that the Settlement Agreement be approved. If the plan is not confirmed by the Bankruptcy Court, the Settlement Agreement will not become effective.

Every Homeowner is being asked to vote on the plan of reorganization. With this summary, you have received a ballot and a copy of the Debtor's disclosure statement, which describes the history of the Debtor, the various claims against the Debtor and the proposed treatment of each claim in the plan of reorganization. A copy of the plan of reorganization is attached to the Disclosure Statement as Exhibit 1. The ballot contains instructions regarding the deadline for voting and where your ballot should be sent. Please note that late ballots will not be counted. To be counted, your ballot must be completed, signed and returned in such a way as to be received by counsel for the Debtor at the address shown on the ballot by 5:00 p.m., Los Angeles time, on August 1, 1994.

### **IMPORTANT DEADLINES:**

There are several important deadlines that have been or will be set by the Bankruptcy Court with respect to the Settlement Agreement. Please read all notices relating to the hearing on the class action settlement and the hearing on confirmation of the Debtor's plan of reorganization to determine when hearings will be held and when papers must be filed with the Bankruptcy Court.

The Settlement Agreement also expires by its own terms if the Plan of Reorganization is not confirmed by November 1, 1994, unless the Association agrees to extend the time period. (Section M) The Debtor currently hopes to confirm its Plan of Reorganization at the hearing scheduled for 2:00 p.m. on August 3, 1994.

**A HOMEOWNERS' MEETING WILL BE HELD AT 7:30 ON JULY 19, 1994 TO DISCUSS THE SETTLEMENT AND THE PLAN OF REORGANIZATION AND TO ANSWER ANY QUESTIONS YOU MAY HAVE. COUNSEL FOR THE ASSOCIATION WILL BE PRESENT AT THAT TIME. YOU WILL RECEIVE A NOTICE OF THAT MEETING FROM THE BOARD OF DIRECTORS WITHIN THE NEXT FEW DAYS.**

The Debtor has now filed with the Bankruptcy Court a plan of reorganization (the "Plan"). The Plan divides all pre-bankruptcy claims against the Debtor, including claims asserted by or on behalf of homeowners (the "Homeowner Claims"), into classes and proposes a specified treatment for each of these classes of claims. Most Homeowner Claims are included in Class 9 of the Plan and, if the Plan is approved by the Bankruptcy Court, will receive the treatment described in the Settlement Agreement. Certain Homeowner claims may be treated as general unsecured claims in Class 8. If you filed your own individual proof of claim in the Case, please refer to the section describing the Notice Regarding Hearing on Final Class Certification and Fairness of Settlement, below to determine how the Debtor plans to treat your claim. **A SUMMARY OF THE MOST SIGNIFICANT TERMS OF THE SETTLEMENT AGREEMENT IS ENCLOSED WITH THIS PACKAGE.**

**THE DISCLOSURE STATEMENT:**

The Disclosure Statement provides information regarding, among other things, the Debtor, the events leading to the bankruptcy filing, the various claims against the Debtor and their proposed treatment under the Plan, and the Debtor's projections for future operations.

**THE BALLOT AND RETURN ENVELOPE:**

The Ballot and Return Envelope are for your use in voting on whether to accept or reject the Plan. Please follow the instructions for voting set forth on the Ballot and in Article X of the Disclosure Statement. The Settlement Agreement will not become effective unless and until the Plan is confirmed by the Bankruptcy Court.

**PLEASE NOTE THAT YOU ARE ENTITLED TO ONE VOTE FOR EACH CONDOMINIUM UNIT THAT YOU HAVE OWNED BETWEEN DECEMBER 23, 1992 AND THE PRESENT, EACH OF WHICH VOTES SHOULD BE INDICATED ON A SEPARATE BALLOT FORM.**

**FOR VOTING PURPOSES ONLY, THE DOLLAR AMOUNT OF THE CLASS 9 CLAIM THAT YOU WILL BE PERMITTED TO VOTE FOR EACH UNIT WILL BE EQUAL TO THE SQUARE FOOTAGE OF THAT UNIT. A CHART THAT REFLECTS THE SQUARE FOOTAGE FOR EACH UNIT IS CONTAINED IN THE BALLOT FORM.**

**THE NOTICE REGARDING HEARING ON FINAL CLASS CERTIFICATION AND FAIRNESS OF SETTLEMENT:**

In addition to the vote of the Homeowners on the Plan, the Bankruptcy Court must make a separate determination that the Settlement Agreement is fair and reasonable. The enclosed Notice Regarding Hearing on Final Class Certification and Fairness of Settlement describes important dates and procedures regarding the hearing at which the Court will consider, among the other things described in the Notice, whether to approve the Settlement Agreement as fair and reasonable. Please read the Notice carefully, in conjunction with the summary of the Settlement Agreement and the Settlement Agreement itself.





# Marina City Club Condominium Owners Association

## Board of Directors

Shirley J. Bailey  
President

AJ Weinstaub  
Vice President

William Beach  
Secretary

William Zeitlin  
Treasurer

Richard Anotico  
Member

July 1, 1994

**TO ALL MEMBERS OF THE MARINA CITY CLUB CONDOMINIUM OWNERS ASSOCIATION:**

Re: Confirmation Procedures

Dear homeowner:

The following items should be attached to this letter:

1. Summary and Analysis of the Homeowners Settlement Agreement;
2. Notice of: (1) Conditional Certification of Mandatory Non-opt Out Class and Designation of Class Representative; (2) Pendency of Class Action; (3) Proposed Settlement; and (4) Hearing on Final Class Certification and Fairness of Settlement; Objections to Certain Homeowners Claims;
3. Disclosure Statement for Debtor's Plan of Reorganization (the "Disclosure Statement"); and
4. Ballot and Return Envelope.

If you are missing any of these items, please contact Theresa Castelli at (310) 277-4110 as soon as possible to obtain copies of any missing items. Please do not contact Ms. Castelli to ask questions regarding the bankruptcy case or for any purpose other than to obtain a missing item.

As you may recall, Marina City Club, L.P. (the "Debtor"), filed a chapter 11 bankruptcy case on May 15, 1992 (the "Case"). In December of 1992, the Board of Directors of the Marina City Club Condominium Owners Association (the "Board") arranged for the preparation and filing of a proof of claim that asserted certain claims that are common to all homeowners on behalf of the entire class of persons who owned units at the Marina City Club. Since that time, the Board has negotiated a settlement of those claims (the "Settlement Agreement").

You previously received a Proof of Claim that you were asked to complete and send to the bankruptcy court and the Debtor if you wanted to assert a claim against the Debtor. If you filed such a Proof of Claim, your name will appear on the schedule of Homeowner claims attached to the Notice. If you did not file a proof of claim, your name will not appear on the schedule; however, by virtue of the class proof of claim that was filed on behalf of the members of the Homeowners Association, you will receive the benefits of the Settlement Agreement.

The Debtor has reviewed all of the proofs of claim filed by homeowners and contends that all such claims should be treated as either Class 9 Claims (which are to be compromised as a part of the Settlement Agreement) or as claims of Lifetime or Sterling Members of the Marina City Club ("Health Club Claims") (which are being compromised under a separate settlement agreement). THE ENCLOSED NOTICE CONCERNING SETTLEMENT OF HOMEOWNERS' CLAIMS ALSO CONSTITUTES AN OBJECTION BY THE DEBTOR TO ANY CLAIMS ASSERTED BY HOMEOWNERS TO THE EXTENT THAT THEY PURPORT TO BE CLAIMS OTHER THAN CLASS 9 CLAIMS OR HEALTH CLUB CLAIMS.

THEREFORE, IF YOU FILED A PROOF OF CLAIM AND BELIEVE THAT ALL OR ANY PORTION OF THE CLAIMS DESCRIBED IN THAT PROOF OF CLAIM ARE NOT CLAIMS OF THE KIND THAT ARE BEING COMPROMISED IN THE SETTLEMENT AGREEMENT WITH HOMEOWNERS OR THE SEPARATE SETTLEMENT THAT THE DEBTOR HAS NEGOTIATED OF HEALTH CLUB CLAIMS (THE "HEALTH CLUB SETTLEMENT"), YOU WILL NEED TO FILE A WRITTEN STATEMENT WITH THE COURT (AN "OPPOSITION") IN WHICH YOU EXPLAIN THE KIND OF CLAIMS THAT YOU HOLD AND WHY THEY ARE DIFFERENT FROM THE KINDS OF CLAIMS THAT ARE BEING COMPROMISED IN THE SETTLEMENT AGREEMENT AND THE HEALTH CLUB SETTLEMENT. You may wish to retain the services of an attorney to assist you in the preparation of an opposition.

ANY OPPOSITIONS TO THE SETTLEMENT AGREEMENT MUST BE FILED WITH THE CLERK OF THE BANKRUPTCY COURT AT 255 E. TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012, NOT LATER THAN JULY 27, 1994. COPIES OF ANY OPPOSITIONS MUST BE MAILED TO THE FOLLOWING PARTIES AT THE SAME TIME:

Alan J. Stomel, Esq.  
McDermott, Will & Emery  
2049 Century Park East  
34th Floor  
Los Angeles, California 90067

Michael B. Lubic, Esq.  
McCutchen, Doyle,  
Brown & Enersen  
355 South Grand Avenue  
Suite 4400  
Los Angeles, California 90071

Roger H. Howard, Esq.  
Christensen, White, Miller,  
Fink & Jacobs  
2121 Avenue of the Stars  
18th Floor  
Los Angeles, California 90067

Sheri Bluebond, Esq.  
Murphy, Weir & Butler  
2049 Century Park East  
21st Floor  
Los Angeles, California 90067

IF YOU FAIL TO FILE AND SERVE A TIMELY OPPOSITION, YOU MAY BE DEEMED BY THE COURT TO HAVE CONSENTED TO HAVE ALL OF YOUR CLAIMS TREATED IN THE MANNER DESCRIBED IN THE SETTLEMENT AGREEMENT AND THE HEALTH CLUB SETTLEMENT.

**AN INFORMATIONAL MEETING CONCERNING THE SETTLEMENT AGREEMENT AND THE PLAN OF REORGANIZATION WILL BE HELD ON JULY 19, 1994 AT 7:30 P.M. ON THE THIRD FLOOR OF THE CENTER TOWER. BANKRUPTCY COUNSEL FOR THE ASSOCIATION WILL BE IN ATTENDANCE TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE CONCERNING THE PLAN OF REORGANIZATION, THE SETTLEMENT AGREEMENT OR VOTING PROCEDURES. WE URGE YOU TO ATTEND THIS MEETING.**

The Settlement Agreement is the product of approximately two years of continuous and often contentious negotiations with the Debtor. If approved, the Settlement Agreement will supersede the Letter Agreement dated October 1, 1993 that was approved by a vote of the homeowners last fall (the "October 1 Agreement"). This new Settlement Agreement, although very similar to the October 1 Agreement, has been modified in a number of respects that benefit homeowners.

Both bankruptcy counsel and general counsel for the Association have advised the Board that the treatment offered by the Settlement Agreement compares favorably with the results that are likely to be obtained for homeowners if they were to litigate the claims that are to be compromised under the Settlement Agreement. Accordingly, all members of the Board other than Richard Annotico believe that the Settlement Agreement is in the best interest of the Association and its members.

**WE THEREFORE URGE YOU TO MARK YOUR BALLOTS IN FAVOR OF CONFIRMATION OF THE PLAN AND TO RETURN YOUR BALLOTS TO THE DEBTOR AT THE ADDRESS SHOWN ON THE BALLOT IN SUCH A WAY AS TO MAKE SURE THAT IT THEY ARE ACTUALLY RECEIVED BY THE DEBTOR BY 5:00 P.M., LOS ANGELES TIME, ON AUGUST 1, 1994. (Ballots may not be transmitted by facsimile.)**

Thank you very much.

Sincerely,

MARINA CITY CLUB CONDOMINIUM  
OWNERS ASSOCIATION

By: \_\_\_\_\_  
Shirley Bailey, President


Enclosures

11/11/11

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1 (signatures continued from page 4)

2  
3 MURPHY, WEIR & BUTLER  
4 Sheri Blugmond  
5 Mary Young

6 By   
7 SHERI BLUGMOND  
8 Attorneys for Marina City  
9 Club Condominium Homeowners  
10 Association

11 ANDREWS & KURTZ  
12 Maxine Miller  
13 Shally Rothchild

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By MAXINE MILLER  
Attorneys for Aetna Life  
Insurance Company

1 Association, the County and the Creditors' Committee by July 29,  
2 1994 at 5:00 p.m.; and it is further

3 ORDERED that the Debtor shall file a Plan Confirmation  
4 Memorandum including a Declaration regarding ballot tabulation not  
5 later than August 3, 1994; it is further

6 ORDERED that the hearing on Plan confirmation is set for  
7 August 3, 1994 at 2:00 p.m; and it is further

8 ORDERED that the Debtor shall serve by first class mail,  
9 postage prepaid, the Notice re Approval of Disclosure Statement,  
10 Treatment of Unimpaired Claims and Hearing on Plan Confirmation on  
11 all creditors which Debtor believes are members of unimpaired  
12 classes; and it is further

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1 ORDERED that the Debtor is authorized to make  
2 ministerial changes to the Disclosure Statement prior to  
3 confirmation of the Plan subject to approval by the signatories to  
4 this Order.

5 DATED:

6 SAMUEL L. BUFFORD  
7 UNITED STATES BANKRUPTCY JUDGE

8 PRESENTED BY:

9 McDERMOTT, WILL & EMERY  
10 David Gould,  
11 Alan J. Stone

12 By Alan J. Stone  
13 ALAN J. STONE  
14 Attorneys for Debtor and  
Debtor in Possession

15 APPROVED AS TO FORM AND CONTENT:

16 MCCUTCHEN, DOYLE, BROWN & EBERSEN

17 By Michael Lubic  
18 MICHAEL LUBIC  
19 Attorneys for Official  
20 Committee of Unsecured  
Creditors

21 COUNTY OF LOS ANGELES

22 By Robert Koopf  
23 ROBERT KOOPF  
24 Attorneys for the County  
of Los Angeles

25 LATHEM & WATKINS  
26 By Philip Reynolds  
27 PHILIP REYNOLDS  
Attorneys for MDP, Ltd.

28 [signatures continued on page 3]

1 DAVID GOULD (State Bar No. 037947)  
2 ALAN J. STOMEL (State Bar No. 124986)  
3 McDERMOTT, WILL & EMERY  
4 1049 Century Park East, 34th Floor  
5 Los Angeles, California 90067-3208  
6 (310) 551-9373

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Attorneys for Marina City Club, L.P.,  
Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA

In re	)	CASE NO. LA 92-29484-SB
	)	
MARINA CITY CLUB, L.P., a	)	CHAPTER 11
California limited partnership,	)	
	)	ORDER APPROVING DEBTOR'S
	)	DISCLOSURE STATEMENT AND
	)	SETTING CONFIRMATION HEARING
	)	AND VARIOUS DEADLINES
	)	
Debtor.	)	Date: June 29, 1994
	)	Time: 2:00 p.m.
	)	Place: Courtroom 1575
	)	255 E. Temple St.
	)	Los Angeles, CA

On June 29, 1994 at 11:00 a.m. in the Courtroom of the  
Honorable Samuel L. Bufford, United States Bankruptcy Judge, the  
Court considered the Proposed Disclosure Statement ("Disclosure  
Statement") for Amended Plan of Reorganization dated June 28, 1994  
("Plan").  
David Gould and Alan Stomel of McDermott, Will & Emery  
appeared on behalf of Marina City Club, L.P., Debtor and Debtor in  
Possession ("Debtor"); Maxine Miller Andrews & Kurth appeared  
on behalf of Aetna Life Insurance Company ("Aetna"); Robert Rodolf  
appeared on behalf of the County of Los Angeles ("County");

Michael Lubic of McCutchen, Doyle, Brown & Enersen appeared on  
behalf of the Official Committee of Unsecured Creditors (the  
"Creditors' Committee"); Sheri Bluebond of Murphy, Weir & Butler  
appeared on behalf of the Marina City Club Condominium Homeowners  
Association (the "Association"); Philip Reynolds of Latham &  
Watkins appeared on behalf of MDP, Ltd.; Richard Annotico appeared  
in pro per.

The Court, having considered the Disclosure Statement,  
and finding notice properly given, it is hereby

ORDERED that the Disclosure Statement is approved and  
the Court finds that the Disclosure Statement contains adequate  
information pursuant to the standards set forth in 11 U.S.C.  
Section 1125; and it is further

ORDERED that the Debtor shall serve by first class mail,  
postage prepaid, this Order, its Plan and Disclosure Statement and  
the Notice of: (1) Conditional Certification of Mandatory Non-Opt  
Out Class and Designation of Class Representative (2) Pendency of  
Class Action (3) Proposed Settlement (4) Hearing on Final Class  
Certification and Fairness of Settlement; Objections to Certain  
Homeowners Claims, along with an accompanying ballot on all  
creditors and parties in interest who are members of impaired  
classes by July 6, 1994; and it is further

ORDERED that all ballots must be received by Debtor's  
counsel no later than August 1, 1994 at 5:00 p.m. Pacific Daylight  
Time; and it is further

ORDERED that any objection to confirmation of Debtor's  
Plan must be served in the manner stated in the Disclosure  
Statement and received by counsel for the Debtor, Aetna, the

PROOF OF SERVICE LISTING

LA 92-29484

SINCLAIR WEN  
6521 BEACHVIEW DR, RNCH PALOS VERDES, CA 90274  
SUSAN C WESTMORELAND  
P O BOX 11022, MARINA DEL REY, CA 90295  
BETTY (AKA COLE) WEXLER  
4267 MARINA CITY DR #106, MARINA DEL REY, CA 90292  
STEVEN WHITE  
2455 LINCOLN BLVD, MARINA DEL REY, CA 90291  
WILDCAT DISTRIBUTORS INC  
C/O RAISKIN & RAVITZ, 10390 SANTA MONICA BLVD 4TH FL, LOS ANGELES, CA 90025  
FINN WILHELMSEN  
131 ROMA CT, MARINA DEL REY, CA 90292  
MARY WILLIA  
4145 VIA MARINA #224, MARINA DEL REY, CA 90292  
WILSHIRE-MARINA CITY VENTURE  
ATTN: RAY KAPLAN, 5757 WILSHIRE BLVD, LOS ANGELES, CA 90036  
WILSHIRE-MARINA CITY VENTURE  
ATTN: RAY KAPLAN, 9601 WILSHIRE BLVD STE 820, BEVERLY HILLS, CA 90210  
RICHARD & PATRICIA WILSON  
38131 STONE MEADOW DR, MURRIETA, CA 92362  
PAUL R WINEMAN  
4267 MARINA CITY DR #1108, MARINA DEL REY, CA 90292  
KATHYRINE & LISA WINSHIP  
P O BOX 909, RIVERSIDE, CA 92502  
JAMES WONG  
J-1-38 FAIRVIEW PARK, YUEN LONG, NEW TERRITORIES,  
LISA JO WORLEY  
4337 MARINA CITY DR, UNIT 1047 ETH, MARINA DEL REY, CA 90292  
GENE YAMAGATA  
4314 MARINA CITY DR PH17, MARINA DEL REY, CA 90292  
VALERIE YAMAGATA  
10350 WILSHIRE #802, LOS ANGELES, CA 90024  
MASAYUKI & MIDORI YAMAGIWA  
16425 COLLINS AVE, MIAMI BEACH, FL 33160  
YUDO & KAZUKO YAMAMOTO  
4314 MARINA CITY DR #516, MARINA DEL REY, CA 90292  
JOONG NAM YANG  
4335 MARINA CITY DR #1038, MARINA DEL REY, CA 90292  
CHARLES & SUSAN YOO  
1306 W 29TH ST, LOS ANGELES, CA 90007  
LAWRENCE YOUNG  
97 DAPPLE GRAY RD, BELL CANYON, CA 91307  
AIKEN GEORGE YU  
P O BOX 92945, PASADENA, CA 91109  
YUSCHOK AND LANGDON P A  
ADEL AL AUJAN, 201 N NEW YORK AVE STE 302, WINTER PARK, FL 32787-4398  
YUTAKA TRENDS INC  
SAKAN YANAGIDAIRA, 2-10-25 MITA MEGURO-KU, TOKYO 153,  
GIL ZAHAVI  
6800 HOLLYWOOD BLVD, HOLLYWOOD, CA 90028  
URI & BATIA ZAHAVIA  
4337 MARINA CITY DR #639, MARINA DEL REY, CA 90292  
SYLVIA & ESMAT ZAKLAMA  
P O BOX 10562, MARINA DEL REY, CA 90295  
WILLIAM & CAROL ZEITLIN  
4267 MARINA CITY DR #410, MARINA DEL REY, CA 90292  
SUBHI ZHILI  
4314 MARINA CITY DR, UNIT 1124 CT-S, MARINA DEL REY, CA 90292

589 CREDITORS NOTICED.



## PROOF OF SERVICE LISTING

KUNIICHI & TOMOE TAKEUCHI  
 14723 PARRON AVE, GARDENA, CA 90249  
 YATSUO TANAKA  
 30: 31-10 SANNOU 3-CHOME, OHTA-KU, TOKYO 143,  
 JAMES & PAULA GETCOFF  
 TANNER MAINSTAIN & HOFFER, 10866 WILSHIRE BLVD 10TH FLR, LOS ANGELES, CA 90024-  
 EDDY TAO  
 LILY LAI, 29215 OCEANRIDGE DR, RNCH PALOS VERDES, CA 90274  
 ALBERT & BEVERLY TEITLBAUM  
 4316 MARINA CITY DR #933, MARINA DEL REY, CA 90292  
 AKIRA TERUKO  
 HIKARI HIDA, 3939 VESELICH ST #1-214, LOS ANGELES, CA 90039  
 BERNARD & BETTY J SILVER  
 THE SPRINGS, TEMPLE CT, RANCHO MIRAGE, CA 92270  
 ERNEST L THESMAN  
 ATTN: DEBRA MEDINA, 1800 CENTURY PARK EAST #700, LOS ANGELES, CA 90067  
 KEIKO KATO THOMPSON  
 3814 TRACY ST, LOS ANGELES, CA 90027  
 TIMOTHY TILDON  
 4337 MARINA CITY DR #1149, MARINA DEL REY, CA 90292  
 PAUL H & BEVERLY TOPFEL  
 739 HILLCREST AVE, LA CANADA, CA 91011  
 TOMIYISA SOMJI CO  
 15-16 KAMIUMA 1-CHOME, TOKYO 154,  
 HENRY & CAROL A TOMLINSON  
 7779 PEPPERTREE RD, DUBLIN, CA 94568  
 TOPA THRIFT & LOAN ASSOC  
 1800 AVE OF THE STARS 12TH FL, LOS ANGELES, CA 90067  
 MICHAEL & DOROTHY TRAIGER  
 4314 MARINA CITY DR #616, MARINA DEL REY, CA 90292  
 JOSEPHINE TSALIGOPOULOS  
 HILTENSBERGER STR #47, 8000 MUNICH,  
 YASUHIRO TSUBOTA  
 45 COUNTRY MEADOW RD, ROLLING HILLS, CA 90274  
 MOTOMIKO TSUMURA  
 330 E 75TH ST 18 B, NEW YORK, NY 10021  
 KOICHI UBUNAI  
 DAINI UEMATSU BLDG #410, 7-11 MATSUBARA 5-CHOME, SETAGAYA-KU TOKYO,  
 UTAKA SAITO (TRI STAR JAPAN)  
 EXCEL INVESTMENTS/M STEWART, P O BOX 3767, BEVERLY HILLS, CA 90212  
 RUVIN & SVETLANA VAISHAN  
 6829 TOPANGA CANYON BLVD, CANOGA PARK, CA 91303  
 PERKASH VASWANE  
 P O BOX 17600, ENCINO, CA 91416  
 LOY VAUGHT  
 4267 MARINA CITY DR #306, MARINA DEL REY, CA 90292  
 BRUNO VAVALA  
 450 E MANCHESTER, INGLEWOOD, CA 90301  
 ELKE VENNEMANN  
 3 ZEISGUEG, 042- EMMERICH,  
 JUDITH VON-ARB  
 4337 MARINA CITY DR #1043, MARINA DEL REY, CA 90292  
 THOMAS VREBALOVICH  
 C/O JESSE GREEN, 1261 BRYANT PL, MANHATTAN BEACH, CA 90266  
 THOMAS & BERYL VREBALOVICH  
 4316 MARINA CITY DR #725, MARINA DEL REY, CA 90292  
 SHINJIRO WACHI  
 4335 MARINA CITY DR #242, MARINA DEL REY, CA 90292  
 JAMES C WALKER  
 C/O BERKIN ACCOUNTANTS, 2016 MAVEY ST, SANTA MONICA, CA 90405  
 WALL & REDEKOP  
 601 W BROADWAY #502, VANCOUVER V524CZ,  
 RUBY WALLACE  
 4316 MARINA CITY DR #531, MARINA DEL REY, CA 90292  
 JAY WANG  
 HELEN CHANG, 4337 MARINA CITY DR #739, MARINA DEL REY, CA 90292  
 TAKASHI WATANABE  
 6548 MADELINE COVE DR, RNCH PALOS VERDES, CA 90274  
 ALVIN & LEA WEINTRAUB  
 17547 VENTURA BLVD STE 202, ENCINO, CA 91316  
 ALVIN & LEA WEINTRAUB  
 17520 EMBASSY DR, ENCINO, CA 91316  
 MURRAY & ALVIN WEINTRAUB  
 17547 VENTURA BLVD #202, ENCINO, CA 91316  
 STUART WEISER  
 13889 S FIGUEROA ST, LOS ANGELES, CA 90061  
 CAROL WEISSKOPF  
 4337 MARINA CITY DR #847, MARINA DEL REY, CA 90292  
 MICHAEL WELTHER  
 4337 MARINA CITY DR #635, MARINA DEL REY, CA 90292

## PROOF OF SERVICE LISTING

LA 92-29484

MICHAEL SEMMELMANN  
4314 MARINA CITY DR #926, MARINA DEL REY, CA 90292  
CEM SEVEROGLU  
4265 MARINA CITY DR, UNIT 1115 WT-N, MARINA DEL REY, CA 90292  
ARTHUR & LUSIA SMAFRAN  
772 ASHBURTON DR, NAPLES, FL 33963  
SHAMROCK PROPERTIES/M SIMON  
C/O WESTERN STUDIOS, ONE WEST ALAMEDA AVE, BURBANK, CA 91502  
EDWARD & MARY SHARP  
4267 MARINA CITY DR #702, MARINA DEL REY, CA 90292  
DAVID SHELTON  
5027 OVERLAND, CULVER CITY, CA 90230  
JOHN SHELTON  
2377 RIDGE CIR, LOS ANGELES, CA 90049  
LEONARD SILVERMAN  
4265 MARINA CITY DR, UNIT 501 WT-N, MARINA DEL REY, CA 90292  
LESLIE & RONALD SIMPSON  
644 MARLIN CT, REDWOOD CITY, CA 94065  
TERIN SINGER  
4267 MARINA CITY DR #104, MARINA DEL REY, CA 90292  
ARMANDO SIVILLA  
7423 4TH PL, DOWNEY, CA 90241  
ANTHONY SMITH  
332 CENTER ST, EL SEGUNDO, CA 90245  
CHARLES SMITH  
C/O MELANIE FOGG, 365 E 19TH ST, COSTA MESA, CA 92627  
THOMAS AND LINDA SMITH  
P O BOX 7036, MAMMOTH LAKES, CA 93546  
MICHELE SMOLENSKY  
4265 MARINA CITY DR, UNIT 903 WTN, MARINA DEL REY, CA 90292  
DUTCH & RUTHANN SNIJDERS  
4314 MARINA CITY DR #530, MARINA DEL REY, CA 90292  
HAROLD W SNYDER  
4337 MARINA CITY DR #849, MARINA DEL REY, CA 90292  
JEROME H SNYDER  
5757 WILSHIRE, LOS ANGELES, CA  
JOAN SNYDER  
276 STRADA CORTA RD, LOS ANGELES, CA 90077  
CHESTER B SOBSEY  
4265 MARINA CITY DR, UNIT 715 WT-N, MARINA DEL REY, CA 90292  
HERBERT SONEN  
4337 MARINA CITY DR #839, MARINA DEL REY, CA 90292  
DEAN & JO SOTHERN  
2554 LINCOLN BLVD #559, MARINA DEL REY, CA 90292  
RADAH SRIKANTAIAM  
2205 7TH ST, SANTA MONICA, CA 90405  
SAM STEIN  
4314 MARINA CITY DR #1022, MARINA DEL REY, CA 90292  
JAY STEINBECK  
5805 SEPULVEDA BLVD #601, VAN NUYS, CA 91411-2508  
BRAD STEPHENS  
1709 LAKESHORE, ABILENE, TX 79602  
O B & JOY STEPHENS  
225 N LEGGETT DR, ABILENE, TX 79603  
LEONARD STERN  
2170 CENTURY PARK E #1806, LOS ANGELES, CA 90067  
KIM STOCKSDALE  
MIKE SHAEFFER/MICHELLE SPARACI, 3252 HOLIDAY CT STE 103, MARINA DEL REY, CA 902  
FUJIO SUGITANI  
4337 MARINA CITY DR #1041, MARINA DEL REY, CA 90292  
KAZUO SUZUKI  
C/O SUZANNE ANGEQ, 1821 WILSHIRE BLVD STE 300, SANTA MONICA, CA 90403  
TAKUMA SUZUKI  
37-2 WAKABAYASHI 1-CHOME, SETAGAYA-KU, TOKYO 154,  
EDWARD SVADJIAN  
200 N SWALL DR PH 8, BEVERLY HILLS, CA 90211  
MILTON I SWIMMER  
5757 WILSHIRE, LOS ANGELES, CA  
HYUN D SYNN  
4337 MARINA CITY DR, UNIT 649 ET-N, MARINA DEL REY, CA 90292  
STUART SYTNER  
4337 MARINA CITY DR #339, MARINA DEL REY, CA 90292  
ABRAHAM TABASH  
C/O EDWARD TABASH ESQ, 3818 SCANORN DR, MALIBU, CA 90265  
HAYAHIKO&SUMIKO TAKASE  
5110 LLANO DR, WOODLAND HILLS, CA 91364  
SHOZO TAKEKAWA  
42-12 KICHIJOUJI HIGASHI-MACHI, 2-CHOUME MUSASHINO-SHI, TOKYO,  
HISAMITSU TAKEMURA  
#223 114-233 NICHI-KUBOMACHI, HODOGAYA-KY YOKOHAMA-SHI, KANAGAWA 240,

## PROOF OF SERVICE LISTING

MARNIE RILEY  
 4331 MARINA CITY DR, UNIT 345 ET-N, MARINA DEL REY, CA 90292  
 FRANCO P RIZZO  
 4335 MARINA CITY DR #737, MARINA DEL REY, CA 90292  
 ELAINE ROBBINS  
 4316 MARINA CITY DR #1029, MARINA DEL REY, CA 90292  
 GARY & PEGGY ROCHELLE  
 4316 MARINA CITY DR #721, MARINA DEL REY, CA 90292  
 GERTUDE MERRILL RODIN  
 791 SANTA BARBARA RD, BERKELEY, CA 94707  
 LEONARD ROSE  
 4335 MARINA CITY DR #642, MARINA DEL REY, CA 90292  
 LEONARD ROSE  
 4335 MARINA CITY DR, UNIT 842 ET-S, MARINA DEL REY, CA 90292  
 DAVID ROSSNEY  
 4316 MARINA CITY DR #227, MARINA DEL REY, CA 90292  
 RUSSELL ROTHEBERG  
 4316 MARINA CITY DR #227, MARINA DEL REY, CA 90292  
 ROYMAN, MOSHE & TALMA (POLANY)  
 4314 MARINA CITY DR #222, MARINA DEL REY, CA 90292  
 RTC COUNTY BANK F S 8  
 3760 STATE ST, P O BOX 21407, SANTA BARBARA, CA 93121  
 RTC/RECEIVER FOR COUNTY BAN  
 C/O PETRINI ASSET MGMT (DIANE), 4550 KEARNY VILLA RD STE 221, SAN DIEGO, CA 921  
 JOAN RUBENSTEIN  
 P O BOX 341181, LOS ANGELES, CA 90034-1181  
 SAM RUBINFELD  
 4265 MARINA CITY DR, UNIT 1015 UT-N, MARINA DEL REY, CA 90292  
 SHEILA RUBY  
 4265 MARINA CITY DR #617, MARINA DEL REY, CA 90292  
 SHEILA C RUBY  
 4265 MARINA CITY DR, UNIT 617 UT-N, MARINA DEL REY, CA 90292  
 ABRAHAM SHIRLEY RUCKER  
 833 IVERNESS DR, RANCHO MIRAGE, CA 92270  
 LILLIAN RUSSELL  
 4267 MARINA CITY DR #506, MARINA DEL REY, CA 90292  
 JACK & GLORIA SAGE  
 P O BOX 8481, INCLINE VILLAGE, NV 89450  
 MOTOYASU SAIGO  
 67 TAKAISHI 2-CHOME, ASOU-KU KAWASKI-SHI, KANAGAWA 215,  
 SUSUMU SAITO  
 C/O MR MALCOLM STEWART, 4545 MITCHELL RD, EUREKA, CA 95501  
 YOSHIKAZU SAITO  
 J-906 PARK HILLS 553-1, SHINAWMACHI TOSUKA-KY YOKOHAM, SHI KANAGAWA 244,  
 SAM, BILA, & RONNIE KAHAN  
 4267 MARINA CITY DR #400, MARINA DEL REY, CA 90292  
 CARMEN SANDOVAL  
 23819 RIDGELINE RD, DIAMOND BAR, CA 91765  
 MICHAEL J SARLO  
 2669 BARRINGTON AVE, LOS ANGELES, CA 90064  
 KENJI SASAKI  
 27-48 UNGAKA MIDORI-KU, YOKOHAMA, KANAGAWA 227,  
 MARY SATINOVER  
 4265 MARINA CITY DR #403, MARINA DEL REY, CA 90292  
 MICHAEL SCHAEFER  
 3050 RUE D'ORLEANS #391, SAN DIEGO, CA 92110  
 GEORGE & JOLENE SCHLATTER  
 C/O GOLDEN/GOLDBERG, 5757 WILSHIRE BLVD #240, LOS ANGELES, CA 90036  
 ZODRA SCHMIDT  
 4316 MARINA CITY DR #223, MARINA DEL REY, CA 90292  
 GORDON PASSEY  
 RITVA SCHULTHEIS  
 123 N PALM CANYON DR #181, PALM SPRINGS, CA 92262  
 JOEL & TOBY SCHULTZ  
 4267 MARINA CITY DR #604, MARINA DEL REY, CA 90292  
 JOEL & TOBY SCHULTZ  
 4267 MARINA CITY DR #604, MARINA DEL REY, CA 90292  
 CLARENCE ROSALYN SCOTT  
 4265 MARINA CITY DR #901, MARINA DEL REY, CA 90292  
 THOMAS SCROCCO  
 TIMOTHY POE 4337 MARINA CITY DR #537, MARINA DEL REY, CA 90292  
 GERTRUDE SEAL  
 4314 MARINA CITY DR #224, MARINA DEL REY, CA 90292  
 SEINO INTERNATIONAL INC  
 2060 HUNTINGTON DR #6, SAN MARINO, CA 91108  
 KEISUKE NISHIZAWA  
 SEINO USA INC 2060 HUNTINGTON DR #6, SAN MARINO, CA 91108  
 HELENE SELEZNOFF  
 4265 MARINA CITY DR #405, MARINA DEL REY, CA 90292  
 MICHAEL SEMMELMANN  
 4314 MARINA CITY DR #926, MARINA DEL REY, CA 90292

## PROOF OF SERVICE LISTING

LA 92-29484

YOJI NOMAGUCHI  
23326 MAJTHORNE BLVD #20C, TORRANCE, CA 90505  
MR NOMURA  
C/O KURCSU CORPORATION, 1-11 MACHIYA 7-CHOME, ARAKAWA-KU TOKYO ,  
KATHERINE NORRIS  
11693 SAN VICENTE, LOS ANGELES, CA 90049  
DONALD & LINDA NOVACK  
13456 WASHINGTON BLVD, MARINA DEL REY, CA 90292  
GEORGE NOVODROD  
875 N MICHIGAN AVE, CONCOURSE LEVEL, CHICAGO, IL 60611  
FREDERICK CHAN  
NU WEST COMMERCIAL DEVT CORP, 12300 WILSHIRE BLVD #300, LOS ANGELES, CA 90025-0  
STEPHEN & CARRIE ODELL  
P O BOX 4187, PANORAMA CITY, CA 91412-4187  
ENRIQUE & MELBA OLIVER  
2350 W 3RD ST, LOS ANGELES, CA 90057  
RICHARD & NANCY OLIVER  
C/O AMES, 9469 W JEFFERSON, CULVER CITY, CA 90232  
ONOBÉ AMERICA INC (N SUMA)  
C/O STANDARD PAPERBACK, 2301 E VERNON AVE, VERNON, CA 90058  
OTECH HOLDINGS S A  
C/O DELTA SIX INDUSTRIES INC, 5517 CLEON AVE, NORTH HOLLYWOOD, CA 91601  
STEVE PAK  
JEANIE CHANG, 4337 MARINA CITY DR #643, MARINA DEL REY, CA 90292  
DONALD P PAKOSH  
C/O JOHN WAYNE & CO, 2300 ALESSANDRO DR STE 210, VENTURA, CA 93001  
ELIAS & VASSO PAPACHRISTOS  
4265 MARINA CITY DR, UNIT 909 WT-N, MARINA DEL REY, CA 90292  
CHESTER PARKINSON  
4337 MARINA CITY DR #247, MARINA DEL REY, CA 90292  
BARUCH & ESTHER PERETZ  
16639 CALNEVA DR, ENCINO, CA 91436  
EDWARD PHILHOWER  
650 VENICE BLVD, VENICE, CA 90291  
REMEDIOS PITTMAN  
4265 MARINA CITY DR #407, MARINA DEL REY, CA 90292  
WAYNE PRIDGEN  
4316 MARINA CITY DR #327, MARINA DEL REY, CA 90292  
JACK PRINCE  
4337 MARINA CITY DR, UNIT 1139 ET-N, MARINA DEL REY, CA 90292  
JACK AND AVIS PRINCE  
4337 MARINA CITY DR #1139, MARINA DEL REY, CA 90292  
GERALD H QUENTZEL  
50 JOURNAL SQ, JERSEY CITY, NJ 07306  
ROBERT RAICHLIN  
4314 MARINA CITY DR #1026, MARINA DEL REY, CA 90292  
ROBERT RAICHLIN  
BRUCE & JUDITH SEIDBERG, P O BOX 9596, MARINA DEL REY, CA 90295  
ROBERT RAICHLIN  
P O BOX 9596, MARINA DEL REY, CA 90295  
RANDELL & MARILYN STOKES  
RAMAR INVST CO/PEACOCK PROP, 633 W 5TH ST, LOS ANGELES, CA 90071  
RANDELL STOKES/RAMAR INVESTMTS  
PEACOCK PROP/LATHAMA & WATK, 1040 HAMPTON RD, ARCADIA, CA 91006  
STANLEY RAPPAPORT  
4335 MARINA CITY #1032, MARINA DEL REY, CA 90292  
LEONARD RASHO  
P O BOX 10579, BURBANK, CA 91510  
DR ALBERT A REFF M D  
4265 MARINA CITY DR #1101, MARINA DEL REY, CA 90292  
RICHARD REINJOHN  
4337 MARINA CITY DR #749, MARINA DEL REY, CA 90292  
RELOCATION CENTER OF S CALIF  
ATTN: SUSAN LINDSTROM, 23272 MILL CREEK DR STE 100, LAGUNA HILLS, CA 92653  
ARNOLD & CAROLE REPKA  
4337 MARINA CITY DR #747, MARINA DEL REY, CA 90292  
RESOLUTION TRUST CORP  
XSOUTHWEST HARVRO GRP/S RIGGIN, 3200 N CENTRAL AVE STE 1250, PHOENIX, AZ 85012  
RESOLUTION TRUST CORP  
SOUTHWEST HARVRO GRP/S RIGGIN, 3200 N CENTRAL AVE STE 1250, PHOENIX, AZ 85012  
FREDDY REYES  
4337 MARINA CITY DR #835, MARINA DEL REY, CA 90292  
RHODA RICH  
4314 MARINA CITY DR #826, MARINA DEL REY, CA 90292  
HAROLD RICHARDS  
4335 MARINA CITY DR #1042, MARINA DEL REY, CA 90292  
DAN RICHARDSON  
4314 MARINA CITY DR #116, MARINA DEL REY, CA 90292  
STEPHEN : IEMAN  
C/O SMA. BUSINESS SKKPING, 13323 WASHINGTON BLVD #306, LOS ANGELES, CA 90066

## PROOF OF SERVICE LISTING

ERIN AND JOHN COFRIN  
 C/O SELLERLORID, 3620 OVERLAND, LOS ANGELES, CA 90034  
 RAYMOND COLE  
 4316 MARINA CITY DR #103-G, MARINA DEL REY, CA 90292  
 MARTHA B COLLINGS  
 4316 MARINA CITY DR #431, MARINA DEL REY, CA 90292  
 MARTHA B COLLINGS  
 4316 MARINA CITY DR #431, MARINA DEL REY, CA 90292  
 JAMES CONNELLY  
 228 13TH ST, MANHATTAN BEACH, CA 90266  
 ROLLAND COOPER  
 1440 EDGHILL PL, PASADENA, CA 91103  
 RICHARD COTE  
 4265 MARINA CITY DR #517, MARINA DEL REY, CA 90292  
 EVERETT COVIN  
 4337 MARINA CITY DR #243, MARINA DEL REY, CA 90292  
 ROBERT & HELEN MAE COX  
 4267 MARINA CITY DR #814, MARINA DEL REY, CA 90292  
 ARTHA CRAFT  
 3229 W IMPERIAL HWY, INGLEWOOD, CA 90303  
 MARK CRITTENDEN  
 2210 WILSHIRE BLVD #306, SANTA MONICA, CA 90405  
 CROSSLAND FED SAV - L#1130970  
 %CROSSLAND MORTGAGE, 211 MONTAGUE ST 5TH FLR, BROOKLYN, NY 11201  
 BETTY CULINER  
 BILL WYSE, 4335 MARINA CITY DR #1140, MARINA DEL REY, CA 90292  
 CUSHMAN REALTY CORP  
 ATTN: J D COOK, 2121 AVE OF THE STARS #2400, LOS ANGELES, CA 90067  
 GROVER & ANITA DALE  
 12758 MULHOLLAND DR, BEVERLY HILLS, CA 90210  
 MARLENE DALTON  
 4337 MARINA CITY DR #1037, MARINA DEL REY, CA 90292  
 FRANK & ANDREA DAROCA  
 24432-A HAMPTON DR, SANTA CLARITA, CA 91355  
 CHUCK DAVIS  
 C/O CBI PROPERTIES INC, 19355 BUSINESS CENTER DR #1, NORTHRIDGE, CA 91324  
 HAIM DAYAN  
 17605 EMBASSY DR, ENCINO, CA 91316  
 HAIM DAYAN  
 17605 EMBASSY DR, ENCINO, CA 91316  
 DR ANTONIO DE LA CRUZ  
 4265 MARINA CITY DR #1001, MARINA DEL REY, CA 90292  
 DIANE H DE WELLS  
 4314 MARINA CITY DR #228, MARINA DEL REY, CA 90292  
 STEPHEN DEEDS  
 4335 MARINA CITY DR #132, MARINA DEL REY, CA 90292  
 WILLIAM R DEPPE  
 4267 MARINA CITY DR UNIT 200, WT-S, MARINA DEL REY, CA 90292  
 DIANA DUNN TRUSTEE  
 4316 MARINA CITY DR, UNIT 521 CT-N, MARINA DEL REY, CA 90292  
 GAYLE DICKIE  
 4316 MARINA CITY DR #625, MARINA DEL REY, CA 90292  
 FREDERICK DIETZ  
 69 OCEAN AVE, MASSAPEQUA, NY 11758  
 SIDNEY DJANOGLY  
 10835 SANTA MONICA BLVD, LOS ANGELES, CA 90025  
 DONALD, GLORIA, & LORI MILLER  
 23326 HAWTHORNE BLVD STE 200, TORRANCE, CA 90505  
 DR "Z" CORPORATION  
 ESMAT ZAKLAMA, P O BOX 10562, MARINA DEL REY, CA 90295  
 WILLIAM & MARCELLA DRAKE  
 4316 MARINA CITY DR #201-G, MARINA DEL REY, CA 90292  
 DONALD DRAZEN  
 11600 WASHINGTON PL #109, LOS ANGELES, CA 90066  
 THOMAS EBEJER  
 4265 MARINA CITY DR #217, MARINA DEL REY, CA 90292  
 CAROL EDELSON  
 4267 MARINA CITY DR #514, MARINA DEL REY, CA 90292  
 SAMUEL EDWARDS  
 4337 MARINA CITY DR #1143, MARINA DEL REY, CA 90292  
 JOSEPH & LILA EPSTEIN  
 7222 ESTRELLA DE MAR, CARLSBAD, CA 92009  
 ERIC GOLDBERG & ABIGAIL KEDEM  
 4335 MARINA CITY DR, UNIT 146 ET-N, MARINA DEL REY, CA 90292  
 JAMES ESGO  
 14725 FINSTERRA PL, HACIENDA HEIGHTS, CA 91745  
 HIDEO KIMURA  
 FACULTY OF COMPARATIVE CULTURE, 4 YONBANCHO CHIYODA-KU, TOKYO 102,  
 FAR EAST NATIONAL BANK  
 ATTN: JERRY TYRA, 123 S FIGUEROA ST, LOS ANGELES, CA 90012

PROOF OF SERVICE LISTING

LA 92-29484

MARK BONEFANT  
 19412 SILMOOR PL, TARZANA, CA 91364  
 MORDECHAI BOROCHOV  
 C/O BERNIE BARUCH, P O BOX 260405, ENCINO, CA 91426-0405  
 DANIEL BOUZAGLOU  
 4265 MARINA CITY DR #717, MARINA DEL REY, CA 90292  
 DANIEL BOUZAGLOU  
 4316 MARINA CITY DR #717, MARINA DEL REY, CA 90292  
 MARY BOULES  
 RICHARD CAVALLI, 1046 ROBERTSON BLVD, LOS ANGELES, CA 90035  
 ONATHAN BRAND  
 19042 AVONDALE LN, HUNTINGTON BEACH, CA 92648  
 HERBERT & RUTH BROMBERG  
 4337 MARINA CITY DR #549, MARINA DEL REY, CA 90292  
 STEVEN/MADELINE BROSMAN  
 4337 MARINA CITY DR #641, MARINA DEL REY, CA 90292  
 LARRY A BROTMAN  
 4314 MARINA CITY DR PH16, MARINA DEL REY, CA 90292  
 LARRY A BROTMAN  
 4314 MARINA CITY DR PH16, MARINA DEL REY, CA 90292  
 NICHOLAS & KATHY BROWNING  
 4335 MARINA CITY DR #934, MARINA DEL REY, CA 90292  
 LEE AND MARK BURK  
 6117 LA CIENEGA BLVD, LOS ANGELES, CA 90056  
 YOSHIKO BUYERS  
 4316 MARINA CITY DR #1031, MARINA DEL REY, CA 90292  
 JAMES BYRD  
 502 MONTANA AVE, SANTA MONICA, CA 90403  
 PATRICIA BYRD  
 4316 MARINA CITY DR #819, MARINA DEL REY, CA 90292  
 STANLEY BYRUM  
 606 SUSANNA AVE, REDONDO BEACH, CA 90277  
 C B A INDUSTRIES INC  
 ATTN: CONTROLLER, 50 EISENHOWER DR, PARAMUS, NJ 07652  
 GEORGE & PAMELA CALCOTE  
 329 W 132ND ST, LOS ANGELES, CA 90061  
 OTELLO & SONJA CAMPEGGI  
 1704 BRAIR RIDGE RD, GLENDALE, CA 91207  
 CARMEN CHALIK  
 4314 MARINA CITY DR #330, MARINA DEL REY, CA 90292  
 DONALD & MARY ANNE CHALKER  
 113 N SAN VICENTE BLVD STE 301, BEVERLY HILLS, CA 90211  
 BRANDON CHASE  
 4314 MARINA CITY DR #1122, MARINA DEL REY, CA 90292  
 ANDREW CHERNG  
 PEGGY TSIANG, 2040 ASHBOURNE, S PASADENA, CA 91030  
 ANDREW CHERNG  
 PEGGY TSIANG, 2040 ASHBOURNE, S PASADENA, CA 91030  
 ANDREW CHERNG  
 PEGGY TSIANG, 2040 ASHBOURNE, S PASADENA, CA 91030  
 GENE & BAUBLE CHERNIAK  
 4335 MARINA CITY DR #440, MARINA DEL REY, CA 90292  
 PATRICK CHIEN  
 2320 SANTA CRUZ CT, TORRANCE, CA 90501  
 DAVID CHO  
 1206 11TH ST, MANHATTAN BEACH, CA 90266  
 EDWIN CHOE  
 P O BOX 458, PICO RIVERA, CA 90660-0458  
 EDWIN CHOE  
 P O BOX 458, PICO RIVERA, CA 90660-0458  
 YONGKI CHOI  
 4267 MARINA CITY DR #PH5, MARINA DEL REY, CA 90292  
 SVETLANA CIRILOV  
 VICTOR & DEBORAH NUNO, 4316 MARINA CITY DR #1127, MARINA DEL REY, CA 90292  
 CITICORP MORTGAGE  
 REF #9865852, P O BOX 790023, ST LOUIS, MO 63179-0023  
 CITICORP MORTGAGE INC  
 REF #9866629-0, P O BOX 790023, ST LOUIS, MO 63179-0023  
 CITICORP MORTGAGE INC  
 REF #9866627-4, P O BOX 790023, ST LOUIS, MO 63179-0023  
 CITICORP MORTGAGE INC  
 REF #9866628-2, P O BOX 790023, ST LOUIS, MO 63179-0023  
 HORACE & CAROLE CLARK  
 7054 DUME DR, MALIBU, CA 90265  
 FLOYD & MAUREEN COARD  
 4314 MARINA CITY DR #430, MARINA DEL REY, CA 90292  
 FLOYD & MAUREEN COARD  
 4314 MARINA CITY DR #430, MARINA DEL REY, CA 90292  
 COAST MANAGEMENT  
 ATTN: LORI HERALD, 820 PACIFIC COAST HWY #112, HERMOSA BEACH, CA 90245

## PROOF OF SERVICE LISTING

LA 92-29484

HOWARD & SUZANNE BARISH  
4337 MARINA CITY DR #341, MARINA DEL REY, CA 90292  
CAROL BARLIN  
ALLEN CHASE, 4316 MARINA CITY DR #125, MARINA DEL REY, CA 90292  
CAROL BARLIN  
4316 MARINA CITY DR #125, MARINA DEL REY, CA 90292  
CAROL BARLIN  
4316 MARINA CITY DR #125, MARINA DEL REY, CA 90292  
MILTON & EVELYN BARNETT  
4337 MARINA CITY DR, UNIT 137 ET-N, MARINA DEL REY, CA 90292  
R BARRETT  
D HOFFMAN, 911 EMERALD BAY, LAGUNA BEACH, CA 92651  
ROBERT & PATRICIA BARRETT  
5323 GARTH AVE, LOS ANGELES, CA 90056  
JOHN BARROWS  
4316 MARINA CITY DR #323, MARINA DEL REY, CA 90292  
WILLIAM BASCH  
4337 MARINA CITY DR, UNIT 1135 ET-N, MARINA DEL REY, CA 90292  
WILLIAM BASCH  
4337 MARINA CITY DR #1135, MARINA DEL REY, CA 90292  
WILLIAM & CHARLENE BASCH  
4337 MARINA CITY DR #1135, MARINA DEL REY, CA 90292  
AKIRA BATO  
32 MUGITAMACHI 1-CHOME NAKA-KU, YOKOHAMA, KANAGAWA 231,  
DEANE BEACH  
SHERMAN MURPHY, 4316 MARINA CITY DR #302-G, MARINA DEL REY, CA 90292  
MERLE BEAUPRE  
4316 MARINA CITY DR #419, MARINA DEL REY, CA 90292  
EDWARD & SIGRID BENES  
10550 WILSHIRE BLVD #302, LOS ANGELES, CA 90024  
MAJORIE BENNETTS  
4316 MARINA CITY DR #210-G, MARINA DEL REY, CA 90292  
JOAN BERLIN  
ATTN: MADELINE, 1155 WELLESLEY AVE STE A, LOS ANGELES, CA 90049  
JOAN BERLIN  
ATTN: MADELINE, 1155 WELLESLEY AVE STE A, LOS ANGELES, CA 90049  
JOAN BERLIN  
ATTN: MADELINE, 1155 WELLESLEY AVE STE A, LOS ANGELES, CA 90049  
JOAN BERLIN  
ATTN: MADELINE, 1155 WELLESLEY AVE STE A, LOS ANGELES, CA 90049  
BELLA BICER  
4335 MARINA CITY DR #544, MARINA DEL REY, CA 90292  
BELLA BICER  
4335 MARINA CITY DR #544, MARINA DEL REY, CA 90292  
BELLA BICER  
4335 MARINA CITY DR #544, MARINA DEL REY, CA 90292  
JACK BICER  
4335 MARINA CITY DR #544, MARINA DEL REY, CA 90292  
LINDA BIRON  
4316 MARINA CITY DR #101-G, MARINA DEL REY, CA 90292  
JAMES BISCH  
4267 MARINA CITY DR PH-3, MARINA DEL REY, CA 90292  
HENRY & HARRIET BISSELL  
6321 RIGGS PL, LOS ANGELES, CA 90045  
SIMONE BLAIS  
4335 MARINA CITY DR #1146, MARINA DEL REY, CA 90292  
CHARLES E & MAE BLAKE  
1731 WELLINGTON RD, LOS ANGELES, CA 90019  
JERE BLANEY  
2275 E DESERT INN RD, LAS VEGAS, NV 89109  
ALAN BLOCK  
2048 VIA VISALIA, PALOS VERDES EST, CA 90274  
JORDAN BLUM  
5105 HUCK FINN LN, CULVER CITY, CA 90232  
KURT A BODMER  
1528 GRAND TETON CT, CHULA VISTA, CA 91911  
N OSBORNE BOENME  
K RUDAITIS, 4335 MARINA CITY DR #144, MARINA DEL REY, CA 90292  
HOWARD BOENNER  
4314 MARINA CITY DR #816, MARINA DEL REY, CA 90292  
WINFRIED & CAROL BOERSCH  
P O BOX 255, OJAI, CA 93023  
ROBERT BOGERT  
4707 ROMA CT, MARINA DEL REY, CA 90292  
HERBERT & LISA BOKS  
4265 MARINA CITY DR #409, MARINA DEL REY, CA 90292  
HERBERT & LISA BOKS  
4265 MARINA CITY DR, UNIT 417 WT-N, MARINA DEL REY, CA 90292  
DON BOLIN  
20919 MARTINEZ ST, WOODLAND HILLS, CA 91364

Marina City Club - Homeowners

PROOF OF SERVICE LISTING

LA 92-29484

TAKEKSHI & YUKO INOUE  
INFORMATION WIRED,  
TOSHIYUKI KAKUMEI  
INFORMATION WIRED,  
KYODO KIGYO CO

MASAMI MUTOH  
C/O M/M KOSAKA, 4721 BERRYMAN AVE,  
MAKOTO SUZUKI  
MITSU WIRE INFORMATION,  
HIDEAKI TSUNODA

HEKLA PROPERTY CORP C/O  
BNK OF NOVA SCOTIA TRUST, 13-15 DON ROAD ST HELIER, JERSEY C I,  
SHARIFA J ABDULLAH  
C/O STONER INTERNATIONAL, 1516 S BUNDY DR STE 309, LOS ANGELES, CA 90025  
ISAC ABE

24-19 MIYASKA 2-CHOME, SETAGAYA-KU, TOKYO,  
KISABURO ABE  
24-19 KIYASAKA 2-CHOME, STEAGAYA-KU, TOKYO 156,  
EDUARD ABRAHAMIAN  
950 S ARROYO PKWY, PASADENA, CA 91105

HENRY ABRAMS  
4316 MARINA CITY DR #533, MARINA DEL REY, CA 90292

GEORGE M ADLER  
4455 LOS FELIZ BLVD, LOS ANGELES, CA 90027

RICHARD ADORAY  
595 CHALLETTE DR, BEVERLY HILLS, CA 90210

MOSHE AELYON  
2421 WILSON AVE, VENICE, CA 90291

HAROLD & ADELE AISLEY  
4300 PROMENADE WAY #119, MARINA DEL REY, CA 90292

BURT AND MATT ALEXANDER  
4316 MARINA CITY DR #529, MARINA DEL REY, CA 90292

RON ALLEN  
4316 MARINA CITY DR #523, MARINA DEL REY, CA 90292

SANFORD ALLINSON  
19 E 80TH ST #7E, NEW YORK CITY, NY 10021

ERIK ALON  
LILY ARTENSTEIN, 4316 MARINA CITY DR #729, MARINA DEL REY, CA 90292

DR SAID ALY  
4317 LANAI RD, ENCINO, CA 91436

AM SECURE PROPERTY  
3660 WILSHIRE BLVD STE 1040, LOS ANGELES, CA 90010

SEIICHIRO AMAKASU  
8383 WILSHIRE BLVD STE 1050, BEVERLY HILLS, CA 90211

SEIICHIRO AMAKASU  
8383 WILSHIRE BLVD STE 1050, BEVERLY HILLS, CA 90211

AMERICAN SAVINGS BANK  
C/O CHARLES CRISP / ASSET MGR, 7325 1/2 RESEDA BLVD #712, RESEDA, CA 91335

JEAN ANDERSON  
P O BOX 11293, MARINA DEL REY, CA 90295

RICHARD ANNOTICO  
4267 MARINA CITY DR, PENTHOUSE 7 WT-S, MARINA DEL REY, CA 90292

LEAH ANTONIO  
4337 MARINA CITY DR #845, MARINA DEL REY, CA 90292

PETER & AURELIA ARCAN  
3200 W LA ROTUNDA DR #207, PALOS VERDES EST, CA 90274

LILY ARTENSTEIN  
ERIC ALON, 4316 MARINA CITY DR #729, MARINA DEL REY, CA 90292

ISABELLE E ASHODIAN  
10810 JEFFERSON BLVD, CULVER CITY, CA 90230

ISABELLE E ASHODIAN  
10810 JEFFERSON BLVD, CULVER CITY, CA 90230

ATEF RAFLA & AMANY FARID  
4267 MARINA CITY DR UNIT 206, WT-S, MARINA DEL REY, CA 90292

RAYMOND/PAULINE AUERBACH  
4316 MARINA CITY DR #119, MARINA DEL REY, CA 90292

ROBERT AVERY  
9348 6TH ST, INGLEWOOD, CA 90305

DR SHIRLEY BAILEY  
4316 MARINA CITY DR #1019, MARINA DEL REY, CA 90292

SHIRLEY BAILEY  
4316 MARINA CITY DR #1019, MARINA DEL REY, CA 90292

ELI BAKSHI  
17161 OAK VIEW DR, ENCINO, CA 91316

ELI BAKSHI  
17161 OAK VIEW DR, ENCINO, CA 91316

BETTE BARANCIK  
JERRY REILLY, 4314 MARINA CITY DR #422, MARINA DEL REY, CA 90292

EXHIBIT 2



## PROOF OF SERVICE LISTING

LA 92-29484

GLOBAL PROPERTIES  
ATTN: SONOKO TOYOAKI, 18039 CRENSHAW BLVD #200, TORRANCE, CA 90504  
GLOBAL PROPERTIES  
ATTN: SONOKO TOYOAKI, 18039 CRENSHAW BLVD #200, TORRANCE, CA 90504  
GLOBAL PROPERTIES  
ATTN: SONOKO TOYOAKI, 18039 CRENSHAW BLVD #200, TORRANCE, CA 90504  
MARY GOLDENSON  
4316 MARINA CITY DR #1020, MARINA DEL REY, CA 90292  
RAY MAHAN GONZALES  
458 BONHILL RD, LOS ANGELES, CA 90049  
ANNE GOODMAN  
4316 MARINA CITY DR #304-G, MARINA DEL REY, CA 90292  
ANNE GOODMAN  
4316 MARINA CITY DR #304-G, MARINA DEL REY, CA 90292  
DANIEL GORMAN  
7407 MCCOOL AVE, LOS ANGELES, CA 90045  
WILLIAM & LESLIE GORNIK  
201 EL CAMINO DR, BEVERLY HILLS, CA 90212  
ROBERT GOULD  
4501 BELHAM CT, WESTLAKE VILLAGE, CA 91361  
RONALD & LINDA GRAY  
P O BOX 11688, MARINA DEL REY, CA 90295  
JOSEPH GREENBERG  
4267 MARINA CITY DR #900, MARINA DEL REY, CA 90292  
NANCY GREENE  
P O BOX 7556, INCLINE VILLAGE, NV 89450  
MICHAEL/DAROLYN GREENHUT  
4267 MARINA CITY DR #402, MARINA DEL REY, CA 90292  
JAMES GROVE  
4316 MARINA CITY DR #423, MARINA DEL REY, CA 90292  
BULENT & GULENSUL GULISTAN  
20568 PINNACLE WAY, MALIBU, CA 90265  
DR MEHDI HABIBI  
1300 N VERMONT STE 504, LOS ANGELES, CA 90027  
KAREN HADDY  
P O BOX 1708, TELLURIDE, CO 81435  
STANLEY HAILLEY  
4316 MARINA CITY DR #519, MARINA DEL REY, CA 90292  
URI HALFON  
618 N MAPLE DR, BEVERLY HILLS, CA 90210  
NESSIM & LINDA HAMI  
18491 GRANADA CIR, NORTHRIDGE, CA 91326  
NESSIM & LINDA HAMI  
18941 GRANADA CIR, NORTHRIDGE, CA 91326  
NESSIM & LINDA HAMI  
18941 GRANADA CIR, NORTHRIDGE, CA 91326  
NESSIM & LINDA HAMI  
4267 MARINA CITY DR #314, MARINA DEL REY, CA 90292  
WILLIAM HANDEL  
525 E 9TH ST, LOS ANGELES, CA 90015  
FRANCES HANKEY  
4314 MARINA CITY DR #730, MARINA DEL REY, CA 90292  
MIKE & IRIT HARARI  
19350 STARLIGHT DR, TARZANA, CA 91356  
STEVEN HARRIS  
4265 MARINA CITY DR #1107, MARINA DEL REY, CA 90292  
MAURICE & SAOWAPA HARWICK  
2001 WILSHIRE BLVD STE 600, SANTA MONICA, CA 90403  
MAURICE & SAOWAPA HARWICK  
2001 WILSHIRE BLVD STE 600, SANTA MONICA, CA 90403  
MAURICE & SAOWAPA HARWICK  
2001 WILSHIRE BLVD STE 600, SANTA MONICA, CA 90403  
ELEANOR HAUPT  
13044 MINDANAO WAY #8, MARINA DEL REY, CA 90292  
HAYAMA INC  
ATTN: TOSHI SUGIURA, 1500 MAIN ST, VENICE, CA 90291  
HAYASHI MARINE USA INC  
C/O MATSUBARA U S A INC, 800 WILSHIRE BLVD #920, LOS ANGELES, CA 90017  
HAYASHI MARINE USA INC  
C/O MATSUBARA U S A INC, 800 WILSHIRE BLVD #920, LOS ANGELES, CA 90017  
HAYASHI MARINE USA INC  
C/O MATSUBARA U S A INC, 800 WILSHIRE BLVD #920, LOS ANGELES, CA 90017  
ORRIN HEIN  
4335 MARINA CITY DR PH 32, MARINA DEL REY, CA 90292  
SAM HERSHFIELD  
4316 MARINA CITY DR #321, MARINA DEL REY, CA 90292  
GABRIEL HERTZBERG  
352 S CLARK DR, BEVERLY HILLS, CA 90211  
SAMUEL & ROSA HILL  
4848 SOUTHRIDGE AVE, LOS ANGELES, CA 90043

## PROOF OF SERVICE LISTING

LA 92-29484

FAR EAST NATIONAL BANK  
ATTN: JERRY TYRA, 123 S FIGUEROA ST, LOS ANGELES, CA 90012  
SORAYA J EFFAT FARID FARID  
MARY FARID, 4337 MARINA CITY DR #741 ET-N, MARINA DEL REY, CA 90292  
FARZANEH & SHAFI-NIA  
4314 MARINA CITY DR #316, MARINA DEL REY, CA 90292  
LYDIA FEINSTEIN  
7240 E CRIOLLO CIR, ORANGE, CA 92669  
FIDELITY INTERNATIONAL INC  
WAYNE PRIDGEN, 4316 MARINA CITY DR #327, MARINA DEL REY, CA 90292  
EDWARD FINEMAN  
C/O ALLEN ULLMAN, 1642 WESTWOOD BLVD PH, LOS ANGELES, CA 90024  
EDWARD FINEMAN  
C/O ALLEN ULLMAN, 1642 WESTWOOD BLVD PH, LOS ANGELES, CA 90024  
DAN FINGERETTE  
4314 MARINA CITY DR PH 18, MARINA DEL REY, CA 90292  
JONATHAN FINK  
4316 MARINA CITY DR #427, MARINA DEL REY, CA 90292  
FRED FINOCCHIARO  
150 E COLORADO BLVD STE 201, PASADENA, CA 91105  
FRED F FINOCCHIARO  
4335 MARINA CITY DR, UNIT 936 ET-S, MARINA DEL REY, CA 90292  
FIRST INTERSTATE BANK  
ASSET MANAGEMENT DEPT, 633 W FIFTH ST, LOS ANGELES, CA 90071  
FRANCIS FIRTH  
4982 CORINTHIA WAY, OCEANSIDE, CA 92056  
SHELDON & ARLENE FISHER  
4316 MARINA CITY DR #619 CN, MARINA DEL REY, CA 90292  
ROBERT FLYNN  
S DEVOGELAERE, 606 AMARANTH BLVD, MILL VALLEY, CA 94941  
SUSAN FONOROU  
4335 MARINA CITY DR #1138, MARINA DEL REY, CA 90292  
J BRUCE FORBES  
P O BOX 11689, MARINA DEL REY, CA 90295  
MARTIN S FREEDMAN  
4265 MARINA CITY DR #507, MARINA DEL REY, CA 90292  
JOAN FREEMAN  
BRUCE KESSLER, 9911 W PICO BLVD PH-A, LOS ANGELES, CA 90035  
LYLE FREEMAN  
31 SILVER SADDLE LN, ROLLING HILLS EST, CA 90274  
ROBERT & LYNNETTE FRENCH  
4267 MARINA CITY DR #208 WTS, MARINA DEL REY, CA 90292  
KLAUS JOHANNES FRIEDERIC  
4314 MARINA CITY DR #820, MARINA DEL REY, CA 90292  
KLAUS JOHANNES FRIEDERIC  
4314 MARINA CITY DR #820, MARINA DEL REY, CA 90292  
DONALD FULLENWIDER  
4337 MARINA CITY DR #735, MARINA DEL REY, CA 90292  
GEORGE FUNK  
4265 MARINA CITY DR #307, MARINA DEL REY, CA 90292  
EVELYN FRANK  
GARCIA INTERIORS, 4267 MARINA CITY DR #508, MARINA DEL REY, CA 90292  
ETHEL GELB  
4267 MARINA CITY DR #808, MARINA DEL REY, CA 90292  
ADRIENNE GELMAN  
4337 MARINA CITY DR, UNIT 937 ETN, MARINA DEL REY, CA 90292  
RUSSELL & MADINE GERNS  
1210 PIEDRA MORADA DR, PACIFIC PALISADES, CA 91412-4187  
LEWIS P GEYSER  
5757 WILSHIRE BLVD PH 30, LOS ANGELES, CA 90036  
LEWIS P GEYSER  
5757 WILSHIRE, LOS ANGELES, CA  
ABOLGHASSEN GHASSEMI  
4412 CONCHITA WAY, TARZANA, CA 91356  
CAROLINE GILL  
4335 MARINA CITY DR #534, MARINA DEL REY, CA 90292  
DAVID & LISA GILLETTE  
22135 ROSCOE BLVD STE 202, CANOGA PARK, CA 91304  
BOB GINSBERG  
4265 MARINA CITY DR #1011, MARINA DEL REY, CA 90292  
ROBERT H GINSBERG  
4265 MARINA CITY DR, UNIT 1011 WT-N, MARINA DEL REY, CA 90292  
URI & EVELINE GINZBURG  
4500 VIA MARINA, MARINA DEL REY, CA 90292  
GLORIA GIUMARRA  
4335 MARINA CITY DR #942, MARINA DEL REY, CA 90292  
GLORIA GIUMARRA  
4335 MARINA CITY DR #942, MARINA DEL REY, CA 90292  
GLOBAL PROPERTIES  
ATTN: SONOKO TOYOAKI, 18039 CRENSHAW BLVD #200, TORRANCE, CA 90504

PROOF OF SERVICE LISTING

LA 92-29484

JAMES KAMENETSKY DR #1016, MARINA DEL REY, CA 90292  
 4314 MARINA CITY  
 DAVID KANDASAMY  
 1422 6TH ST. DEL MAR, CA 92014  
 MIKE & LINDA KAPLAN #127, MARINA DEL REY, CA 90292  
 4316 MARINA CITY DR #127, MARINA DEL REY, CA 90292  
 KHIKO & KOSAKU KASUGA  
 29901 AVE MAGNIFICA, RNCH PALOS VERDES, CA 90274  
 DANIELA KAUFMANN  
 4265 MARINA CITY DR #707, MARINA DEL REY, CA 90292  
 GLODIA KAVE  
 3501 BALBOA BLVD #6, ENCINO, CA 91316  
 REIKO KAJAMURA  
 6-20 HIGASHIGAOKA 1-CHOME, NEGURO-KU, TOKYO 152,  
 ROBERT & CAROL KERENSKY  
 4316 MARINA CITY DR #825, MARINA DEL REY, CA 90292  
 MONA KHADEMI  
 4314 MARINA CITY DR #318, MARINA DEL REY, CA 90292  
 FAIKA AND LOULA KHAZINDAR  
 4316 MARINA CITY DR PH 24, MARINA DEL REY, CA 90292  
 BYOUNG & YUMIKO KIM  
 4265 MARINA CITY DR #711, MARINA DEL REY, CA 90292  
 DUK HYUN KIM  
 4335 MARINA CITY DR #546, MARINA DEL REY, CA 90292  
 TAE HYUN KIM  
 4335 MARINA CITY DR #646, MARINA DEL REY, CA 90292  
 TAKESHI KIMOTO  
 1-9 KUCHITA 3-CHOME, ASAKITA-KU HIROSHIMA-SHI, HIROSHIMA 739-17,  
 PETER KING-SMITH  
 4335 MARINA CITY DR #644, MARINA DEL REY, CA 90292  
 IRVIN KIPNES  
 9750 SEACA ST, DOWNEY, CA 90241  
 SHIGEYUKI KIRA  
 3-9 KAMITAKADA 1-CHOME, NAKANO-KU, TOKYO 164,  
 LEONARD KIRTMAN  
 4265 MARINA CITY DR #1103, MARINA DEL REY, CA 90292  
 RUBIN KITAY  
 4337 MARINA CITY DR #235, MARINA DEL REY, CA 90292  
 TOSHIO & KEIKO KOBAYASHI  
 31-7 HIGASHI-KOMAGOME 1-CHOME, OHTA-KU, TOKYO 143,  
 KOYO BUSSAN CO LTD  
 CYO AYAKO MIKAMI, 15 NAWA AVE, SAN FRANCISCO, CA 94112  
 MARJORIE KORBER  
 1018 EUCLID ST, SANTA MONICA, CA 90403  
 KOVA KOSAN COMPANY  
 1-17 OHASHI 1-CHOME, NEGURO-KU, TOKYO 154,  
 MARJORIE KROBER  
 4316 MARINA CITY DR #827, MARINA DEL REY, CA 90292  
 MARJORIE KROBER  
 4316 MARINA CITY DR #827, MARINA DEL REY, CA 90292  
 TORU KUNUGI  
 1-12 SETAGAYA 1-CHOME, SETAGAYA-KU, TOKYO 154,  
 LA PRAIRIE CORPORATION  
 RE: #1046-MARINA CITY CLUB, 510 W 6TH ST #1017, LOS ANGELES, CA 90014  
 MILTON LAIKIN  
 PATRICIA HOLLY, 4314 MARINA CITY DR #930 CT-S, MARINA DEL REY, CA 90292  
 SHARON LANE-ROMERO  
 4316 MARINA CITY DR #527, MARINA DEL REY, CA 90292  
 LUTHER & SUNGMAI LANIER  
 1650 MOUNT VERNON DR, LOS ANGELES, CA 90008  
 LARRY A & CLAIRE WANG BROTMAN  
 4314 MARINA CITY DR, PH 16 CT-S, MARINA DEL REY, CA 90292  
 MAY LING LAU  
 117 W 9TH ST, LOS ANGELES, CA 90015  
 MAY LING CHAN LAU  
 (F. RIZZO), 117 W 9TH ST, LOS ANGELES, CA 90015  
 WINSTON & JEAN LAU  
 11610 PORTER VALLEY DR, MORTWIRDBE, CA 91326  
 DR ROBERT LE SAGE  
 42 PASEO DE CASTANA, RNCH PALOS VERDES, CA 90274  
 LEN LEBOWITZ  
 4314 MARINA CITY DR PH 19, MARINA DEL REY, CA 90292  
 MICHAEL LEE  
 4337 MARINA CITY DR #949, MARINA DEL REY, CA 90292  
 ALICE LEOMATZI  
 GABRIEL & BARBARA PITTA, 1308 SAN VICENTE BLVD, SANTA MONICA, CA 90402  
 BOBBI LEONARD  
 2727 MAIN ST, SANTA MONICA, CA 90405  
 IMA LEVINE  
 4337 MARINA CITY DR #545, MARINA DEL REY, CA 90292

PROOF OF SERVICE LISTING

LA 92-29484

JIRO HIRATA  
 22-2: FUJIZUKA 2-CHOME, KOHOKU-KU YOKOHAMA, KANAGAWA,  
 MASATO & YUKIKO HIROKAWA  
 1-17 OHASHI 1-CHOME, EEGURO-KU, TOKYO 154,  
 TOSHIHIRO MIYAMA  
 16-16 FUNAKOSH: 3-CHOME, AKI-KU HIROSHIMA, HIROSHIMA 736,  
 NATE HOLDEN  
 4314 MARINA CITY DR #928, MARINA DEL REY, CA 90292  
 JOSEPH W HOLLMAN  
 C/O HOLLMAN INC, 5300 S W LANDING SQ #11, PORTLAND, OR 97201  
 SHARMAN HOLMES  
 4337 MARINA CITY DR #139, MARINA DEL REY, CA 90292  
 DIXON HOLSTON  
 4337 MARINA CITY DR #637, MARINA DEL REY, CA 90292  
 YOSHIKUNI HOMMA  
 88 BONSAICHO OMIYA-SHI, SAITAMA 330,  
 WILLIAM & BETTY HSU  
 P O BOX 303, VERDUGO CITY, CA 91046  
 WILLIAM & BETTY HSU  
 P O BOX 303, VERDUGO CITY, CA 91046  
 UTAKO HUDSON  
 1010 WILDER AVE #704, HONOLULU, HI 96822  
 JOHN HULBERT  
 4337 MARINA CITY DR #241, MARINA DEL REY, CA 90292  
 TERRI & RICHARD HUME  
 4267 MARINA CITY DR #312, MARINA DEL REY, CA 90292  
 MAN YONG HUANG  
 4267 MARINA CITY DR #510, MARINA DEL REY, CA 90292  
 JAVIER & ARMANDO IBARRA  
 4314 MARINA CITY DR #216, MARINA DEL REY, CA 90292  
 YASUHIRO & YASUYO IKEDA  
 9536 WILSHIRE BLVD #420, BEVERLY HILLS, CA 90212  
 AKIRA INOKUMA  
 #102 910 AZUMA 2-CHOME, TSUKUBA-SI, IBARAKI-KEN 305,  
 INT'L SCIENTIFIC CONSULTANTS  
 XCENTURY CLINIC/H ELLINGWOOD, 380 BRINKBY AVE, RENO, NV 89509  
 INTERMARK GROUP  
 ATTN: JAMES C MCKAY, 27520 MAWTHORNE BLVD STE 250, ROLLING HILLS, CA 90274  
 DIANA IRVING  
 CINDY F SCHIFFRIS, 4945 TILOS WAY, OCEANSIDE, CA 92056  
 GEORGE ISSA  
 4314 MARINA CITY DR #1124, MARINA DEL REY, CA 90292  
 KEIJI ITAKURA  
 7-10 GINZA 2-CHOME CHUO-KU, TOKYO 104,  
 TSUTOMU & MIYUKI YAMA  
 347 E 2ND ST, LOS ANGELES, CA 90012  
 J & J SNACK FOODS CORP  
 ATTN: JERRY WACKERMAN, 5353 DOWNEY RD, VERNON, CA 90058  
 ROSEMARIE JACKSON  
 4314 MARINA CITY DR #1116, MARINA DEL REY, CA 90292  
 BART & BRENDA JACOBS  
 945 ACEQUIA MADRE, SANTA FE, NM 87501  
 NAOMI JACOBS  
 4335 MARINA CITY DR #732, MARINA DEL REY, CA 90292  
 NAOMI JACOBS  
 4335 MARINA CITY DR #732, MARINA DEL REY, CA 90292  
 BERNARD & JOYCE JACOBSON  
 4314 MARINA CITY DR #520, MARINA DEL REY, CA 90292  
 FRANK JAMES  
 3346 N KNOLL DR, LOS ANGELES, CA 90068  
 FRANK & JAMES A JAMES  
 3346 N KNOLL DR, LOS ANGELES, CA 90068  
 JAMES & ALEXANDER JAMES  
 999 BRANNAN ST #205, SAN FRANCISCO, CA 94103  
 VIVIAN JANOV  
 C/O GERALD GLICKSTEIN, 4314 MARINA CITY DR #624, MARINA DEL REY, CA 90292  
 JAMES JARIV  
 17945 MEDLEY DR, ENCINO, CA 91316  
 JONES MARINA PROPERTIES INC  
 9697 E MINERAL AVE, ENGLEWOOD, CO 80112  
 SHEDRICK & ELLA JONES  
 4330 OLYMPIC DR, LOS ANGELES, CA 90043  
 PATRICK JORDAN  
 4267 MARINA CITY DR #1006, MARINA DEL REY, CA 90292  
 JAMES KABBASH  
 4337 MARINA CITY DR #335, MARINA DEL REY, CA 90292  
 MARK KALISCH  
 4314 MARINA CITY DR #124, MARINA DEL REY, CA 90292  
 JAMES KAMENETSKY  
 4314 MARINA CITY DR #1016, MARINA DEL REY, CA 90292

## PROOF OF SERVICE LISTING

ANTHONY DON MICHAEL  
 309 PANORAMA DR, BAKERSFIELD, CA 93305  
 CHIKAKO HIMASHI  
 C/O PAL INTERNATIONAL, 1665 W 3RD ST, LOS ANGELES, CA 90017  
 SHAWKY & AIDA MIKMAIL  
 4335 MARINA CITY DR #944, MARINA DEL REY, CA 90292  
 JOYCE HILDER  
 640 HARBOR ST #1, VENICE, CA 90291  
 RICHARD & ROBIN MILLMAN  
 4267 MARINA CITY DR #1100, MARINA DEL REY, CA 90292  
 ICHIRO MOCHIZUKI  
 951 KINGSLEY DR, ARCADIA, CA 91007-6219  
 WINONA MOODY  
 4316 MARINA CITY DR #303-G, MARINA DEL REY, CA 90292  
 DENNIS & SHIRLEY MOORE  
 9200 SUNSET BLVD STE 930, LOS ANGELES, CA 90069  
 DENNIS & SHIRLEY MOORE  
 9200 SUNSET BLVD STE 930, LOS ANGELES, CA 90069  
 YAACOV & MIRIAM MORGAN  
 2736 LAKE SHORE DR #708, WACO, TX  
 MARIE HELENE MOROWATI  
 4265 MARINA CITY DR #817, MARINA DEL REY, CA 90292  
 ELLA MORRISON  
 4265 MARINA CITY DR #103, MARINA DEL REY, CA 90292  
 MEHDI MOSTAEDI  
 4316 MARINA CITY DR #1033, MARINA DEL REY, CA 90292  
 TIMOTHY & STEPHEN MULLANEY  
 1801 AVE OF THE STARS #525, LOS ANGELES, CA 90067  
 HISAO MURAMATSU  
 1937 OLD CANYON DR, HACIENDA HEIGHTS, CA 91745  
 SHERMAN MURPHY  
 DEANE BEACH, 600 W 9TH ST #1408, LOS ANGELES, CA 90015  
 GREGORY MURRAY  
 C/O LINDA MURRAY FULLER, 1851 WELLESLEY DR, DETROIT, MI 48203  
 ROBERT NAGLE  
 4335 MARINA CITY DR #240, MARINA DEL REY, CA 90292  
 FUAD NAJJAR  
 4335 MARINA CITY DR #932, MARINA DEL REY, CA 90292  
 NABIL NAJJAR  
 4335 MARINA CITY DR #1132, MARINA DEL REY, CA 90292  
 NABIL NAJJAR  
 4335 MARINA CITY DR, UNIT 1132 ET-S, MARINA DEL REY, CA 90292  
 IZUMI NAKAMURA  
 4337 MARINA CITY DR #347, MARINA DEL REY, CA 90292  
 IZUMI NAKAMURA  
 4337 MARINA CITY DR #347, MARINA DEL REY, CA 90292  
 FRED NASSEL  
 4316 MARINA CITY DR #105-G, MARINA DEL REY, CA 90292  
 GODOFREDO & ELMA NAZARENO  
 16522 GRIMAUD LN, HUNTINGTON BEACH, CA 92649  
 GODOFREDO & ELMA NAZARENO  
 16522 GRIMAUD LN, HUNTINGTON BEACH, CA 92649  
 JOSEPH NESANE  
 4314 MARINA CITY DR #718, MARINA DEL REY, CA 90292  
 JOSEPH NESANE  
 4314 MARINA CITY DR #718, MARINA DEL REY, CA 90292  
 JOSEPH NESANE  
 4314 MARINA CITY DR #718, MARINA DEL REY, CA 90292  
 ERNO NEUFELD  
 4314 MARINA CITY DR #220, MARINA DEL REY, CA 90292  
 ARTHUR NEWBERGER  
 DONNA LEYVA, 4337 MARINA CITY DR #1137, MARINA DEL REY, CA 90292  
 NIMON KANZAI CO LTD  
 #102 7-10 JUYUUGAOKA 2-CHOME, MEGURO-KU, TOKYO 152,  
 NIMON VENNEER INC  
 3-4 SHINBASJO 6-CHOME, MINATO-KU, TOKYO 105,  
 NIKKEN SEKKEI LTD  
 333 S HOPE ST STE 2650, LOS ANGELES, CA 90071  
 HAJIME NISHI  
 13-2-506 AKEDACHO HIGASHIKUJYO, MINAMIKU, KYOTO 601,  
 JUN NISHIKAWA  
 5604 SUNNYVIEW ST, TORRANCE, CA 90505  
 KEISHUKE & SHIZUKO NISHIZAWA  
 C/O SEIHO INTERNATIONAL, 2060 HUNTINGTON DR STE 6, SAN MARINO, CA 91108  
 KEISHUKE & SHIZUKO NISHIZAWA  
 C/O SEIHO INTERNATIONAL, 2060 HUNTINGTON DR STE 6, SAN MARINO, CA 91108  
 KEISHUKE & SHIZUKO NISHIZAWA  
 C/O SEIHO INTERNATIONAL, 2060 HUNTINGTON DR STE 6, SAN MARINO, CA 91108  
 GALIA NITZAN  
 820 BAY ST #4, SANTA MONICA, CA 90405

PROOF OF SERVICE LISTING

LA 92-29484

JACK & BETTYANN LIN  
 ATTN: ROBERT LIN, 4314 MARINA CITY DR #824, MARINA DEL REY, CA 90292  
 JACK & BETTYANN LIN  
 32214 OAK SHORE DR, WESTLAKE VILLAGE, CA 91361  
 JACK & BETTYANN LIN  
 32214 OAK SHORE DR, WESTLAKE VILLAGE, CA 91361  
 DUNG-JUNG LIU  
 82 BAY ST UNIT B1, SANTA MONICA, CA 90405  
 WARREN S LIU  
 C/O COSMO PACIFIC, 6363 SUNSET #900, LOS ANGELES, CA 90028  
 WARREN S LIU  
 C/O COSMO PACIFIC, 6363 SUNSET #900, LOS ANGELES, CA 90028  
 ARLENE LIVINGSTON  
 4335 MARINA CITY DR #834, MARINA DEL REY, CA 90292  
 MARTIN & ELINOR LIVINGSTON  
 2 KETCH #308, MARINA DEL REY, CA 90292  
 MARTIN&ELINOR LIVINGSTON  
 4316 MARINA CITY DR #102-G, MARINA DEL REY, CA 90292  
 KIP LOCKARD  
 4316 MARINA CITY DR #333, MARINA DEL REY, CA 90292  
 EDGARDO & MARY A LOPEZ  
 4316 MARINA CITY DR #219, MARINA DEL REY, CA 90292  
 MARIO & ALICIA LOPEZ  
 6399 ROCHELLE LN, LONG BEACH, CA 90815  
 LOU JOYCE MILDER SHAPIRO  
 640 HARBOR ST #1, VENICE, CA 90291  
 ROBERT LOVELLETTE  
 1308 OCEAN PARK #4, SANTA MONICA, CA 90405  
 NATHAN LUSTMAN  
 4267 MARINA CITY DR UNIT 802, WT-S, MARINA DEL REY, CA 90292  
 OSAMU & ARLENE MAEDA  
 10152 LEMONA AVE, MISSION HILLS, CA 91345  
 HOMA MAHMOUDI  
 909 STONEHILL LN, LOS ANGELES, CA 90049  
 MAJESTY CO LTD  
 ATTN: MS S KAJIYA, 2132 CENTURY PARK LN STE 412, LOS ANGELES, CA 90067  
 HENRY MAHOR  
 5813 LARAMIE AVE, WOODLAND HILLS, CA 91367  
 MANASNAPA HARNICK BRUNI  
 4337 MARINA CITY DR, UNIT 141 ET-N, MARINA DEL REY, CA 90292  
 FRANK MANDELSON  
 4265 MARINA CITY DR #605, MARINA DEL REY, CA 90292  
 FRANK MANDELSON  
 4265 MARINA CITY DR #605, MARINA DEL REY, CA 90292  
 MARINA CITY CLUB  
 L P, 5757 WILSHIRE, LOS ANGELES, CA  
 DIANE MARKHOFF  
 4316 MARINA CITY DR #307-G, MARINA DEL REY, CA 90292  
 PAULINE MARKS  
 4335 MARINA CITY DR #246, MARINA DEL REY, CA 90292  
 JUDITH MARLANE  
 4267 MARINA CITY DR #310, MARINA DEL REY, CA 90292  
 NAVA MARMUR  
 15460 DUOMO-VIA, LOS ANGELES, CA 90077  
 MARILYN BARNETT  
 MARS ADVERTISING, 24209 NORTHWESTERN HWY, SOUTHFIELD, MI 48075  
 MASANORI KOIZUMI/QUATTRO LTD  
 HO 214 YACHIMATA, YACHIMATA-MACHI INBA-GUN, CHIBA-KEN 289-11,  
 BARBARA M MASSLER  
 4316 MARINA CITY DR #731, MARINA DEL REY, CA 90292  
 DAVID MATLOCK M D  
 9016 WILSHIRE BLVD STE 435, BEVERLY HILLS, CA 90211  
 MITSUO MATSUMOTO  
 C/O S ALBERTS, 3074 N LIMA ST, BURBANK, CA 91504  
 MONICE MC DANIEL  
 P O BOX 4368, INGLEWOOD, CA 90309-4368  
 LAWRENCE&NADINE MCNULTY  
 520 WASHINGTON BLVD #205, MARINA DEL REY, CA 90292  
 DENNIS MERENBACH  
 225 E CARILLO ST #202, SANTA BARBARA, CA 93101  
 WAYMAN D MERRILL M D  
 4267 MARINA CITY DR #704, MARINA DEL REY, CA 90292  
 GERALD MERRITT  
 4316 MARINA CITY DR #629, MARINA DEL REY, CA 90292  
 E MESHKAT  
 12 CONCHITA WAY, TARZANA, CA 91356  
 K MESSERSMITH  
 35 MARINA CITY DR #1134, MARINA DEL REY, CA 90292  
 JREY MEYERS  
 265 MARINA CITY DR #509, MARINA DEL REY, CA 90292

EXHIBIT  
1

EXHIBIT  
1

THIS LIST CONTAINS ALL CLAIMS FILED BY HOMEOWNERS. CLAIMS WHICH DO NOT SOLELY ARISE OUT OF THE SAME FACTS OR CIRCUMSTANCES AS THE CLASS CLAIM OR THE HEALTH CLUB CLAIMS, I.E., WHICH CONTAIN ELEMENTS OF THE CLASS CLAIM, AND ELEMENTS INDEPENDENT OF THE CLASS CLAIM, SHALL BE BIFURCATED INTO TWO SEPARATE CLAIMS. SUCH CLAIMS ARE MARKED WITH AN ASTERISK. THE PORTION OF SUCH BIFURCATED CLAIM INDEPENDENT OF THE CLASS CLAIM SHALL, TO THE EXTENT ALLOWED, BE TREATED AS A GENERAL UNSECURED (CLASS 8) CLAIM UNDER DEBTOR'S PLAN. (THE DEBTOR HAS REVIEWED THE CLAIMS LISTED BELOW AND HAS DETERMINED THAT NO CLAIMS SHOULD BE BIFURCATED OR TREATED AS GENERAL UNSECURED CLAIMS).

HOMEOWNERS CLAIMS

138	Shedrick & Ellen Jones	100,000.00	Lack of restaurant/club use. Depreciation of real estate. Secured.
167	Bernard & Betty Silver	374,000.00	Secured.
213	Godofredo & Elma Nazareno	240,000.00	Secured.
235	Naomi Jacobs	114,000.00	Capital reserves share
236	Naomi Jacobs	150,000.00	Capital reserves share
307	Larry Brotman	TBD	Fraud, concealment.
308	Larry Brotman	TBD	Fraud, concealment.
339	John James Bisch	104,000.00	See membership claims. Unsecured.
379	Albert & Beverly Teitelbaum		False promises to purchase property.
382	James Go	TBD	Failure to maintain complex, mismanagement.

HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
			failure to pay capital reserves.
383	Stephen Wexler	40,000.00	Mismanagement. Unsecured nonpriority
385	Grover & Anita Dale	105,000.00	Inability to refinance. Unsecured nonpriority
386	Naomi Jacobs	314,000.00	Mismanagement. Unsecured nonpriority
387	Evelyn Frank	25,000.00	Mismanagement. Unsecured nonpriority
388	Rhoda Rich	225,000.00	Mismanagement. Unsecured nonpriority
389	Edward C. Abrahamian	127,182.00	Mismanagement. Claims amounts do not match. Unsecured nonpriority
391	Timothy Tilden	85,500.00	Mismanagement. Unsecured nonpriority

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-2-

HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
392	Trudy Seal	86,000.00	Membership. Inability to refinance. Secured.
393	Jimmy Don Cook	92,500.00	Mismanagement. Unsecured nonpriority
394	Elaine Robbins	30,000.00	Condo purchased. Unsecured nonpriority
396	Talma Polany		Malfunctioning heating and air conditioning.
399	Chester Parkinson	145,250.00	Mismanagement. Unsecured nonpriority
404	Philip L. Slipock	50,000.00	See Health Club Memberships. Unsecured nonpriority
405	Anne Baker Goodman	36,900.00	Mismanagement Unsecured priority claim.
406	Kathyrina Winship	72,000.00	Mismanagement. Unsecured nonpriority claim.
409	Alice Lomazzi		Condo Ownership.

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-3-



HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
411	Daniel Bouzaglou	130,000.00	Mismanagement. Unsecured nonpriority
414	George Adler	TBD	Mismanagement. Unsecured nonpriority
415	Bogert Community Property Trust	TBD	Loss of property value. Unsecured nonpriority
418	Orrin M.C. Hein	197,800.00	Mismanagement. Unsecured nonpriority.
419	Schultz	TBD	Mismanagement. Diminished value.
420	Caroline Gill	49,250.00	Inability to refinance. Unsecured nonpriority
421	Hona Khademi	100,000.00	Mismanagement. Unsecured nonpriority.
422	Bernard & Betty Silver	TBD	Mismanagement. Poor construction.
424	John Cofrin	85,000.00	Unsecured.
426	Girilev	400,000.00	Poor construction. Mismanagement.

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-4-

HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
430	Gorman	TBD	Fraud. Decreased value.
431	Luther & Sungnai Lanier	108,500.00	Unsecured nonpriority
432	Nesane	206,250.00	
435	Fujio Sugitani	354,467.95	Unsecured.
458	Gene & Bauble Cherniak	465,000.00	
460	Michael & Dorothy Traiger	Unknown	
461	David Shelton	69,000.00	Unsecured.
462	Alvin M. Weintraub	140,000.00	
463	Joyce Milder	135,000.00	Unsecured.
466	Uri Halfon	119,000.00	Unsecured.
467	Carole A. Barlin	90,000.00	
468	Richard & Patricia Wilson	120,000.00	
470	Carmen Chalek		
472	Shinjiro Wachi	104,000.00	Includes deposit claims
473	Nikken Sekkei, Ltd.	103,000.00	Unsecured.
474	Hayahiko Takase	103,000.00	Includes deposit claims. Unsecured.

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-5-

HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
476	Valerie Yamagata	200,000.00	
478	Robert Raichlin	402,806.00	Unsecured.
482	Linda Biron	160,000.00	Unsecured.
484	Baruch & Esther Peretz	80,000.00	
485	Remedios Pittman	35,400.00	
488	Hida	380,467.26	Inability to sell. Unsecured.
490	Harvick Living Trust	541,200.00	Unsecured.
492	Francine White	15,500.00	Unsecured.
493	Samuel Hill	125,440.00	See claim 282 - membership claim
495	Sharon Lane	60,000.00	Secured.
496	Sam & Bila Kahan	65,000.00	Unsecured.
497	William & Marcella Drake		
498	Thomas & Beryl Vrebalovich	138,000.00	Mismanagement. Unsecured nonpriority.
499	Susan Westmoreland	195,140.00	Unsecured.
500	Bruce Kessler	23,367.00	Mismanagement. Unsecured nonpriority

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-6-

HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
502	Helene Selezoff	89,179.82	Mismanagement. Unsecured nonpriority.
503	Simone Blais	107,000.00	Includes membership claim. Unsecured.
506	Teresa Cho	TBD	
517	Allen Davis	283,347.66	Breach of lease agreement. nonpriority. Priority - 900.00; Unsecured nonpriority - 282,447.66
519	Leah K. Antonio	None	Mismanagement
522	Michael Welther	125,000.00	Mismanagement. Unsecured nonpriority.
523	Lockard	TBD	False Advertising.
525	Nava Marmur	98,786.00	Non performance. Unsecured nonpriority.
532	Sam & Ronnie Kahan	65,000.00	Mismanagement. Unsecured nonpriority.

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-7-

HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
535	Seichiro Amakasu	705,000.00	Fraud, concealment. Unsecured nonpriority.
536	Seichiro Amakasu	66,000.00	Fraud, concealment. Unsecured nonpriority.
537	Isabelle E. Ashodian	50,000.00	Unsecured priority. Duplicate 539.
538	Jonathan Fink	60,000.00	Unliquidated - damage to property value. Unsecured priority.
539	Isabelle E. Ashodian	40,000.00	Mismanagement. Unsecured nonpriority. Duplicate 537.
541	Jeffrey E. Birren	283,347.66	Breach of lease. Priority - 900.00; Unsecured nonpriority - 282,447.66
543	Armando Sivilla	235,000.00	
545	Hsu	137,080.00	Mismanagement. Secured - 20,000.00

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-8-

HOMEOWNERS CLAIMS

<u>NUMBER</u>	<u>CLAIMANT</u>	<u>AMOUNT</u>	<u>COMMENTS</u>
546	Mahmoudi		Mismanagement. Poor construction.
548	Jay Steinbeck	350,900.00	Misrepresentation. Unsecured nonpriority.
549	Katherine Norris	TBD	Mismanagement. Unsecured nonpriority.
551	Chikako Mihashi	310,000.00	Mismanagement. Unsecured nonpriority.
552	Sheldon Fisher	74,490.00	Failure to disclose. Unsecured nonpriority.
554	Rolland & Yoshie Cooper	40,875.00	Devaluation; unnecessary purchase of furniture. Secured - 875.00; Unsecured nonpriority - 40,000.00
555	William & Leslie Gorick	92,000.00	Unsecured nonpriority. Late.
558	Russell	949,500.00	Mismanagement. Inability to refinance.

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1 Any inquiries concerning this notice should be made to  
2 Roger Howard, Esq. Inquiries should not be directed to the Court  
3 or the Clerk of the Court.  
4


5 DATED: July 1, 1994

6 DAVID GOULD  
7 ALAN J. STOMEL  
8 McDERMOTT, WILL & EMERY

9 By   
10 Alan J. Stomel,  
11 Attorneys for Marina City Club,  
12 L.P., Debtor in Possession

13 DATED: July \_\_, 1994

14 SHERI BLUEBOND  
15 MARY YOUNG  
16 MURPHY, WREN & BUTLER

17 By   
18 Sheri Bluebond,  
19 Attorneys for Marina City Club  
20 Condominium Owners' Association  
21  
22  
23  
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25  
26  
27  
28

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1 a dollar amount equal to the square footage of the condominium  
2 unit owned, according to the following schedule:

3	4	5	6	7	8	9	10
Type of Condominium	Square Footage						
11 Studio	400						
12 1 bedroom	935						
13 2 bedroom	1,422						
14 3 bedroom	1,722						
15 Penthouse - 3 bedroom	2,652						
16 Penthouse - 4 bedroom	3,092						

17 Confirmation of the class and approval of the settlement  
18 reflected herein are conditions to confirmation of the Plan. If  
19 the Settlement Agreement is approved and the Plan is confirmed,  
20 the claims set forth in the Homeowner's Association Class Claim  
21 and the Individual Common Homeowner Claims will be deemed fixed  
22 and allowed in accordance with the terms of the Settlement  
23 Agreement.

24 III.

25 If you do not wish to object to the class certification  
26 or settlement, you need not appear at the settlement hearing.

27 IF THE CLASS CERTIFICATION AND SETTLEMENT IS APPROVED

28 BY THE COURT, THE COURT WILL ENTER AN ORDER  
WHICH WILL BE BINDING ON YOU.

29 You may appear personally or by counsel and be heard at the  
30 hearing and may object to the class certification,  
31 designation of the class representative, the settlement, or the  
32 designation of your claim on Exhibit "1", provided that you file a  
33 written objection with the clerk of the Bankruptcy Court and mail

1 a copy of such objection to (1) counsel for the Debtor, Alan J.  
2 Stone, Esq., Kobernott, Will & Emery, 2049 Century Park East,  
3 Suite 3400, Los Angeles, California 90067; (2) counsel for the  
4 Marina City Club Homeowners' Association, Roger Howard, Esq.,  
5 Christensen, White, Miller, Pink & Jacobs, 2121 Avenue of the  
6 Stars, Los Angeles, California 90067, and Sheri Bluebond, Esq.,  
7 Murphy, Weir & Butler, 2049 Century Park East, Los Angeles,  
8 California 90067; and (3) counsel for the Creditors' Committee,  
9 Michael Lubic, Esq., Kutchchen, Doyle, Brown & Eriksen, 355 South  
10 Grand Avenue, Suite 4400, Los Angeles, California 90071. ANY  
11 objections ~~must be received by the aforementioned counsel on or~~  
12 ~~before July 27, 1994 at 5:00 P.M.~~ Failure to timely file and  
13 serve an objection may be deemed by the Court to be consent to  
14 approval of the class certification, designation of class  
15 representative, and the settlement, and the designation of your  
16 claim on Exhibit "1".

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1 the Debtor for any three (3) separate two (2) month periods from  
2 the date of the first sale of a condominium within the project to  
3 the date of the implementation of the Management Council and the  
4 turnover of management of the project to the Management Company.  
5 The audit will relate to the income and expenditures relating to  
6 the entire project's operations (including expenditures of all  
7 dues paid by the members of the Homeowners' Association,  
8 expenditures made from the reserve account, etc.). The Debtor  
9 agrees to release from the existing Reserve Account an amount not  
10 to exceed the sum of \$10,000 to cover said audit. In the event  
11 there is any dispute as to the propriety of any expenditure or  
12 allocation, then the Management Council will have the final  
13 authority to decide any such dispute.

14 10. GENERAL RELEASE OF THE DEBTOR AND ITS GENERAL  
15 PARTNERS. This settlement is specifically contingent upon the  
16 Debtor and its General Partners being released and relieved of any  
17 and all liability to the Homeowners' Association and/or the  
18 members thereof on account of the class action claims filed by the  
19 Homeowners' Association and the related individual and class  
20 claims.

21 11. Dismissal of Class Action Lawsuit Filed by  
22 Wilshire-Marina City Venture. Wilshire-Marina City Venture, a  
23 California limited partnership, the general partner of which is  
24 Raymond S. Kaplan, filed a class action suit against the  
25 Homeowners' Association arising out of alleged improper  
26 assessments by the Homeowners' Association. The Homeowners'  
27 Association and Wilshire-Marina City Venture are in the process of  
28 negotiating a separate settlement, the general terms of which are

1 described in Exhibit "C" to the Settlement Agreement. Pursuant to  
2 the settlement, Debtor will pay \$10,000 toward reimbursement of  
3 legal fees incurred by Wilshire-Marina City Venture.

4 12. CLASS CERTIFICATION. The Settlement Agreement  
5 further provides, in pertinent part, that the parties will take  
6 such steps as are necessary in order to have the Homeowners'  
7 Association's Class Claim deemed an adversary proceeding and to  
8 have the Homeowners' Association's Class Claim amended to include  
9 the General Partners of the Debtor as party defendants in that  
10 action. The Settlement Agreement also provides that the parties  
11 will seek Bankruptcy Court certification of a mandatory "non opt  
12 out class" pursuant to Federal Rule of Bankruptcy Procedure  
13 7023(b)(1) or (2) and Federal Rule of Civil Procedure 23(b)(1)  
14 and/or (b)(2). The Settlement Agreement is expressly conditioned  
15 on confirmation of Debtor's plan of reorganization, and Debtor's  
16 plan is expressly conditioned on approval of the Settlement  
17 Agreement.

18 By virtue of approval of the Settlement Agreement, the  
19 Homeowner's Association Class Claim and Individual Common  
20 Homeowner Claims will be resolved and deemed disallowed with  
21 prejudice without the need for objection by the Debtor.

22 B. Voting Procedures

23 For purposes of voting on Debtor's Plan of  
24 Reorganization only, each Class Member shall be deemed to have one  
25 vote per unit owned at any time during the period December 23,  
26 1992 to the last day for voting on Debtor's Plan (August 1, 1994).  
27 For purposes of calculation of the dollar amount of each vote  
28 pursuant to Bankruptcy Code section 1126(d), each vote shall have

1 two months of ground rent payments and maintenance fees. The  
2 aforementioned payment will be a voluntary payment by the  
3 homeowner in order to implement the immediate subordination of the  
4 enforcement deed of trust as to his or her unit.

5 3. Transfer Fee. The Debtor is currently  
6 entitled to a transfer fee upon sale of any condominium equal to  
7 one percent (1%) of the gross sales price. The Debtor will reduce  
8 such transfer fee from one percent (1%) to one-half percent (1/2%)  
9 of the gross sales price for all sales closing after the Effective  
10 Date of the Plan.

11 4. Reimbursement of Legal Fees. The Homeowners'  
12 Association will have an allowed administrative claim in the  
13 amount of \$185,000 for legal expenses related to actions against  
14 the Debtor and/or in the negotiations leading to this settlement,  
15 which claim will be paid by the Debtor on the effective date of  
16 the Plan.<sup>1/</sup> As a result of such payment, the Debtor will not be  
17 responsible for any special assessments or charges from the  
18 Homeowners' Association in any way relating to legal fees or other  
19 expenses in connection with this bankruptcy, including but not  
20 'red to, the \$250 per unit "1992 Special Assessment," it being  
21 understood that the Debtor's payment of the Special Assessment  
22 shall be made from the \$185,000. Notwithstanding the foregoing,  
23 the Debtor must pay the 1992 Special Assessments in the amount of

24  
25  
26  
27 <sup>1/</sup> This settlement is subject to the approval of the County  
28 of Los Angeles ("County"), Aetna Life Insurance Company  
("Aetna") and the Bankruptcy Court.

1 \$10 per month for all unsold units as of January 1992 through  
2 December 31, 1993.

3 5. Authorization for Payments to Consultants.

4 The Debtor will release up to \$35,000 from the replacement reserve  
5 accounts in order to retain experts to evaluate the buildings,  
6 improvements, and budgets (including the existing allocation  
7 system).

8 6. Conversion of Existing Cultural Center.

9 Subject to the approval of the County of Los Angeles, NDP, Ltd.,  
10 and Aetna, the Debtor will enter into a lease of the Cultural  
11 Center with the Homeowners' Association for the duration of the  
12 Master Lease.

13 7. Cooperation with Homeowners' Association in

14 Negotiations to Reduce County Ground Rent. The Debtor will  
15 support and cooperate with the Homeowners' Association's Board of  
16 Directors or designate of the Board in negotiations designed to  
17 reduce the monthly ground rent paid to the County of Los Angeles.

18 8. Control of the Health and Tennis Club Areas in

19 the Event of Closure or Reduction. Pursuant to the settlement,  
20 the Homeowners' Association and the Debtor acknowledge that the  
21 Marina City Health Club ("MCHC") is presently being managed by the  
22 three (3) person Executive Council, which will be changed so that  
23 it is composed of the following: (i) three (3) representatives  
24 from the Association, (ii) one (1) representative selected by the  
25 Debtor, (iii) one (1) representative elected by the "Outside  
26 Members" of the MCHC.

27 9. Audit of Debtor's Records. The Homeowners'

28 Association will have the right to audit the books and records of



1 the class, and have concluded that the terms of the Settlement  
2 Agreement are fair, reasonable and adequate.

3 The parties, each of which is represented by counsel  
4 have concluded the negotiation of a settlement of the Class Claim, A  
5 the terms of which are set forth in the Settlement Agreement. A  
6 copy of the Settlement Agreement is attached as Exhibit D to the  
7 Debtor's Plan of Reorganization, which is attached as Exhibit "1"  
8 to Debtor's Disclosure Statement.

9 The following description of the Settlement Agreement is  
10 not comprehensive and, for the full terms thereof, reference  
11 should be made to the Settlement Agreement itself. The parties  
12 reserve the right to amend the Class Claim Settlement Agreement,  
13 upon written agreement of the Debtor and the Homeowners'  
14 Association, subject to Court approval, up to the Settlement  
15 Hearing and to take any actions necessary to obtain approval of  
16 such amendments. In summary, the settlement includes the  
17 following essential elements:

18 1. NEW MANAGEMENT STRUCTURE. The management  
19 structure for all areas leased to or licensed for use by the  
20 Homeowners will be revised. A five-member Management Council will  
21 be formed which will be responsible for these areas, except those  
22 areas administered from time to time by the Executive Council of  
23 the Marina City Health and Tennis Club. The Management Council  
24 will include two representatives from the Homeowners' Association,  
25 to be appointed by the Board of Directors of the Homeowners  
26 Association ("Board of Directors"), two representatives of the  
27 Debtor, and an independent member. The Management Council will  
28 have no authority or management control of areas of the property

1 not leased to or licensed for use by Homeowners, such as the 101  
2 Promenade apartments, the boat slips, and the retail and  
3 commercial space.

4 The Management Council will retain a qualified  
5 independent management company to manage all areas covered by the  
6 maintenance fees, except as noted above. The Management Council  
7 will be governed by an annual operating budget prepared by the  
8 management company for the Management Council's approval. The  
9 management company shall prepare monthly operating statements  
10 showing all income and expenses, which monthly statements will be  
11 distributed to the Debtor, the Board of Directors and to the  
12 members of the Management Council. In the event that the  
13 Homeowners' Association wishes to increase the level of operations  
14 in any specific area related to its control over and above the  
15 previously approved budget, then the Homeowners' Association may  
16 provide the necessary additional funds for these additional  
17 services through maintenance funds (i.e. by increasing the monthly  
18 dues or through the reserve accounts, if permitted). It is  
19 understood and agreed that there may need to be modifications to  
20 the governing documents of the Homeowners' Association to ensure  
21 adequate authority for these assessments and for the collection  
22 thereof. Any such funds will be paid to the operating account,  
23 controlled by the management company, for the maintenance fees to  
24 cover approved increased services.

25 2. Modification of Enforcement Deeds of Trust.  
26 Each homeowner shall have the immediate right and option to cause  
27 the full subordination of the existing Enforcement Deed of Trust  
28 to new financing upon deposit with the Debtor an amount equal to

1 The Homeowners' Association Class Claim additionally  
2 alleges (and the Debtor disputes) that the Debtor has breached its  
3 contractual obligation to class members to maintain the complex by  
4 failing to correct numerous maintenance problems, thereby further  
5 decreasing the value of units owned by the class members. These  
6 maintenance problems include, without limitation, the following:  
7  
8 (a) The complex requires painting;  
9  
10 (b) Asphalt surrounding the pools and tennis  
11 courts is buckled and needs to be replaced;  
12  
13 (c) The stairwells of numerous structures have  
14 cracks and holes in the plaster;  
15  
16 (d) The decoration of numerous lobbies and  
17 hallways has not been completed; and  
18  
19 (e) Building exterior damage from the 1992  
20 earthquake needs repair.  
21  
22 Based on the foregoing, the Homeowners' Association  
23 class claim alleges that the Debtor is indebted to the members of  
24 the class for not less than \$35,400,000.  
25  
26 The foregoing summary of the Homeowners' Association's  
27 class claim is provided solely for purposes of context. For a  
28 more complete statement of the Homeowners' Association's class  
29 claim, reference should be made to the claim itself, a copy of  
30 which is attached to the Settlement Stipulation as Exhibit "A."  
31  
32 The Debtor disputes the contentions made in the Homeowners'  
33 Association's Class Claim and there has been no judicial  
34 determination of the merits thereof.  
35  
36  
37  
38 ///

1 3. THE SETTLEMENT  
2 Based on their analysis of the facts and legal  
3 principles applicable to Homeowners' Association Class Claims, the  
4 parties believe that further proceedings will be complex and  
5 expensive and the outcome uncertain. The parties have also  
6 considered the proceedings in the Bankruptcy Court and their  
7 likely impact on the prosecution of the claims set forth in the  
8 Homeowners' Association Class Claim. Based on the foregoing, the  
9 parties believe it is in the best interest of the class that a  
10 settlement be made in accordance with the terms, conditions and  
11 provisions of the Settlement Agreement.  
12  
13 The Debtor and its General Partners deny all allegations  
14 in the Homeowners' Association Class Claim and Individual Common  
15 Homeowner Claims, and any other allegations of fault, wrongdoing  
16 or liability, and the allegations that class members suffered any  
17 monetary damage by reason of the alleged wrongdoing. The Debtor  
18 and its General Partners desire to settle and terminate the claims  
19 so as to avoid further lengthy, expensive and time-consuming  
20 litigation. In so doing, Debtor and its General Partners put to  
21 rest forever all claims which have, or could have been asserted,  
22 against Debtor and its General Partners by any class member, which  
23 arises from, or are in any way related to acts, failures to act,  
24 omissions, representations, facts, events, transactions or  
25 occurrences or other subject matter contained in the Homeowners'  
26 Association Class Claim or Individual Common Homeowner Claims.  
27  
28 The parties have conducted intensive arm's-length  
29 negotiations with a view towards settling this matter and  
30 achieving the best relief possible consistent with the interest of  
31  
32  
33  
34  
35  
36  
37  
38

1 prospective purchasers, and, had these facts and circumstances and  
2 their impact been known to the class members, few, if any, of the  
3 class members would have purchased units in the Towers Complex,  
4 and those that did purchase units would have insisted upon an  
5 appropriate price reduction. Claimants allege that these facts  
6 and circumstances specifically include, without limitation, the  
7 following:

8 (a) that the Debtor had already sold or intended  
9 to sell in the future a very high percentage of units in the  
10 complex to investors who did not intend to occupy the units as  
11 their primary residences, with the result that institutional  
12 lenders will not provide loans that are secured by the units and  
13 the value of the units has substantially declined;

14 (b) that first deeds of trust have been recorded  
15 in favor of the Debtor on each of the units to insure that payment  
16 of ground rents, maintenance and other charges due the Debtor  
17 would be made, which deeds of trust would be prior to any  
18 subsequent deed of trust given to secure purchase money and/or new  
19 financing on the units, resulting in lenders' refusing to make  
20 loans on the units that would be subordinate to the existing trust  
21 deeds and making it impossible for new lenders to determine with  
22 any degree of certainty the size of the encumbrance to which any  
23 new lien would be subordinate; and

24 (c) that various amenities, such as a health club,  
25 restaurants, valet parking, tennis courts, swimming pools and  
26 jacuzzis, which amenities prospective purchasers had been led to  
27 believe would be available in perpetuity to persons who joined the  
28 Marina City Health Club for a fixed monthly fee, had in the past

1 consistently operated at a significant deficit and would require  
2 either patronage from the general public at a level far beyond  
3 that obtained at any point in the past, a substantial ongoing  
4 subsidy from the Debtor, or significant additional assessments to  
5 finance the operation of such amenities.

6 The Homeowners' Association Class Claim further alleges  
7 that (and the Debtor disputes), due to manner in which the complex  
8 was constructed, numerous defects exist which the Debtor has  
9 failed to correct or repair, which defects serve to decrease the  
10 value of units owned by class members. These defects include,  
11 without limitation, the following:

- 12 (a) Security camera systems that rarely operate  
13 properly;
- 14 (b) Elevators within the complex that do not  
15 function properly;
- 16 (c) Numerous windows that leak;
- 17 (d) Heating and air conditioning systems that  
18 malfunction;
- 19 (e) Poorly designed walkway drainage systems  
20 resulting in direct runoff in the condominium unit;
- 21 (f) Inadequate roof drainage systems causing  
22 excess water to flow down the sides of the building;
- 23 (g) Inadequate drainage systems on the plaza level  
24 causing flooding in the subterranean parking structure;
- 25 (h) Ventilation systems in bathrooms of units that  
26 provide inadequate or no ventilation; and
- 27 (i) Electrical outlets installed in the floor of  
28 units near windows which create risk of fire.

1 The Debtor holds a long term leasehold interest in a  
2 multi-use project located in Marina Del Rey, California, commonly  
3 known as the Marina City Club ("Towers Parcel"). The Towers  
4 Parcel is located on land owned by the County of Los Angeles.  
5 The Towers Parcel includes, among its improvements,  
6 three high rise tower buildings containing, among other things,  
7 600 residential units, the subleasehold interests in which are  
8 structured as condominium interests. Approximately 570 of the  
9 condominium units belong to individual homeowners, while the  
10 remaining units have not yet been sold and belong to the Debtor.

11 1. THE HOMEOWNERS' ASSOCIATION

12 Pursuant to Articles of Incorporation filed with the  
13 Secretary of State on January 6, 1988, the Homeowners' Association  
14 is a non-profit mutual benefit corporation organized under the  
15 Nonprofit Mutual Benefit Corporation Law, California Corporations  
16 Code SS 7111, et seq., and was established to represent its  
17 members' common interests.

18 Pursuant to Article I, Section 5 of the Bylaws of the  
19 Association (a copy of which is attached to the Homeowners'  
20 Association's Class Claim referenced below), each owner of a  
21 condominium unit in the Towers Complex ("Homeowner") automatically  
22 becomes a member of the Homeowners' Association upon acquisition  
23 of the unit. Under the Davis-Stirling Common Interest Development  
24 Act, California Civil Code SS 1350, et seq., the Homeowners'

25 Association is authorized to act as a representative of the class  
26 of persons, other than the Debtor, who currently own one or more  
27 condominium units in the Towers Parcel, in a class action.  
28 ///

1 2. THE HOMEOWNERS' ASSOCIATION CLASS CLAIM  
2 Pursuant to an order entered November 3, 1992, the  
3 Bankruptcy Court established December 30, 1992 as the last day to  
4 file proofs of claim against the Debtor. Notice of that bar date  
5 was duly given to all creditors.

6 On December 30, 1992, certain members of the Homeowners'  
7 Association filed a class proof of claim seeking damages in excess  
8 of \$35,000,000 ("Homeowners' Association's Class Claim"), a copy  
9 of which is attached to the Settlement Stipulation as Exhibit "A".  
10 Debtor has endeavored to prepare a complete list of all members of  
11 the class. A copy of that list is attached hereto as Exhibit 2.  
12 In addition to the Homeowners' Association Class Claim, certain  
13 individual Homeowners filed proofs of claim which raise questions  
14 of law and fact that were or could have been asserted in the  
15 Homeowners' Association Class Claim (hereinafter "Individual  
16 Common Homeowner Claims").

17 In the Homeowners' Association's Class Claim, claimants  
18 allege (and the Debtor disputes), that at the time of purchase,  
19 the Debtor willfully or negligently failed to disclose certain  
20 material facts and circumstances which make it difficult or  
21 impossible for class members to sell or refinance their units.  
22 They allege that the Debtor's failure to disclose such facts  
23 resulted in a decrease in the market value of the units that, at  
24 present, is at least 20% greater than the decline in market value  
25 generally suffered by other properties in the area during an  
26 equivalent period, and that such decline in value will increase in  
27 the future. Claimants allege that the Debtor had a duty under  
28 applicable law to disclose these facts and circumstances to

1 Homeowners' Association ("Settlement Agreement"). A copy of the  
2 Settlement Agreement is attached as Exhibit D to the Debtor's Plan  
3 of Reorganization, which is attached as Exhibit 1 to Debtor's  
4 Disclosure Statement. Reference should also be made to the  
5 "Stipulation Between Debtor and Marina City Club Condominium  
6 Owners Association: (1) Conditionally Certifying A Mandatory Non-  
7 Opt Out Class; (2) Preliminarily Designating a Class  
8 Representative; (3) Preliminarily Approving Settlement; (4)  
9 Establishing Form of Notice; and (5) Setting Hearing Date to  
10 Consider Fairness of Settlement entered into pursuant to the  
11 Settlement Agreement (the "Settlement Stipulation"). The  
12 Settlement Stipulation is on file with the Clerk of the Court and  
13 may be examined and copied at any time during regular office hours  
14 at the Office of the Clerk at the Court, 300 N. Los Angeles  
15 Street, Los Angeles, California or may be obtained by contacting  
16 Class Counsel, Roger H. Howard, Esq., Christensen, White, Miller,  
17 Fink & Jacobs, 2121 Avenue of the Stars, 18th Floor, Los Angeles,  
18 California 90067 (310) 553-3300.

19 Any opposition to the Settlement shall be served and  
20 filed on or before July 27, 1994 at 5:00 p.m. as specified in  
21 Section III of this Notice.

22 I.

23 INTRODUCTION

24 This Court, in accordance with Federal Rule of  
25 Bankruptcy Procedure 7023, has conditionally certified a class for  
26 the purposes of this settlement. The certified class ("Class")  
27 consists of all persons who currently own, or as of December 23,  
28 1992 owned, a condominium at the Marina City Club. The Court has

1 designated the Marina City Club Homeowners' Association as a  
2 representative of the class and has approved Roger H. Howard, Esq.  
3 of Christensen, White, Miller, Fink & Jacobs ("Class Counsel") as  
4 counsel for the class. The Court also ratified Class Counsel's  
5 participation in settlement negotiations leading to the settlement  
6 described below.

7 The Class has been conditionally certified as a  
8 mandatory non-opt out class because the prosecution of claims as  
9 separate actions by individual members of the class would create a  
10 risk of adjudications with respect to individual members of the  
11 class which, in light of the substantial number of claims filed  
12 against the Debtor, would as a practical matter be dispositive of  
13 the interests of other members not party to the adjudications, or  
14 would substantially impair or impede their ability to protect  
15 their interests. Further, the Class has been conditionally  
16 certified as a mandatory non-opt out class because injunctive  
17 relief is appropriate with respect to the class as a whole.

18 II.

19 A. Background

20 On May 15, 1992, the Marina City Club, L.P. ("Debtor")  
21 filed a voluntary petition for reorganization under chapter 11 of  
22 title 11 of the United States Code ("Bankruptcy Code"). The  
23 Debtor has remained in possession of its property and continues to  
24 manage its business as a debtor in possession pursuant to sections  
25 1107 and 1108 of the Bankruptcy Code.

26 The Debtor is a California limited partnership, the  
27 general partners of which are Jerome H. Snyder, Milton I. Swimmer  
28 and Lewis P. Geyser (collectively, "General Partners").

1 DAVID GOULD (State Bar No. 037947)  
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5 Los Angeles, California 90067-3208  
6 (310) 551-9373

7 Attorneys for Marina City Club, L.P.,  
8 Debtor and Debtor in Possession

9 UNITED STATES BANKRUPTCY COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 In re ) Case No. LA-92-29484-SB  
12 MARINA CITY CLUB, L.P., a ) CHAPTER 11  
13 California limited partnership, )  
14 Debtor. )  
15 ) NOTICE OF:  
16 ) (1) CONDITIONAL  
17 ) CERTIFICATION OF MANDATORY  
18 ) NON-OPT OUT CLASS AND  
19 ) DESIGNATION OF CLASS  
20 ) REPRESENTATIVE  
21 ) (2) PENDING OF CLASS ACTION  
22 ) (3) PROPOSED SETTLEMENT  
23 ) (4) HEARING ON FINAL CLASS  
24 ) CERTIFICATION AND FAIRNESS  
25 ) OF SETTLEMENT; OBJECTIONS TO  
26 ) CERTAIN HOMEOWNERS CLAIMS  
27 )  
28 ) Date: August 3, 1994  
Time: 2:00 p.m.  
Place: Courtroom 1575  
255 E. Temple St.  
Los Angeles, CA 90012

29 NOTICE TO ALL PERSONS WHO CURRENTLY OWN, OR AS OF DECEMBER 22,

30 1992 OWNED, A CONDOMINIUM AT THE MARINA CITY CLUB:

31 THIS NOTICE MAY AFFECT YOUR RIGHTS.

32 PLEASE READ IT CAREFULLY.

33 NOTICE IS HEREBY GIVEN that on August 3, 1994 at 2:00  
34 p.m., a hearing will be held before the Honorable Samuel L.  
35 Bufford, United States Bankruptcy Judge, in his courtroom 1575,

36 1A1333361011PLEADINGS\NOTA.P.008

1 located at 255 E. Temple Street, Los Angeles, California (the  
2 "Settlement Hearing") for the purpose of determining whether to:  
3 (i) approve the final certification of a class; (ii) approve as  
4 fair, reasonable and adequate a proposed settlement summarized  
5 below; (iii) finally approve the designation of a class  
6 representative. Additionally, concurrently with the settlement  
7 hearing, the Court will consider Debtor's objections to claims of  
8 homeowners not disposed of by this Settlement.

9 THIS NOTICE ALSO CONSTITUTES AN OBJECTION BY THE DEBTOR  
10 TO ALL PROOFS OF CLAIM SCHEDULED ON EXHIBIT "1" HERETO TO THE  
11 EXTENT SUCH CLAIMS INCLUDE CLAIMS OTHER THAN INDIVIDUAL COMMON  
12 HOMEOWNER CLAIMS AS THAT TERM IS DEFINED AT PAGE 5 BELOW OR CLAIMS  
13 OF LIFETIME OR STERLING MEMBERS OF THE MARINA CITY CLUB ("HEALTH  
14 CLUB CLAIMS") (WHICH ARE BEING COMPROMISED UNDER A SEPARATE  
15 SETTLEMENT AGREEMENT). THE DEBTOR HAS REVIEWED THE CLAIMS  
16 SCHEDULED ON EXHIBIT "1" AND BELIEVES THE CLAIMS STATED THEREIN  
17 ARE EITHER INDIVIDUAL COMMON HOMEOWNER CLAIMS OR HEALTH CLUB  
18 CLAIMS. IF YOUR CLAIM IS SCHEDULED ON EXHIBIT "1" AND YOU BELIEVE  
19 THAT YOUR CLAIM IS ANYTHING OTHER THAN AN INDIVIDUAL COMMON  
20 HOMEOWNER CLAIM OR HEALTH CLUB CLAIM, THEN YOU MUST FILE AND SERVE  
21 A WRITTEN OPPOSITION IN THE MANNER SPECIFIED IN SECTION III BELOW.  
22 IF YOU FAIL TO TIMELY FILE AND SERVE AN OPPOSITION, YOUR CLAIM  
23 WILL BE EXTINGUISHED.

24 This notice provides a general description of some of  
25 the terms of the settlement. Therefore, the following summary  
26 should be read in conjunction with, and as qualified entirely by  
27 reference to the text of the Settlement itself which is set forth  
28 in a letter agreement dated June 30, 1994 from the Debtor to the

1A1333361011PLEADINGS\NOTA.P.008

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Attorneys for Debtor and Debtor in Possession  
MARINA CITY CLUB, L.P.

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA**

In re	)	CASE NO. LA 92-29484-SB
	)	
	)	CHAPTER 11
MARINA CITY CLUB, L.P., a California	)	
limited partnership, fka J.H. Snyder Company, a	)	DISCLOSURE STATEMENT FOR PLAN
California limited partnership, dba Marina City	)	OF REORGANIZATION DATED
Club,	)	JUNE 28, 1994
	)	
	)	
	)	
	)	
	)	
Debtor.	)	
	)	
	)	
	)	
	)	
	)	

## TABLE OF CONTENTS

	<u>Page(s)</u>
I. INTRODUCTION .....	2
II. DEFINITIONS .....	2
III. NOTICE TO HOLDERS OF CLAIMS AND INTERESTS .....	3
IV. BACKGROUND .....	4
A. Purchase of the Marina City Club by the Debtor .....	4
B. General Background of the Debtor's Pre-petition Operations .....	5
1. Sale of Condominiums .....	5
2. The "Health Club" .....	6
3. The Homeowners .....	7
4. Subordination of Enforcement Deeds of Trust .....	7
5. The Aetna Refinance .....	8
6. The Yacht Club .....	8
7. Ritz Carlton Lease .....	8
8. The Red Onion .....	8
C. Events Which Precipitated the Chapter 11 Case .....	9
1. General Conditions .....	9
2. Specific Events Precipitating the Case .....	10
D. Significant Events During the Chapter 11 Case .....	10
1. Brief Explanation of Chapter 11 .....	10
2. Retention of Professionals .....	11
3. Creditors Committee .....	11
4. Order re Turnover of Assets and Removal of Receiver .....	11
5. Cash Collateral Orders .....	11
6. Sale of Condominiums .....	13
7. Health Club Claims .....	14
8. Homeowners' Association .....	15
9. Real Property Leases .....	16
10. The Red Onion Sublease .....	16
11. Aetna's Motion for Relief from Stay .....	17
V. THE PLAN OF REORGANIZATION .....	17
A. Summary of the Plan .....	17
1. CLASS 1. PRIORITY NON-TAX CLAIMS. ....	18
2. CLASS 2. THE CLAIM OF LOS ANGELES COUNTY .....	18
3. CLASS 3. THE SECURED CLAIM OF MDP .....	19
4. CLASS 4. THE SECURED CLAIM OF AETNA .....	19
5. CLASS 5. THE SECURED CLAIM OF CITICORP MORTGAGE, INC .....	19
6. CLASS 6. THE SECURED CLAIM OF BANK OF AMERICA .....	20
7. CLASS 7. THE SECURED CLAIM OF SEARS MORTGAGE CORPORATION .....	20
8. CLASS 8. TRADE CLAIMS .....	20



TABLE OF CONTENTS (cont'd)

	<u>Page(s)</u>
9. CLASS 9. HOMEOWNER CLAIMS. ....	21
10. CLASS 10. HEALTH CLUB CLAIMS ....	21
11. CLASS 11. SECURITY DEPOSIT CLAIMS ....	22
12. CLASS 12. THE DEFICIENCY CLAIM OF AETNA ....	22
13. CLASS 13. THE SECURED CLAIM OF WILSHIRE COURTYARD ..	23
14. CLASS 14. GENERAL PARTNERSHIP INTERESTS ....	23
15. CLASS 15. LIMITED PARTNERSHIP INTERESTS. ....	24
VI. MEANS OF IMPLEMENTATION OF THE PLAN .....	24
A. Risk Factors .....	24
B. Summary of Cash Requirements and Sources of Cash to Implement Plan .....	24
C. Valuation of Assets .....	24
D. Projections .....	24
E. Historical Financial Information .....	24
F. United States Trustee Quarterly Fees .....	25
G. Management of Reorganized Debtor .....	25
VII. AFFILIATE CLAIMS .....	25
A. Snyder Management Company, a California limited partnership ("Snyder Management") .....	25
B. Jerome H. Snyder, Lewis P. Geyser and Milton I. Swimmer .....	25
C. Kings Road Partnership, a California partnership ("Kings Road") .....	26
D. Claims Against Affiliates. ....	26
VIII. PENDING LITIGATION .....	26
A. Elliot Dolin and Mallory Factor v. J.H. Snyder Company, Los Angeles Superior Court Case No. C666826 ("Dolin Litigation") .....	26
B. J. H. Snyder Company v. United States Gypsum Company, et al., Los Angeles Superior Court Case No. WEC 137 826 ("Asbestos Litigation") .....	27
C. Claim Against Citicorp Mortgage .....	27
D. Debtor's Claims Against Kennedy-Wilson .....	28
E. Claim Against The County of Los Angeles .....	28
F. Other Claims .....	28
G. Preferences and/or Fraudulent Transfers .....	28
IX. FEDERAL INCOME TAX CONSEQUENCES .....	29
A. Generally .....	29
B. Federal Income Tax Consequences to the Debtor and Holders of Equity Interests Therein .....	29
1. Discharge of Indebtedness Income of the Debtor in General .....	29
2. Federal Income Tax Consequences Peculiar to a Partnership Debtor and Holders of Equity Interests Therein .....	30
a. Recognition of Cancellation of Debt Income .....	30
b. Constructive Cash Distributions .....	30

**TABLE OF CONTENTS** (cont'd)

	<u>Page(s)</u>
c.    Gain on Property Transfer .....	31
C.    Federal Income Tax Consequences to Creditors .....	31
1.    Gain or Loss to Creditors Receiving Cash Only on the Effective Date ...	31
2.    Creditors Actually or Constructively Receiving Property Other than Cash in General .....	32
3.    Creditors Receiving Allowed Secured Claims Against the Debtor .....	32
4.    Gain or Loss to Holders of Disputed Claims .....	32
5.    Other Tax Consequences .....	32
a.    Character of Gain or Loss .....	32
b.    Receipt of Interest .....	32
c.    Withholding and Reporting .....	33
D.    Importance of Obtaining Professional Assistance .....	33
X.    VOTING PROCEDURES AND REQUIREMENTS .....	33
A.    Ballot Solicitation and Tabulation Procedures .....	34
1.    Distribution of Solicitation Packages .....	34
2.    Return of Ballots .....	34
3.    Tabulation of Ballots .....	34
B.    Ballots and Voting Procedures .....	36
C.    Parties in Interest Entitled to Vote .....	37
D.    Definition of Impairment .....	37
XI.   CONFIRMATION OF THE PLAN .....	38
A.    Confirmation Hearing .....	38
B.    Requirements for Confirmation of the Plan .....	38
XII.  ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN ...	41
A.    Liquidation under Chapter 7 .....	41
B.    Alternative Plans .....	41
XIII. CONCLUSION .....	42

Marina City Club, L.P., Debtor and Debtor in Possession in this Chapter 11 case ("MCC" or "Debtor"), through its counsel, respectfully submits this Disclosure Statement pursuant to the provisions of title 11 of the United States Code (the "Bankruptcy Code").

I.

**INTRODUCTION**

The Reorganization Case<sup>1</sup> was commenced May 15, 1992 by the filing of a voluntary petition by the Debtor. On June 18, 1992, the United States Trustee for the Central District of California ("U.S. Trustee") appointed the Official Committee of Unsecured Creditors.

This Disclosure Statement will be submitted, as required by Section 1125 of the Bankruptcy Code, to all impaired creditors and interest holders of the Debtor. The purpose of the statement is to provide sufficient information so that you may make an informed decision regarding your vote on the Debtor's proposed reorganization plan (the "Plan"). The Plan is synopsised below; however, the summary is not a substitute for the terms of the Plan which, if approved by the Court, will be binding on all interested parties. For those terms you should carefully read the copy of the Plan which is Exhibit "1" to this Disclosure Statement. If there is any discrepancy between the Disclosure Statement and the Plan, the Plan governs.

Under the Bankruptcy Code, the proponent of a Plan seeks an order of the Bankruptcy Court confirming the Plan. The Confirmation Order will contain other provisions as well, but approval of the Plan is the essence of such an order. The most common method of plan confirmation is for the holders of each class of impaired claims to accept the plan by at least two-thirds in dollar amount and more than half in number of those creditors in the class who actually cast ballots. Should the plan impair a class of claims and receive the acceptance of at least one impaired class but fewer than all such classes, the court can nevertheless confirm the plan if certain provisions are made for dissenting classes. This procedure, known as "cramdown," is detailed in Bankruptcy Code section 1129(b).

Once the plan receives the necessary acceptances, a hearing on confirmation will be held. If the court then confirms the plan, it will become binding on the debtor, its creditors, equity security holders and all other affected parties.

II.

**DEFINITIONS**

Any term or phrase not defined above or in the Plan which is defined in the Bankruptcy Code, shall, when used here, have the meaning ascribed to it in the Code.

The use of particular pronouns is not intended to connote gender or humanity. Use of "it" shall, unless the context clearly indicates otherwise, shall include him, her, and so forth.

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<sup>1</sup> For the purposes of this Disclosure Statement and unless otherwise defined herein, capitalized terms shall have meanings assigned to them in the Plan.

III.

**NOTICE TO HOLDERS OF CLAIMS AND INTERESTS**

A copy of the Plan is being transmitted to all impaired creditors, interest holders, and other parties in interest of the Debtor with this Disclosure Statement. The purpose of this Disclosure Statement is to enable all known creditors and interest holders of the Debtor whose claims or interest are impaired under the Plan to make an informed decision in exercising their rights to accept or reject the Plan.

**THIS DISCLOSURE STATEMENT AND THE ATTACHED PLAN CONTAIN IMPORTANT INFORMATION THAT BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN PROPOSED BY THE DEBTOR. PLEASE READ THESE DOCUMENTS WITH CARE AND IN THEIR ENTIRETY. FOR THE CONVENIENCE OF HOLDERS OF CLAIMS OR INTERESTS OF THE DEBTOR, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ALL SUMMARIES. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.**

On June 29, 1994, after notice and a hearing, the Bankruptcy Court approved this Disclosure Statement (subject to certain technical revisions) as containing adequate information as required by section 1125 of the Bankruptcy Code. **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT EITHER OF THE FAIRNESS OR MERITS OF THE PLAN.**

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified, and the delivery of this Disclosure Statement shall not, under any circumstances, create an implication that there has been no change in the facts set forth herein. The information contained in this disclosure statement has been prepared by the Debtor in good faith, based upon information available to the Debtor. The source of the information in this Disclosure Statement is the Debtor's books and records, the court files, and analysis prepared primarily by Michael E. Wise, the property manager for the Debtor. The information set forth in this Disclosure Statement concerning the Plan has not been subject to a verified audit. All financial information was compiled from the records of the Debtor.

**AFTER CAREFULLY REVIEWING THE DISCLOSURE STATEMENT, INCLUDING THE ATTACHED EXHIBITS, PLEASE INDICATE YOUR ACCEPTANCE OR REJECTION OF THE PLAN BY VOTING IN FAVOR OF OR AGAINST THE PLAN. A BALLOT FOR ACCEPTING OR REJECTING THE PLAN IS ENCLOSED WITH THE APPROVED VERSION OF THIS STATEMENT. HOLDERS OF CLAIMS OR INTERESTS SHOULD CAREFULLY READ THE INSTRUCTIONS SET FORTH IN THE BALLOT AND COMPLETE, SIGN THE BALLOT AND TRANSMIT IT TO THE ADDRESS INDICATED ON THE BALLOT. IN ORDER FOR YOUR VOTE TO BE COUNTED, THE BALLOT MUST BE RECEIVED AT THE ADDRESS INDICATED ON THE BALLOT NOT LATER THAN 5:00 P.M., AUGUST 1, 1994. FAILURE TO VOTE OR VOTING TO REJECT THE PLAN WILL NOT AFFECT THE VOTING CREDITOR'S ALLOWED CLAIM IF THE PLAN IS ULTIMATELY CONFIRMED AND THAT CREDITOR'S RIGHT WILL BE THE SAME AS IF A VOTE IN FAVOR OF THE PLAN HAD BEEN CAST.**

**IT IS IMPORTANT THAT CREDITORS AND INTEREST HOLDERS EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN. EVEN IF YOU DO NOT VOTE TO ACCEPT THE PLAN, YOU MAY BE BOUND BY THE PLAN.**

The hearing on confirmation of the plan will be held on August 3, 1994 at 2:00 p.m. before the Honorable Samuel Bufford, United States Bankruptcy Judge, in the United States Bankruptcy Court, located at Courtroom 1575, 255 East Temple Street, Los Angeles, California. The hearing may be adjourned from time to time without notice except as given in open Court. The Bankruptcy Court will confirm the Plan at the hearing only if the relevant requirements of section 1129 of the Bankruptcy Code are met.

Objections to confirmation must be in writing and must be filed with the clerk of the Bankruptcy Court and received by the parties listed in section XI of this Disclosure Statement on or before July 29, 1994 at 5:00 p.m.

In the opinion of the Debtor, the treatment of creditors and interest holders under the Plan provides a greater chance of recovery than that which is likely to be achieved under other alternatives for the reorganization or liquidation of the Debtor. Accordingly, the Debtor believes that confirmation of the Plan would be in the best interest of creditors and interest holders and it recommends acceptance of the Plan.

#### IV.

#### BACKGROUND

All interested parties should consider carefully the following areas of special concern, together with all of the other information appearing in this Disclosure Statement, in order to decide whether to vote in favor of the Plan.

##### A. Purchase of the Marina City Club by the Debtor.

The Marina City Club is a mixed use project built in two phases during the period from 1969 through 1972. MDP, an affiliate of Hughes Aircraft Company, constructed the property which included the Improved Parcel and the Hotel Parcel. The Improved Parcel consisted of 701 apartments, 346 boat slips, a private club with three swimming pools, six tennis courts, paddle tennis and racquetball courts, a spa and fitness center, and commercial space for retail businesses. The Hotel Parcel initially consisted of vacant land adjacent to the Improved Parcel; subsequently, a Ritz-Carlton Hotel was built in 1991. The Property is located in Marina Del Rey, California, on approximately 17 acres of land which is leased from the County of Los Angeles. Marina Del Rey, which is located on the west side of Los Angeles, is the largest man made marina in California and is home to over 3,000 boat owners.

In 1986, J.H. Snyder Company, a California limited partnership, now known as the Marina City Club, L.P. (the "Debtor"), entered into an agreement for the purchase of the Marina City Club.<sup>2</sup> The objectives of the proposed venture were to sell the 600 tower apartments as prepaid

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<sup>2</sup> The Debtor is a California limited partnership, the general partners of which are Jerome H. Snyder, Milton I. Swimmer and Lewis P. Geyser. The limited partners are Jerome H. Snyder, Milton I. Swimmer, Lewis P. Geyser, Joan A. Snyder, Wendy K. Snyder, Lon J. Snyder and William N. Snyder.

subleases, lease the facilities related to the Health Club to an operator that would continue the operation of the existing Health Club, and operate the remaining facilities, including the 101 promenade apartments; the boat slips and various commercial properties.

As part of the evaluation of the property, the Debtor analyzed the operations of the Health Club which at the time had in excess of 2,500 members. Because the Health Club had previously suffered substantial operating losses, and with no experience in health club operations, the Debtor determined that it would be inadvisable for it to attempt to operate the Health Club. When the property purchase agreement was finalized, the Debtor executed a lease agreement with Club Corporation of America ("CCA") for the operation of the Health Club.

During the period prior to finalizing the purchase, there were extensive negotiations regarding the land lease terms with the County. Many issues regarding the amount of the ground rent, annual increases in the ground rent, default provisions, and terms of the management of the facilities had to be negotiated. A specific problem concerned the management of a mixed use facility that included commercial operation and homeowners. The County insisted that all operations, including those facilities related to the homeowners, had to be controlled by the Debtor as master lessee, and that the homeowners could not participate in any control over management.

Extensive negotiations took place in order to insure that any costs charged to the homeowners would be fair and equitable. Additional negotiations were conducted in order to insure that monthly ground rent was paid to the County on a regular basis as required under Improved Parcel Ground Lease. As part of the lease, the County was to receive rent based on the particular portion of the property, i.e., apartments were initially charged 10 1/2% of rent collected; the boat slips were charged 20% of rent collected. In addition, the County was to receive ground rent from each new buyer of a prepaid sublease based on a percentage of the rent that had been collected from the property as a rental apartment. In order to ensure the collection of ground rent, maintenance fees and other monetary defaults, the County and the Debtor agreed on the creation of a senior lien which secured the collection of those fees (the "Enforcement Deed of Trust"). The maintenance fees were the amount each owner had to pay the Debtor in order for the Debtor to have sufficient funds to operate the shared areas of the Improved Parcel.

Negotiations with the seller, MDP, concentrated on the ultimate sales price and the terms of the purchase. The purchase price was to be based on a sales price of \$113,000,000, which amount would include cash and notes. In order to finance the purchase of the property, the Debtor entered into an agreement with American Savings and Loan to provide a purchase money mortgage. The remainder of the purchase price was financed with a second and contingent third deed of trust with MDP and an equity infusion from the Debtor.

The Debtor closed escrow on the property on December 9, 1986.

**B. General Background of the Debtor's Pre-petition Operations.**

**1. Sale of Condominiums.**

During the period prior to the purchase of Manna City Club, the Debtor and Coronado Shores Company, an outside real estate sales advisor, prepared a marketing program designed to sell as many pre-paid subleases as possible to existing tenants and to establish a strong marketing program

for the "grand opening." The Debtor planned a comprehensive rehabilitation of many of the common areas of the property and a remodeling of the individual units. Models were created and furnished by a professional decorator.

While the Debtor was generally satisfied with the number of sales during the first year of its sales program, there was significant resistance by buyers to the concept of purchasing a prepaid sublease, rather than a condominium. Because the land was owned by the County and the sale of homes was based on the concept of a prepaid sublease, buyers were cautious of the unique program and the substantial documentation requiring approval. As it became apparent that sales were being negatively impacted by the existence of prepaid subleases, and because the market was more familiar with condominiums, the Debtor determined that the prepaid sublease form of purchase had to be modified. As a result, the Debtor created a condominium regime, which was submitted to the California Department of Real Estate. All necessary approvals for the condominium regime were obtained in 1988.

By mid-1988, approximately 300 of the 600 units had been sold, in spite of the change to a condominium regime. During 1988-89, the Debtor instituted various other unique sales programs, including leaseback sales, in which the Debtor leased back the units for a period of time. Pursuant to these programs, an additional 240 units were sold. As of the Petition Date, only 52 units remained unsold.

## 2. The "Health Club".

A significant part of the lifestyle at Marina City Club was the ambiance and enjoyment of the Health Club. While membership to the Health Club was open to the public, purchasers at Marina City Club were offered membership without initiation fees so long as they agreed to pay the monthly membership dues.

The Debtor determined that the best means to operate the Health Club was to hire an outside professional management company. CCA entered into an agreement to lease the premises that included the Health Club facilities. CCA and the Debtor subsequently entered into an agreement to remodel the facilities, which included bank borrowing in excess of \$2 million from Security Pacific National Bank ("Security Pacific"). Even with the substantial improvements made, the Health Club continued to incur significant losses, and the Debtor was required to pay in excess of \$600,000 to Security Pacific in order to retain the personal property used by the Club which had been pledged to the lender as collateral. Subsequently, the loan was repaid and the lien released.

From August 1988 to March 1990, the Debtor operated the Health Club and continued to absorb significant losses from its operations. On March 1, 1990, the Debtor and American Club Corporation ("ACC") entered into a sublease for the Club Premises; as a consequence, ACC became the sublessee and operator of the Club.<sup>27</sup> During this time, the Debtor did not participate in the operation of the Club or in the sale of any Club memberships.

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<sup>27</sup> ACC is a limited partnership, the general partner of which is American Golf Corporation; MCCO Venture L.P., an affiliate of the Debtor, is a limited partner of ACC. Debtor's affiliate, MCCO Venture L.P. contributed funds to the partnership because the Club was unable to generate sufficient revenue to operate.

### 3. The Homeowners.

Prior to the purchase of the property by the Debtor in 1986, there was significant opposition from tenants of the property to conversion to prepaid subleases or a condominium regime. The Debtor held several meetings with tenant groups in an effort to allay fears of mass evictions and to provide information concerning relocation allowances and buyer discount programs. In most cases, these meetings alleviated the tenants' concerns.

Subsequent to the conversion from prepaid subleases to a condominium regime, Homeowners formed their first board of directors and started formal communications with the Debtor. Several committees were formed to assist in operations, although the Debtor retained the ultimate authority concerning such matters. Generally, there was a positive relationship between the parties. One particular area of concern, however, involved funds required to be set aside by Debtor for replacement reserves, i.e., reserves set aside for the purpose of funding deferred maintenance. Disputes led to the filing of a lawsuit which was settled consensually prior to the commencement of the chapter 11 case. The issue of adequate funding of the replacement reserves was resolved and an agreement with Homeowners was reached in 1991 concerning the amount to be funded for replacement reserves.

### 4. Subordination of Enforcement Deeds of Trust.

In 1986, during the negotiations between MDP and the County, MDP proposed an extended cure period for default in the payment of monetary obligations under condominium subleases, and if the same were not ultimately cured, then a termination of the subleases would occur. This would have resulted in a forfeiture of any equity that condominium owners might have had in their units. In an attempt to avoid this, the County required that MDP establish a mechanism by which such a forfeiture of equity would not necessarily occur; thus was created the Enforcement Deed of Trust which provides the condominium owners with all of the statutory protections of notice, cure period, and public sale required in connection with a deed of trust prior to any potential forfeiture of equity. The Enforcement Deed of Trust was also required by the County to be the sole means of collecting monetary obligations as it would be a "first lien" on an owner's condominium unit.

Although the Enforcement Deed of Trust is a "first lien," prospective homeowners initially did not report any problems in obtaining financing. With the advent of the crisis in the banking and savings and loan industries, many institutions either ceased making loans altogether or would only make loans which could be packaged and marketed in the secondary market, usually with the originating institutions retaining the servicing of the loans. Several originating institutions advised MCC or prospective purchasers that those who might otherwise consider the purchase of the loans would not do so if they were a "second lien."

Without the consent of its lenders (Aetna and MDP) and the County, MCC was unable to subordinate the lien of the Enforcement Deed of Trust. The lenders and the County were concerned over the possible loss of the right to payment if subordination of the Enforcement Deed of Trust was approved and a foreclosure of the new loans occurred. Ultimately, a compromise with the Homeowners was reached that is intended to alleviate this problem. That solution is embodied in the Homeowner Class Claim Settlement Agreement, attached to the Plan as Exhibit "D".



5. The Aetna Refinance.

The purchase of the property was originally financed with a loan from American Savings and Loan. Subsequently, this loan was retired with a new loan from Security Pacific National Bank. In 1990, the Debtor refinanced the first trust deed with a loan from Aetma evidenced by a non-recourse interest only note in the amount of \$24 million originally due in October, 1995. At that time, MDP already had a second trust deed on the property. When Aetma made its loan, it was agreed by all parties that MDP would retain an interest in the unsold condominium units which would be senior to Aetma's rights. The parties executed a subordination agreement to that effect on or about September 6, 1990. The Debtor believes (and Aetma disputes) that the applicable loan documents evidence the intent of the parties not to give Aetma a security interest in certain assets of the Debtor, including Debtor's Condo Proceeds. Due to the requirements of the Subdivision Map Act, however, it was not possible to give Aetma an interest secured by only part of the parcel. Consequently, Aetma was given an interest in the entire parcel, with appropriate subordinations or exclusions.

MDP subsequently modified its loan agreement with the Debtor and the parties accordingly entered into a new subordination agreement (the "Second Subordination Agreement"), which the parties executed on February 28, 1991. The Second Subordination Agreement expressly withholds from Aetma's senior lien "all proceeds of any kind or nature . . . hereafter received by [Marina City Club] . . . by reason of the sale . . . or disposition of any of the above described condominium units." (Second Subordination Agreement at 2-3, ¶(e).) With respect to the acknowledged seniority of MDP's claim to those proceeds, the Second Subordination Agreement states:

[T]he MDP deed of trust shall unconditionally be and remain at all times and under all circumstances, including but not limited to, an impairment of Aetma's security interest in the condominium subleasehold interest and proceeds . . . a lien and charge upon the condominium subleasehold interest and proceeds, prior to and superior to the lien or charge of the Aetma loan documents.

(Second Subordination Agreement at page 4, ¶ (h).)

The Second Subordination Agreement further provides that MDP, in its sole discretion, may make any use of the sale proceeds of the condominium units that it deems fit, including, if it wishes, refunding such proceeds to the Debtor:

With or without notice to Aetma, MDP, in its sole discretion, and at any time and from time to time and in such manner and upon such terms as it deems fit, may: (i) apply any or all payments or recoveries . . . realized from any portion of or interest in the condominium subleasehold interest and proceeds, in such manner, order or priority as MDP sees fit, to the indebtedness of [Marina City Club] to MDP under the MDP loan documents . . . and (ii) refund to [Marina City Club] any payment received by MDP from any portion of or interest in the Condominium Subleasehold Interest and Proceeds upon any indebtedness under the MDP loan documents and the Aetma Loan Documents shall remain fully subordinate to the amount refunded.

**Second Subordination Agreement at page 7, ¶ (h).**

In short, in connection with the September 1990 loan, and concurrently with taking a security interest in the Improved Parcel, the Debtor contends (and Aetna disputes) that Aetna acknowledged that certain portions of the revenues the Debtor is entitled to receive, including revenues generated in connection with the recreational facilities, were not part of Aetna's collateral. Additionally, and pursuant to the Second Subordination Agreement and Second Modification Agreement, the Debtor contends (and Aetna disputes) that Aetna acknowledged that Aetna had no claim to a security interest in the unsold condominiums and in any net proceeds to which the Debtor would be entitled from the sale of the unsold condominiums.

**6. The Yacht Club.**

The Marina Yacht Club had been a tenant of the Marina City Club prior to the purchase of the property by the Debtor. During the Health Club remodeling, an agreement was reached between the Yacht Club, CCA and the Debtor to modify their lease terms in order to satisfy certain needs of CCA. The agreement included a specific provision to construct a deck for the Yacht Club which, however, was understated in terms of cost. When it became apparent that the Debtor could not build the deck or satisfy certain other conditions, the Yacht Club entered into negotiations with American Golf Corporation and the Debtor for other offsets. While an agreement was not reached prior to the Petition Date, subsequent negotiations have resulted in a settlement encompassed in the Amended and Restated Lease Agreement between the Debtor and the Yacht Club (the "Yacht Club Settlement") attached to the Plan as Exhibit "G".

**7. Ritz Carlton Lease.**

At the time the property was purchased, the parcel next to the Marina City Club, which was a part of the purchase from MDP, was vacant property used for boat slip parking. Subsequently, through negotiations with the Ritz Carlton Corporation, an agreement was reached to develop the site for a luxury hotel. The Hotel Parcel Ground Lease is essentially a "pass through" lease, resulting in rent to the Debtor of approximately \$25,000.00 per year.

**8. The Red Onion.**

On the Towers Parcel, adjacent to the Marina City Club Towers was a Red Onion Restaurant. Subsequent to the purchase of the property, the Debtor became aware that late night disturbances from the restaurant were significant and would affect the sales program for West Tower units. The Debtor filed a lawsuit to remove the tenant, which was dismissed after the tenant modified its operation to eliminate the noise. During 1991, it became apparent, through reports received from the tenant, that business was being impacted by the persistent recession, and rent payments became more delinquent. Thereafter, and as described below, the Red Onion filed a chapter 11 petition.

**C. Events Which Precipitated the Chapter 11 Case.**

**1. General Conditions.**

During the past several years, Southern California, like most of the nation, has experienced and continues to experience a severe economic recession that has dramatically affected the real estate industry. The principal factors contributing to this recession include: (1) passage of the

Financial Institution Reform, Recovery, and an Enforcement Act of 1989 ("FIRREA") which required federally chartered thrifts to reduce their real estate loan portfolios, to limit the issuance of new loans on real estate projects, and to liquidate their existing portfolio of owned real estate: (2) dramatic declines in defense and aerospace industry employment; (3) "dumping" of properties and loans by the Resolution Trust Corporation ("RTC") at dramatically discounted prices; (4) overbuilding of most real estate products in several markets; and (5) general economic stagnation throughout all industries located in Southern California. These factors have combined to produce a rapid decline in rental rates, property values and the size of potential tenant base in the area's real estate markets.

In addition to the above factors, steep declines in foreign investment activity coupled with the general lack of buyers willing to pay "fair" market value has put additional downward pressure on real estate values throughout Southern California. The combination of declining values, declining rents, a declining tenant base, and a very competitive marketplace has contributed to a reduction in cash flow to owners of real estate properties in general.

## 2. Specific Events Precipitating the Case.

During 1991 when it became apparent that the Debtor's cash flow was insufficient to pay County fees and debt service requirements, the Debtor stopped making its required payments to the County and Aetna. At that time, the County filed a default notice in connection with its interest which was senior to Aetna and MDP. Aetna made certain payments to insure that the County lease was not in a continuing default in order to maintain its collateral.

In 1991, while the Health Club was sustaining severe losses, the Debtor attempted to negotiate reductions in ground rent payable on Health Club initiation fees and membership dues. A significant part of the losses could have been reduced by a reduction in County fees, which were as much as \$30,000 per month for the Health Club.

On March 27, 1992, Aetna filed a judicial foreclosure action in Los Angeles Superior Court, Case No. BC 051819, entitled Aetna Life Insurance Company v. J. H. Snyder Company, et al. Aetna's action was filed in response to the Debtor's failure to make certain payments on the Aetna note and on the ground lease with the County. In response to these defaults, Aetna sought the appointment of a receiver. The Debtor strenuously opposed Aetna's motion, primarily on the grounds that Aetna did not have any right to exercise any control over certain portions of the project which did not constitute its collateral. On April 29, 1992, Judge O'Brien of the Los Angeles Superior Court appointed Richard S. Hamilton as receiver.

In response to the appointment of a receiver, MCC filed its chapter 11 petition on May 15, 1992.

## D. Significant Events During the Chapter 11 Case.

### 1. Brief Explanation of Chapter 11.

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor attempts to reorganize its business for the benefit of its creditors and its equity interest holders. Immediately upon a debtor's filing a voluntary petition for reorganization under chapter 11, section 362 of the Bankruptcy Code provides for an automatic stay of attempts to collect claims which arose prior to the commencement of the debtor's case and attempts to interfere otherwise

with the debtor's property or business. The automatic stay provides the debtor with time to formulate and confirm a plan of reorganization.

Formulation and confirmation of a plan of reorganization is the principal purpose of the chapter 11 reorganization case. A plan sets forth the means for satisfying the holders of claims against, and interests in, a chapter 11 debtor. Chapter 11 does not require that each holder of a claim against a debtor vote in favor of a plan in order for the Bankruptcy Court to confirm the plan. However, a plan must be accepted by the holders of at least one "impaired" class of claims not counting votes of "insiders" within the meaning of the Bankruptcy Code. Generally, an impaired claim is one that will not be repaid in full or as to which legal rights are altered. Generally, an impaired interest is one that is adversely affected. A holder of an impaired claim or interest is entitled to vote to accept or reject a plan if the claim or interest has been allowed under Section 502 of the Bankruptcy Code, or temporarily allowed for voting purposes under Rule 3018.

## 2. Retention of Professionals.

On August 31, 1992, the Bankruptcy Court authorized the Debtor to retain the law firm of Danning, Gill, Gould, Diamond and Spector as counsel, effective as of May 15, 1992. Certain members of the Danning firm left and joined McDermott, Will & Emery ("MWE"). Thereafter, MWE substituted in as counsel for MCC and an order approving the substitution and retention was entered August 31, 1992.

## 3. Creditors Committee.

On June 18, 1992, the United States Trustee appointed a committee of unsecured creditors. The Committee currently consists of (i) Pat Jordan; (ii) Eagle Waterproofing; and (iii) Wells Fargo Security. On May 25, 1993, the Bankruptcy Court authorized the Committee to retain the law firm of Pettis, Tester, Kruse & Krinsky ("Pettis Tester") as counsel for the Committee. On December 1, 1993, the Insolvency Group of Pettis Tester moved to the Los Angeles office of McCutchen, Doyle, Brown & Enersen ("McCutchen"). By stipulation filed on April 18, 1994, the Debtor and the Creditors' Committee consented to the employment of McCutchen as co-counsel with Pettis, Tester and the employment of Arthur Andersen & Co. SC as accountants to the Committee, subject to the terms of the stipulation described below.

## 4. Order re Turnover of Assets and Removal of Receiver.

On the Petition Date, Debtor's counsel notified the receiver of the bankruptcy filing and demanded that the receiver turn over all property in its possession. The receiver refused to turn over all property and instead filed a motion to excuse compliance with Bankruptcy Code Section 543(a). The Debtor opposed the motion and was ultimately successful in removing the receiver from the property and allowing the Debtor to manage its assets as Debtor in Possession.

## 5. Cash Collateral Orders.

On July 31, 1992, Actma and the Debtor entered into a stipulation providing that the Debtor could pay certain operating expenses from those revenues which Actma contends constitute its cash collateral (the "First Cash Collateral Stipulation"). Thereafter, the Debtor sought further right to use Actma's cash collateral for payment of "Exhibit M Allocation" expenses attributable to certain recreational facilities of the Marina City Club, including, for example, the swimming pools, tennis and racquetball courts, and related facilities ("Recreational Facilities"). The Exhibit M Allocation referred

to the provision in the Improved Parcel Ground Lease that required the Debtor to allocate its common area expenses to various parts of the Improved Parcel, including the Health Club. The purpose of the Exhibit M Allocation provision was to prevent the Debtor from charging to the homeowners all of the expenses for maintenance of the common areas. The Exhibit M Allocation which was pertinent to the cash collateral issue was the requirement that the Debtor allocate to the recreational facilities certain set percentages of the expenses it incurred in maintaining and operating all of the common areas of the Improved Parcel. The common area expenses that the Debtor was required to allocate included ordinarily indivisible items ranging from utility costs that were subject to a master meter at the Improved Parcel, to payroll expenses for the Improved Parcel's telephone operator, painters, ground personnel and custodians, to contractual expenses for security, telephone, landscaping and elevators at the Improved Parcel, to real estate taxes and insurance.

On August 17, 1992, the County's Smallercraft Harbor Commission allowed the Debtor to modify the Exhibit M Allocation requirement in the Ground Lease until the County's Board of Supervisors had an opportunity to approve the proposal as a permanent amendment to the Ground Lease. The Commission's interim approval allowed the Debtor to allocate the Exhibit M Allocation previously attributable to the recreational facilities to the 701 residential units of the Improved Parcel (which includes both the apartments and the condominiums). Thus, and with the support and consent of the Homeowners, the reallocation allowed the Debtor to fund the expenses for the recreational facilities from revenues generated by the residential units.

As a result of the reallocation, on August 24, 1992, the recreational facilities were opened for the benefit of the owners of the apartments and condominiums. Additionally, the new Club was opened to members of the public.

On September 15, 1992, the Board of Supervisors approved the reallocation as a permanent modification to the Improved Parcel Ground Lease. The County's approval of the reallocation of the Exhibit M allocation allowed the Debtor to increase the maintenance fees paid by the Homeowners to cover the expenses of reopening and maintaining the recreational facilities and paying the Exhibit M allocation.

The Court held a hearing on August 27, 1992, at which the parties stipulated, and the Court ordered, that the Debtor was authorized to use Aetna's cash collateral for purposes of paying those Exhibit M Allocation expenses attributable to the recreational facilities from May 15, 1992 through August 23, 1992; Aetna required, however, that from and after August 24, 1992 such expenses must be paid from the funds exclusive of Aetna's cash collateral.

Pursuant to the Second Stipulation re Authority to Use Cash Collateral, approved by the court pursuant to an order entered November 18, 1992, Aetna and the Debtor agreed that the Debtor may use Aetna's cash collateral for purposes of paying the Debtor's portion of the reallocated Exhibit M Allocation. The parties further agreed that, without waiving Aetna's right to assert that it has a pre-existing security interest in the Debtor's Condo Proceeds, Aetna would accept, as adequate protection against any diminution in its security interest in its cash collateral, the Debtor's offer of a post-petition replacement lien superior to any other lien ("Replacement Lien") on any net proceeds to which the Debtor would otherwise be entitled from the Debtor's sale of the unsold condominiums ("Debtor's Condo Proceeds"). The parties agreed that the Replacement Lien would be in an amount equal to the amounts the Debtor actually expended from Aetna's cash collateral for all post-petition payments of compensation to Michael Wise and all payments for the Debtor's share of the reallocated Exhibit M Allocation expenses from August 24, 1992 forward. The parties agreed that the

Replacement Lien would attach to the Debtor's Condo Proceeds which will be held by the Debtor in a segregated account pending an order of the court as to their use and the extent of Aetna's lien.

On November 13, 1992, Debtor and the County entered into a stipulation for assumption of the Improved Parcel Ground Lease. Pursuant to the stipulation, to which Aetna did not object, the Debtor was authorized to use Aetna's cash collateral to cure Debtor's outstanding obligations under the Improved Parcel Ground Lease, including payment of outstanding property taxes and penalties and funding of a capital reserve account.

As of March 31, 1994, the balance of Aetna's cash collateral was \$1,450,000.00. This amount includes the \$300,000 which was advanced for the sales program and which has been repaid to the account.

#### **6. Sale of Condominiums.**

On May 13, 1993, Debtor filed its Motion to Sell 52 Unsold Condominium Units. The Improved Parcel consists of three high-rise tower buildings containing 600 condominium units, including both sold and unsold units. As of May, 1993, 548 of the units were sold and belonged to individual homeowners while 52 units remained unsold. The sale of the 52 condominium units was undertaken in order to provide liquidity necessary to facilitate funding of the Debtor's plan of reorganization.

On July 2, 1993, the court entered an order approving the sale of the 52 remaining unsold condominiums. The sale order also authorized the employment of Kennedy Wilson, Inc., as broker to conduct the auction, advertise the sale, and to prepare documents necessary to consummate the sale. The Debtor obtained the agreement of Kennedy Wilson to advance \$100,000 of marketing costs, to be reimbursed from the sale proceeds, with reimbursement to be made out of the first ten escrow closings, prorated at \$10,000 per unit, on the condition that reimbursement to Kennedy Wilson has priority over every other creditor and lienholder.

In connection with the sale, an additional \$100,000 was required to meet the total advertising budget in the amount of \$200,000. Additionally, refurbishments to the 52 condominium units in the amount of approximately \$200,000 were required prior to the sale. In order to fund these costs, the Debtor, MDP and Aetna stipulated to the use of up to \$300,000 of Aetna's cash collateral. \$200,000 was authorized to be used to complete refurbishment of the condominium units and \$100,000 was authorized for marketing costs. The parties agreed that allocation of the costs related to the \$400,000 of refurbishment and sale costs would be resolved upon further agreement of the parties or upon subsequent court order. The parties further agreed as follows: (1) up to \$100,000 of marketing costs expended by Kennedy Wilson would be repaid from the net proceeds out of the first 10 escrow closings, pro rated at \$10,000 per unit; (2) the net proceeds were to be utilized to pay the accrued unpaid property taxes to the County based on the total estimated delinquency for the Improved Parcel allocated equally among the 52 condominiums; (3) after deductions of the aforementioned costs on a per unit basis, the next net proceeds were to be deposited in the account maintained by the Debtor to hold Aetna's cash collateral until the \$300,000.00 used pursuant to the Stipulation has been replaced by such deposits; and (4) until such \$300,000 of cash collateral was replenished, Aetna shall have a replacement lien in the net proceeds of all of the condominium sales to the extent of \$300,000, to be paid to the cash collateral account in the priority described above.

Kennedy Wilson, employed as the estate's brokers and auctioneers, formulated a four phase sales program. Phase I, a pre-sale program, resulted in sale of three units. Phase II, the

auction, took place on October 10, 1993, with twenty-eight units sold. On the auction day, not all of the available units were offered for sale in order to insure that sufficient demand was maintained for the units which were offered. This mechanism was essential to maintain the integrity of the pricing scheme. In order to have the most successful auction, approximately 2 to 3 bidders were required for each unit. Based on the anticipated number of bidders, thirty-nine units were offered for sale.

Phases I and II of the auction resulted in a sale of thirty-one units. Phase III of the sale consists of the post auction sales program, which is currently in progress. Phase III targets qualified, but unsuccessful bidders at the auction and other qualified buyers who are contacted in order to sell the remaining units. This post auction sales program runs concurrently with the closing of the escrows from auction sales.

As of May 31, 1994, twenty-five escrows have closed. An additional 19 units are currently in escrow.

Due to the Northridge earthquake, limited damage occurred to the property, including cracks in concrete floats and slips, and in the Towers, significant cracking in the exterior stucco and damage to plaster and drywall. Additionally, in the interior of unsold units, cracking in ceilings between the drywall and concrete ceiling as well as cracks in drywall walls occurred. A structural engineer viewed the property and concluded that no structural damage occurred. Nevertheless, it is possible that earthquake damage may have some adverse impact on certain condominium sales.

#### **7. Health Club Claims.**

Due to the continual losses from the operation of the Health Club, estimated at \$60,000 to \$80,000 per month prior to August of 1992, Aetna vigorously opposed the use of its cash collateral to fund the operations of the Health Club. In its opposition to use of cash collateral filed with the court on August 20, 1992, Aetna made it clear that it would not consent to the use of its cash collateral to keep the Health Club open. Both ACC and the Debtor sought to keep a club operating on the premises despite the losses. In June 1992, the Debtor asked and ACC agreed to attempt to keep a club operating if 1,000 new memberships could be sold. This attempt failed because of insufficient interest in memberships in a new club.

The Health Club was unable to generate sufficient revenue to pay rent to the Debtor as sublessor. The 1990 sublease contained a termination clause which allowed ACC, at any time after February 1992, to terminate the sublease upon documenting three months of consistent losses. As a result of those losses, ACC sought and obtained an order granting relief from the stay, entered August 3, 1992. Pursuant to this order, ACC was permitted to terminate the sublease and cease operation of the Health Club on August 1, 1992. All existing membership contracts terminated by operation of law pursuant to Sections 2.4.1 and 3.10 of the Club Bylaws which permitted the Health Club to be closed and the memberships terminated at any time.

Following the August 1, 1992 closure, most of the facilities were closed, except for the swimming pools and tennis courts. The fitness center, spa, restaurant, racquetball courts, exercise rooms, and restaurant were shut down; however, the swimming pools and tennis courts were kept open because it was impractical to drain the pools and lock the tennis courts, and these could be maintained at minimal cost. Homeowners, however, who had previously enjoyed use of the facilities, requested that they be reopened. After extensive negotiations with both the County of Los Angeles and the Homeowners, it was agreed that the owners of the apartments and condominiums (including the Debtor, but only to the extent of its ownership of the apartments and certain condominiums) would

pay all costs and expenses related to a club and up to 500 outside memberships would be sold to help mitigate the impact of those expenses on the owners of units. As described above, the County agreed to the reallocation of club expenses from the Debtor to the owners. The new arrangement was supported by the Board of Directors of the Homeowners Association.

Consequently, on August 24, 1992, the facilities were reopened for the benefit of the owners of the apartments and condominiums. Pursuant to the new Bylaws and the Homeowner Class Claims Settlement Agreement, the new club is run by an executive council, consisting of an outside member, three Homeowners' representatives, and a representative of the Debtor. The new club is operated as an amenity for the benefit of the owners of apartments and condominiums (and/or their tenants), who are required to pay the new club's costs and expenses as part of their monthly maintenance fees.

On December 30, 1992, certain Lifetime Members of the Marina City Health Club filed a class proof of claim seeking damages in excess of \$5,000,000. On or about March 5, 1993, certain Lifetime Members, as well as representatives of the Class of Lifetime and Sterling Members, filed a complaint for injunction, seeking a mandatory injunction requiring MCC to provide dues free access to all facilities of the Health Club to the Lifetime Members or, alternatively, for damages in excess of \$5,000,000. Additionally, over 240 individual claims were filed by Lifetime and Sterling Members in an amount in excess of several million dollars. In response, MCC filed a motion to dismiss the complaint for injunction, as well as a motion to reject the Health Club contracts pursuant to Bankruptcy Code Section 365 to the extent that such contracts existed.

As a result of extensive negotiations, on October 6, 1993 the parties reached a settlement, the terms of which are encompassed in the Health Club Class Claim Settlement Agreement, attached to the Plan as Exhibit "F." The settlement is expressly conditioned upon a certification of a non opt out class pursuant to FRCP 23(b)(1) and/or (b)(2). In this regard, notice was given to all Lifetime Members of the proposed designation of the class and of the proposed settlement on May 13, 1994. A hearing to conditionally certify a mandatory non-opt out class, to preliminarily designate a class representative, to preliminarily approve the settlement and to establish a form of notice was held on June 2, 1994. A final hearing on the settlement is set for July 6, 1994 at 2:00 p.m. The settlement provides for withdrawal with prejudice of all proofs of claim filed by Lifetime Members relating to such memberships, whether individually, as a class, as a committee, or in any other manner. It is anticipated that this will dispose of in excess of 240 claims filed by or on behalf of current or former Lifetime or Sterling Members. This settlement is expressly conditioned on confirmation of the Plan.

#### 8. Homeowners' Association.

In December of 1992, the Homeowners' Association filed a class proof of claim seeking damages in excess of \$35,000,000. The claim alleged, *inter alia*, that MCC failed to disclose at the time of purchase several material items, including construction defects, the existence, impact and effect of the Enforcement Deed of Trust and the percentage of non-owner occupied units. Since the filing of the claim, the parties engaged in extensive discussions, resulting in the Homeowner Class Claim Settlement Agreement set forth in a letter agreement dated June 30, 1994, between the Homeowners Association and the Debtor, and attached to the Plan as Exhibit "D." For a complete description of the settlement, please refer to the Notice of: (1) Conditional Certification of Mandatory Non-Opt Out Class and Designation of Class Representative; (2) Pendency of Class Action; (3) Proposed Settlement; (4) Hearing on Final Class Certification and Fairness of Settlement, a copy of which is included in the materials sent to all Homeowners. The settlement provides, in pertinent part



as follows: (1) A new management council will be formed to be responsible for the management of all areas covered by maintenance fees except areas administered in by the Executive Council of the Marina Health and Tennis Club; (2) the existing Enforcement Deed of Trust will be revised; (3) the Debtor and the Association will cooperate in the process of designating a class of Association members and shall undertake to certify a non opt out class pursuant to FRCP 23(b)(1) and/or (b)(2) and FRBP 7023(b)(1) or (2); (4) the class proof of claim filed by the Association will become an adversary proceeding which will be amended to include the general partners of the Debtor as party defendants; and (5) the parties will jointly seek approval of the settlement. When approved and upon confirmation of the Plan, the Homeowner Class Claims Settlement Agreement will bind all homeowners and the class proof of claim filed by the Association and the proofs of claim filed by individual homeowners who filed related proofs of claim will be deemed withdrawn with prejudice. This settlement is expressly conditioned on confirmation of the Plan.

#### 9. Real Property Leases.

As indicated above, the Debtor holds long term leasehold interests in the Hotel Parcel and the Improved Parcel. Each of the ground leases expires in 2067. The Improved Parcel Ground Lease was assumed pursuant to a stipulation between the Debtor and the County dated November 12, 1992 and approved by Order of the Court entered March 2, 1993. The time to assume or reject the Hotel Parcel has been extended up to and including July 12, 1994. The Hotel Parcel Ground Lease will be assumed and assigned to MDP in connection with the MDP settlement.

#### 10. The Red Onion Sublease.

MCC is the sublessor of a portion of the Improved Parcel pursuant to a sublease ("Sublease") with International Onion, Inc. ("Onion"). On November 9, 1992, Onion filed a voluntary chapter 11 petition. Since that time, Onion failed to honor any post-petition obligations under the Sublease. Pre- and post-petition obligations under the Sublease totaled in excess of \$500,000. Subsequent to the filing of the Onion bankruptcy, MCC and Onion entered into a lease modification agreement which provided for the assumption of the Sublease and the cure of arrearages. The modification and assumption was subject to Bankruptcy Court approval in both the MCC chapter 11 case and the Onion chapter 11 case, and a motion for approval of the modification agreement was filed in the Onion case and set for hearing. Prior to the hearing, and on March 18, 1993, the Onion case was converted to chapter 7. The order additionally provided that the chapter 7 trustee was authorized to operate the business for 90 days thereafter. In spite of the fact that the trustee continued to operate a Red Onion Restaurant on the premises, no post-conversion rent payments were made. Consequently, MCC filed a motion seeking payment of rent pursuant to Bankruptcy Code §365(d)(3) and to compel assumption or rejection of the Sublease, which motion was heard on April 21, 1993. As a result, the chapter 7 trustee was ordered to make regular rent payments beginning May 1, 1993, but was not required to cure any of the post-petition or post-conversion arrearages. At a subsequent hearing on the trustee's motion to extend the time to assume or reject the Sublease, on May 11, 1993, Onion was ordered to pay certain post-conversion arrearages. Thereafter, the trustee made only intermittent post-conversion rent payments and attempted to sell the entire restaurant chain. A sale, however, was not consummated, and on October 17, 1993, an order for rejection of the Sublease was entered, providing for the delivery of possession on November 1, 1993. The Debtor has engaged in negotiations with several new prospective sublessees and has received several written offers. The Debtor anticipates executing a new sublease shortly with a national restaurant chain, pursuant to which the Debtor will net approximately \$13,750 per month.

**11: Aetna's Motion for Relief from Stay.**

On January 14, 1993, Aetna filed a motion for relief from stay, alleging, *inter alia*: that the Debtor could not reorganize, that the Debtor had no plans to market the property, and that a confirmable plan was impossible. Thereafter, Aetna and the Debtor engaged in negotiations regarding a resolution of all issues. In the final stages of negotiations, however, and approximately six months later, Aetna renewed its motion, placing the matter back on the Court's calendar.

The Debtor vigorously opposed the motion. At the hearing on July 27, 1993, the Court ordered that in the event that the Debtor failed to file a plan by December 1, 1993, Aetna would be granted relief from stay.

The Debtor and Aetna have now reached an agreement, the terms of which are embodied in the Aetna Restructure Agreement, attached to the Plan as Exhibit "C."

**V.**

**THE PLAN OF REORGANIZATION**

**A. Summary of the Plan.**

This Disclosure Statement is filed in conjunction with the Plan. A copy of the Plan is attached to the Disclosure Statement as Exhibit "1." The Plan defines the treatment that each class of creditors and equity holders of the Debtor will receive. As to any matter on which there is any inconsistency between the Plan and this Disclosure Statement, the provisions of the Plan are controlling. Accordingly, it is important that you read the Plan in its entirety.

The Plan divides creditors and equity holders into the following fifteen (15) classes:

- Class 1 - Priority Non-Tax Claims
- Class 2 - Claim of Los Angeles County
- Class 3 - Secured Claim of MDP
- Class 4 - Secured Claim of Aetna
- Class 5 - Secured Claim of Citicorp Mortgage, Inc.
- Class 6 - Secured Claim of Bank of America
- Class 7 - Secured Claim of Sears Mortgage Corporation
- Class 8 - Trade Claims
- Class 9 - Homeowner Claims
- Class 10 - Health Club Claims
- Class 11 - Non-Priority Security Deposit Claims
- Class 12 - Deficiency Claim of Aetna
- Class 13 - Secured Claim of Wilshire Courtyard
- Class 14 - General Partnership Interests
- Class 15 - Limited Partnership Interests

In addition to those classes of claims listed above, certain priority claims are not classified. Accordingly, administrative claims, and claims for certain taxes entitled to priority under relevant provisions of the Bankruptcy Code are not classified. These unclassified claims include the costs and expenses incurred in connection with the reorganization arising subsequent to the commencement of the chapter 11 case, as well as fees and expenses of the professionals and the

expenses of Committee members allowed by the Bankruptcy Court. Unclassified claims also include all payments due to the United States Trustee's Office as of confirmation as well as the special assessment to be paid to the Clerk of the Court.

The Debtor believes that allowed administrative claims under the Plan will consist primarily of fees of professional persons employed by the Debtor and the Committee. As of June 1, 1994, counsel for the Debtor has incurred fees in the approximate amount of \$590,000. The Creditors' Committee has incurred legal fees in the approximate amount of \$180,000.00 as of May 31, 1994 and accounting fees in the approximate amount of \$20,000. It is not possible, however, at this time to determine exactly the total professional fees and expenses which will be incurred during the remainder of this case.

Priority tax claims, excluding the Class 2 Claim of Los Angeles County, shall be paid over a period not to exceed six (6) years from the date of assessment. The Debtor does not believe that there are any priority tax claims.

#### **1. CLASS 1. PRIORITY NON-TAX CLAIMS.**

Class 1 Claims include unsecured claims for wages, salaries or commissions, including vacation, severance and sick leave pay earned by an individual within 90 days of the date of the filing of the petition to the extent of \$2,000.00, and Security Deposit Claims to the extent of \$900. It is anticipated that most, if not all Class 1 Claims have been, or will be paid, in the ordinary course of business of the Debtor. To the extent that Class 1 Claims have not been paid pursuant to prior order of the Court, or in the ordinary course of business, such claims shall be paid in full in cash on the Effective Date. The Debtor estimates that various wage claims do not exceed \$10,000.

#### **2. CLASS 2. THE CLAIM OF LOS ANGELES COUNTY.**

Pursuant to the ground leases for the Improved Parcel and Hotel Parcel, the Debtor must pay certain percentage rents and participation fees to the County. Additionally, the Debtor is obligated to pay certain property taxes, including taxes on personal property and "possessory interest taxes". Certain disputes exist with regard to the amount of pre-petition property taxes, as well as the allowance of penalties and interest incurred post-petition on the pre-petition taxes. The Debtor estimates that the total outstanding indebtedness to the County for the aforementioned items is approximately \$1,127,000, less any amount due for delinquent taxes, penalties and interest due on condominium units 9, 11, 27, 28, 38, 39 and 41 (the "Penthouse Units") for tax years 1991-92, 1992-93 and 1993-94, and any other applicable reductions or offsets. The County asserts that the amount may be as high as \$1,252,708.49 as of August 1993, and that the amount is substantially more as of January 1994, and that the amount continues to increase as long as taxes remain due.

Pursuant to the Stipulation between the County of Los Angeles and the Debtor regarding assumption of the Improved Parcel Ground Lease, the Debtor agreed to pay, from its actual monthly cash flow, outstanding property taxes and penalties on the Improved Parcel until the sum of \$1,060,452.00 has been paid in full to the County. The Debtor and the County are in disagreement as to what amounts are included in the \$1,060,452.00.

The parties have reached a consensual resolution of the issues described above which is embodied in the Los Angeles County Settlement Agreement, attached to the Plan as Exhibit "A." The Los Angeles County Settlement Agreement provides, in pertinent part, as follows: (1) the Debtor shall pay the aggregate sum of \$1,108,078 on account of the pre-petition indebtedness, \$50,000 of

which shall be paid prior to Confirmation (pursuant to the Stipulation assuming the Master Lease), \$250,000 of which will be paid in cash on the Effective Date, and the balance of which shall be paid pro-rata from each escrow closing for the sale of the remaining condominiums belonging to the Debtor as of the Effective Date, over a period not to exceed eighteen (18) months from the Effective Date; (3) delinquent taxes, penalties and interest due on the penthouse units shall be paid over a period not to exceed two (2) years from the Effective Date; (4) Debtor shall retain its claim against the County for damages to and loss of use of certain dock facilities.

### **3. CLASS 3. THE SECURED CLAIM OF MDP.**

MDP and the Debtor have reached an agreement with respect to satisfaction of MDP's approximately \$18,000,000 secured claim. The amendment to the MDP Loan Modification Agreement is attached to the Plan as Exhibit "B" and is expressly conditioned on confirmation of the Plan. The amendment to the MDP Loan Modification Agreement provides, in pertinent part, as follows: (a) the first \$950,000 of Net Condo Proceeds shall be paid to the Debtor; (b) MDP shall receive 65% of the remaining Net Condo Proceeds without further reduction or offset and shall receive a credit in the amount of \$181,000.00 relating to previous condominium sales. The \$950,000.00 of net sales proceeds shall be the total settlement for the "permitted payments" under the Second Modification Agreement between MDP and the Debtor and the Debtor shall not be entitled to any other amounts pursuant to the Second Modification agreement; (c) the Debtor shall receive 35% of the remaining Net Condo Proceeds; (d) the Debtor shall assume the Hotel Parcel Ground Lease and assign the lease to MDP; (e) MDP will release its \$18,000,000 deed of trust as to all other portions of and interests in the assets of the Debtor. The Plan shall constitute a motion to assume and assign the Hotel Parcel Ground Lease and the Ritz Carlton Sublease.

### **4. CLASS 4. THE SECURED CLAIM OF AETNA.**

Aetna's Class 4 Claim shall be treated pursuant to the terms of the Aetna Restructure Agreement, attached to the Plan as Exhibit "C". Pursuant to the Aetna Restructure Agreement, Aetna will be paid, on the Effective Date, a principal prepayment in the amount of \$1,150,000. Further, Aetna shall be paid any and all Plan Cash (as such term is defined in the Aetna Restructure Agreement), remaining after satisfaction of all allowed claims required to be paid under the Plan, the funding of a reserve maintenance account required under the Towers Parcel Ground Lease and funding of an operating reserve account. Aetna will receive a new nonrecourse note in the principal amount of \$25,150,000 (\$1,150,000 of which shall be paid on the Effective Date) with the balance of the principal due five years after the Effective Date, with interest payable monthly. The restructured note shall bear interest at the rate of 6% per annum for the first six months following the Effective Date, with interest at 7% per annum until two years after the Effective Date. Thereafter, the pay rate and accrual rate shall be 8% until maturity. Class 4 is impaired.

### **5. CLASS 5. THE SECURED CLAIM OF CITICORP MORTGAGE, INC.**

The secured claim of Citicorp Mortgage, Inc. arises out of the refinancing by the individual General Partners of penthouse units 11, 27 and 28 in 1991, the proceeds of which were utilized by the Debtor in its operations. The outstanding balance of the Citicorp loan as of July 1, 1991 was \$498,065.28 for each of the three units. The units were foreclosed by Citicorp in April 1994 in full satisfaction of the claim; consequently, Class 5 is unimpaired.

**6. CLASS 6. THE SECURED CLAIM OF BANK OF AMERICA.**

The secured claim of Bank of America arises out of the refinancing by the individual General Partners of penthouse units 38, 39 and 41 in 1991, the proceeds of which were utilized by the Debtor in its operations. The outstanding balance of the Bank of America indebtedness as of August 1, 1991 was as follows: unit 38-\$479,430.17, unit 39- \$476,186.35, unit 41-\$453,479.98. Inasmuch as no equity exists for the Debtor in these units, it is anticipated that the units will be foreclosed by Bank of America prior to the Effective Date. Should a foreclosure not have occurred by the Effective Date, the collateral will be deemed surrendered to Bank of America on the Effective Date as the indubitable equivalent of the claim. Class 6 is unimpaired.

**7. CLASS 7. THE SECURED CLAIM OF SEARS MORTGAGE CORPORATION.**

The secured claim of Sears Mortgage Corporation arises out of the refinancing by the individual General Partners of penthouse unit 9 in 1991, the proceeds of which were utilized by the Debtor in its operations. The outstanding balance of the Sears loan as of July 1, 1991 is \$576,239.15. The units were foreclosed by Sears in May 1994 in full satisfaction of the claim; consequently, Class 7 is unimpaired.

**8. CLASS 8. TRADE CLAIMS.**

Debtor believes that there are approximately \$767,000 of Class 8 claims. Class 8 claims consist of:

(1)	Unsecured trade creditors	\$600,000
(2)	Lease backs	\$25,000
(3)	Buyer credits	\$17,000
(4)	Refund of sales prices	\$95,000
(5)	Other general unsecured claims	\$30,000

Unsecured trade creditors include all trade payables related to the operation of the Debtor. "Lease backs" arise out of claims of purchasers of condominiums who entered into agreements with the Debtor to lease back the particular condominium unit. The Debtor would lease the unit during lease back period and pay all expenses for taxes, ground rent, maintenance and applicable debt service. Approximately \$25,000.00 is owed by the Debtor in connection with the lease backs.

Claims for "buyer credits" arise out of the sale of condominium units in which the Debtor agreed to allow purchasers credits for ground rent or maintenance fees. Claims for refunds of sales prices arise out of agreements between purchasers and the Debtor pursuant to which the Debtor agreed to refund 80% of the difference between the average price of the condominiums at a subsequent auction and the amount the particular purchaser paid for their unit.

Other general unsecured claims include claims of Homeowners or Health Club members which do not fall within Class 9 or Class 10.

Allowed General Unsecured Claims shall be paid in full on the Effective Date, or as soon as practicable thereafter, along with post-petition interest calculated at the federal judgment rate as of the Petition Date (4.4%) from the Petition Date through the date of payment. Class 8 is unimpaired.

## 9. CLASS 9. HOMEOWNER CLAIMS.

Holdes of allowed Homeowner Claims will be treated pursuant to the terms of the Homeowner Class Claim Settlement Agreement, attached as Exhibit "D" to the Plan. The agreement provides in pertinent part as follows: (1) a new management counsel will be formed to be responsible for the management of all areas covered by the maintenance fees except areas administered by the executive counsel of the Marina Health & Tennis Club; (2) the existing Enforcement Deed of Trust will be revised; (3) the Debtor and the Homeowners' Association (the "Association") will cooperate in the process of designating a class of Association members and shall undertake to certify a non-opt out class pursuant to applicable procedural rules; (4) the pending class proof of claim filed by the Association will be treated as an adversary proceeding in the chapter 11 case and will be amended to include the General Partners of the Debtor as party defendants; (5) the parties will jointly seek approval of a settlement of the class proof of claim which will bind all homeowners and pursuant to which all proofs of claim filed by the Association or individual homeowners will be deemed withdrawn with prejudice; and (6) the homeowners shall have an allowed administrative claim for certain legal expenses incurred in connection with the settlement not to exceed \$185,000; additionally, Debtor shall pay \$10,000 towards reimbursement of legal expenses incurred in connection with the settlement of a class action suit brought by Wilshire-Marina City Venture, a California limited partnership, the general partner of which is Raymond S. Kaplan. The settlement is expressly conditioned on confirmation of the Plan; and is subject to approval by Aetna and the County; similarly, approval of the settlement and confirmation of the class are conditions to confirmation which conditions may be waived by the Debtor. Class 9 Creditors are impaired and, as such, are entitled to vote on the Plan. In the event Class 9 votes to reject the Plan, the Debtor retains the right to seek confirmation pursuant to Bankruptcy Code Section 1129(b) and to propose, at the Debtors' option, either of the following alternative treatments of the Class:

- (1) Holders of Allowed Homeowner Claims will be treated pursuant to the terms of the Homeowner Class Claim Settlement Agreement, which treatment shall constitute the indubitable equivalent of the claims:
- (2) Holders of Allowed Homeowner Claims will be treated pursuant to the terms of the Homeowner Class Claim Settlement Agreement, except that the following paragraphs shall be null and void: paragraph (A) (7, 8, 9) (Provisions with regard to any transfer of Shared Common Area and Towers Reserve Accounts), (B) (Enforcement Deed of Trust), (C) (Transfer Fees), (D) (Reimbursement of Legal Fees), (F) (Conversion of Existing Cultural Center), (M) (Use of Office Space);  
or
- (3) Homeowner claims will be estimated at zero for purposes of allowance pursuant to Bankruptcy Code Section 502(c)(1).

A supplemental Notice to Homeowners and Summary and Analysis of the Homeowners Settlement Agreement prepared by counsel for the Homeowners Association are included in the documents mailed with this Disclosure Statement.

## 10. CLASS 10. HEALTH CLUB CLAIMS.

Holdes of allowed Health Club Claims will be treated pursuant to the terms of the Health Club Class Claim Settlement Agreement, attached to the Plan as Exhibit "F". The agreement

provides in pertinent part as follows: (1) Lifetime Members will receive a membership card with such designation; (2) Lifetime Members who chose to join the Marina Health & Tennis Club ("Club") will be assessed monthly dues in the amount of \$100.00 per month, whether the membership is an individual or family membership; (3) There will be no initiation fees charged to such Lifetime Members; (4) of the dues paid, one half (1/2) of such dues will be credited against purchases made at the Club by the Lifetime Members during the month in which dues are paid to be applied to food and beverage purchases only; (5) monthly dues payable will be subject to increases in the same manner as provided for other members, however, such increases shall not exceed five percent (5%) per year for the first five (5) years following the Plan confirmation; (6) Lifetime Members will be subject to the by-laws and rules and regulations of the Club, including any provision which provides that the Club may be closed at any time upon the terms and conditions stated in the by-laws, provided however, that termination of Lifetime and Sterling Memberships may only occur upon closure of the Club upon the terms and conditions stated in the by-laws; (7) Lifetime Members shall be entitled to recover fees and costs from the Debtor up to \$15,000 to be paid to Michael White, counsel for the Lifetime Members; (8) the settlement is expressly conditioned upon the certification of a non-opt out class pursuant to applicable Rules of Civil Procedure; (9) the settlement shall bind all Lifetime Members and shall provide that all proofs of claims filed by Lifetime Members, whether individually, as a class, as a committee, or in any other manner shall be deemed withdrawn with prejudice; (10) the adversary proceeding filed by Lifetime and Sterling Members shall be amended to include the General Partners of the Debtor as party defendants. Approval of the settlement and confirmation of the class are conditions to confirmation: similarly, the settlement is expressly conditioned upon confirmation of the Plan. Provided that the settlement is approved. Class 10 Creditors are unimpaired and, as such, are deemed to have accepted the Plan.

#### **11. CLASS 11. NON-PRIORITY SECURITY DEPOSIT CLAIMS.**

Non-priority Security Deposit Claims are claims in excess of \$900 asserted by apartment or condominium tenants who have terminated occupancy and are entitled to a refund of their security deposit. Claims of current tenants shall be paid in the ordinary course of business. Security Deposit Claims will be paid in full on the Effective Date together with interest at 4.4% from the Petition Date through the date of payment. The Debtor estimates Class 11 Claims to be approximately \$73,000.

#### **12. CLASS 12. THE DEFICIENCY CLAIM OF AETNA.**

Aetna's Class 12 Claim shall be treated pursuant to the terms of the Aetna Restructure Agreement, attached to the Plan as Exhibit "C." Pursuant to the Aetna Restructure Agreement, the difference between the amount of Aetna's allowed claim in the Chapter 11 case and the amount of Aetna's secured claim (the "Aetna Deficiency Claim") shall be evidenced by a nonrecourse promissory note (the "Deficiency Note"). The Deficiency Note shall accrue interest at the rate of 8% per annum; no prepayments of principal and no payments of interest shall be required to be made prior to the maturity date. The Deficiency Note, together with any and all accrued and unpaid interest thereon, shall be secured by a valid lien upon and a security interest in the Aetna collateral, as such term is defined in the Aetna Restructure Agreement, which lien and security interest shall be junior in priority only to the respective existing liens and security interests of MDP and Aetna. The principal amount of the Aetna Deficiency Note, together with any and all interest accrued thereon, shall be discharged and released upon the payment in full of all sums payable to Aetna under the Amended Aetna Loan Documents, or the consummation of a sale or foreclosure of the Aetna Collateral.

**13. CLASS 13. THE SECURED CLAIM OF WILSHIRE COURTYARD.**

Wilshire Courtyard is a California limited partnership, the general partners of which include Jerome H. Snyder, Lewis P. Geyser, Russell Kubovec, and certain limited partners of the Debtor. Prior to the Petition Date and in February 1992, the Debtor borrowed \$102,500 from Wilshire Courtyard, and Wilshire Courtyard was given a security interest in a certificate of deposit belonging to the Debtor in the amount of \$125,000. The proceeds of the loan were used to fund a retainer for Debtor's bankruptcy counsel. The Class 13 Claim shall be satisfied from the proceeds of the certificate of deposit, with any balance to be turned over to the Debtor.

**14. CLASS 14. GENERAL PARTNERSHIP INTERESTS.**

As indicated above, the Debtor is a California limited partnership, the general partners of which are Jerome H. Snyder, Milton I. Swimmer, Lewis P. Geyser ("General Partners"). The General Partners have agreed to contribute to the funds available for creditors on behalf of themselves and the Limited Partners, the following: (i) the net proceeds from the sale of condominium units to which the General Partners assert that they would directly or indirectly be entitled pursuant to the MDP Second Modification Agreement ("Debtor's Condo Proceeds"); (ii) the sum of \$200,000 cash; and (iii) the claim of Snyder Management in an amount in excess of \$100,000 (see Section VII, below).

Of the projected \$2,550,400 of Debtor's Condo Proceeds, assuming a sale of all 52 units, the General Partners assert that the General Partners or their affiliates would be entitled to direct reimbursement of at least \$962,701, based on proofs of claim filed by the General Partners and Kings Road, discussed in Section VII below. Additionally, the General Partners assert that the entire amount of Debtor's Condo Proceeds would constitute new value as to Aetna, since pursuant to the Second Subordination Agreement, the Debtor believes that Aetna has no claim to the net proceeds from the sale of condominium units. Aetna disputes the claim of the General Partners and the Debtor to the Debtor's Condo Proceeds. However, the Debtor and Aetna have reached an agreement regarding use of such proceeds pursuant to the Aetna Restructure Agreement attached to the Plan as Exhibit "C."

The General Partners and the Debtor dispute each other party's relative entitlement to the Debtor's Condo Proceeds. The Debtor contends that the Debtor's Condo Proceeds are assets of the estate and that the General Partners merely have a claim for funds advanced or loaned by the General Partners or affiliates of the General Partners. The General Partners contend that, pursuant to the Second Subordination Agreement, they are entitled to payment of the Debtor's Condo Proceeds directly from MDP or that the Debtor's Condo Proceeds are held in trust by the Debtor for their benefit. As a contribution to the confirmation of this Plan, and contingent upon the confirmation of this Plan, the parties have agreed, in settlement of their respective claims, that the General Partners will contribute, on behalf of themselves and the Limited Partners, the Debtor's Condo Proceeds to the funds available to creditors under the Plan. The Plan shall constitute a motion for approval of this settlement (the "General Partners Settlement") and the Confirmation Order shall represent and reflect an order of the Bankruptcy Court approving the settlement as of the Effective Date.

Existing General Partnership Interests shall be retained. In the event, however, that the Plan is confirmed pursuant to Bankruptcy Code Section 1129(b)(2)(B)(ii), then the General Partnership Interests shall be cancelled on the Effective Date and New General Partnership Interests in the Reorganized Debtor shall be issued to the existing General Partners on the Effective Date in such proportions as they designate inter se.



**15. CLASS 15. LIMITED PARTNERSHIP INTERESTS.**

The limited partners of the Debtor are Jerome H. Snyder, Milton I. Swimmer, Lewis P. Geysler, Joan A. Snyder, Wendy K. Snyder, Lon J. Snyder and William N. Snyder. Pursuant to the Plan, existing Limited Partnership Interests shall be retained. In the event, however, that the Plan is confirmed pursuant to Bankruptcy Code Section 1129(b)(2)(B)(ii), then existing Limited Partnership Interests shall be cancelled. In the event of cancellation, New Limited Partnership Interests in the Reorganized Debtor shall be issued to the existing Limited Partners on the Effective Date in such proportions as they designate inter se, on account of the contributions by the General Partners.

**VI.**

**MEANS OF IMPLEMENTATION OF THE PLAN**

**A. Risk Factors.**

The Plan is premised on the implementation of the Debtor's financial projections, and the reasonableness of the assumptions underlying the financial projections. The financial projections include, among others, assumptions concerning occupancy and rent levels at the Improved Parcel, and the amount for which each of the condominiums may be sold and the date of such sale. The Debtor believes that the projected financial results are reasonable and obtainable. However, there are certain factors that relate to the Debtor's ability to achieve the financial projections that might affect its ability to meet its obligations under the Plan. Among these risk factors are variances from financial projections, industry conditions and competition, and other factors.

**B. Summary of Cash Requirements and Sources of Cash to Implement Plan.**

The estimated sources of cash as of the Effective Date and cash requirements as of Effective Date are set forth in Exhibit "2" to the Disclosure Statement. As indicated in Exhibit "2", the General Partners will make a cash contribution of \$200,000 in addition to their contribution of the Debtor's Condo Proceeds.

**C. Valuation of Assets.**

Attached to the Disclosure Statement as Exhibit "3" is a pro forma balance sheet as of the Effective Date. The balance sheet was not audited; the basis of the valuations contained therein is the Debtor's opinion of the fair market value of the assets. No appraisal has been performed as of the date of this Disclosure Statement. All financial documents attached hereto have been prepared on an accrual basis unless otherwise indicated.

**D. Projections.**

Attached to the Disclosure Statement as Exhibit "4" is a five year Cash Flow Projection prepared on a cash basis.

**E. Historical Financial Information.**

Attached to the Disclosure Statement as Exhibit "5" are Post Petition Operating Statements; Pre-Petition Operating Statements for 1991 are attached as Exhibit "6."

F. United States Trustee Quarterly Fees.

All U.S. Trustee Quarterly Fees have been paid. Any outstanding fees shall, under the Plan, be paid prior to or on the Effective Date.

G. Management of Reorganized Debtor.

Michael E. Wise shall be the Property Manager and Richard Samia shall be the Controller of the Reorganized Debtor. Management fees shall be four percent (4%) of gross rental receipts, excluding tenant reimbursement for utilities and common area charges.

VII.

AFFILIATE CLAIMS

In addition to the Class 13 Claim of Wilshire Courtyard, the following affiliates of the Debtor have filed proofs of claim:

A. Snyder Management Company, a California limited partnership ("Snyder Management").

The general partners of Snyder Management are Jerome H. Snyder, Milton I. Swimmer, Lewis P. Geyser, Michael E. Wise and Russell Kubovec. The limited partners are the same individuals. Snyder Management filed a proof of claim for a general unsecured claim in the amount of "in excess of \$100,000" for unpaid management fees accrued from 1989 to the Petition Date. The claim shall be contributed to Debtor's capital as new value, conditioned on confirmation of the Plan.

B. Jerome H. Snyder, Lewis P. Geyser and Milton I. Swimmer.

The General Partners filed a proof of claim for a secured claim in the amount of \$477,701.00 for advances to the Debtor from October 1990 through January 1992. The General Partners assert that, pursuant to the Second Modification Agreement, they are entitled to repayment of the advances from the Debtor's Condo Proceeds directly from MDP or that the Debtor's Condo Proceeds are held in trust by the Debtor for their benefit. Pursuant to the Plan, the General Partners will contribute the claim as new value in the form of Debtor's Condo Proceeds.

C. Kings Road Partnership, a California partnership ("Kings Road").

The general partners of Kings Road are Jerome H. Snyder, Lewis P. Gevser, and certain limited partners of the Debtor. The limited partners of Kings Road are the same individuals. Kings Road filed a proof of claim as a secured claim in the amount of \$485,000, plus interest, for a loan to the Debtor evidenced by a promissory note dated February 22, 1990. The Debtor asserts that the claim is secured for the reasons described in paragraph B above. Pursuant to the Plan, the claim shall be contributed as new value in the form of Debtor's Condo Proceeds.

D. Claims Against Affiliates.

The Debtor does not believe that it has any claims against affiliates. Nevertheless, the Debtor, Aetna and the Creditors' Committee have entered into a stipulation (the Stipulation re Filing and Prosecution of Avoidance Actions), pursuant to which the Creditors' Committee was vested with the authority and responsibility for filing actions under Bankruptcy Code sections 544, 545, 547, 548 or 553 against insiders (as defined in the Stipulation) of the Debtor.

VIII.

PENDING LITIGATION

A. Elliot Dolin and Mallory Factor v. J.H. Snyder Company, Los Angeles Superior Court Case No. C666826 ("Dolin Litigation").

The Dolin Litigation arises out of the 1987 agreement between Dolin and the Debtor to sell Dolin a penthouse condominium at the Marina City Club for \$725,000, less certain discounts. Before the sale could be completed, a dispute arose between Debtor and Dolin as to the size, condition and construction quality of the condominium as it was to be delivered to Dolin at the close of escrow.

When Debtor attempted to terminate the agreement, in November 1987, Dolin filed an action for specific performance and breach of contract against Debtor in the Los Angeles Superior Court ("State Court Action"). The State Court Action went to a jury trial in February 1991. The verdict and award were in favor of Dolin. After post-trial proceedings and motions, on October 17, 1991, an Amended Judgment was entered in the State Court Action in favor of Dolin and against the Debtor in the amount of \$431,786.65 ("State Court Judgment").

Thereafter, Debtor commenced an appeal ("State Court Appeal") in the Second District Court of Appeal (Case No. B061311) ("Court of Appeal").

Dolin then requested, and Debtor posted, a required surety for the State Court Appeal. Dolin objected to the sureties and sought a bond in lieu or in addition to the sureties. In February 1992, Dolin and Debtor entered into a written agreement for the posting of a cash deposit "in lieu of bond". Pursuant to that agreement, and as substitute for the posting of a corporate bond, Debtor in February 1992 delivered \$425,000.00 cash "to be held in trust" for Dolin. These funds have been on deposit "in trust" in Dolin's counsel's trust account since then.

Debtor continued with its prosecution of the State Court Appeal, obtaining approval for employment of its state court appellate counsel. In April 1993, oral argument in the State Court Appeal was scheduled for May 28, 1993. On May 7, 1993, the Court of Appeal issued an Order

which stated that the State Court Appeal was stayed because of the automatic stay. The Order stated that relief from stay should be obtained, or the stay should be terminated, before the appeal could proceed.

Thereafter, on October 19, 1993, the Bankruptcy Court entered its order for relief from the automatic stay, pursuant to which the automatic stay was modified as to Elliot Dolin and Mallory Factor who were granted relief from the stay to the extent necessary to complete the liquidation of the claim in the State Court Action including, without limitation, proceeding with the State Court Appeal.

On January 6, 1994, the Court of Appeal denied the State Court Appeal. Subsequently, the Debtor filed a timely petition for rehearing before the California Supreme Court, which was denied in February, 1994. In connection with the stipulation for relief from stay the Debtor reserved all rights with respect to any avoidance action in connection with the \$425,000.00, including, specifically, the right to commence a preference action to recover that amount from Dolin.

**B. J. H. Snyder Company v. United States Gypsum Company, et al., Los Angeles Superior Court Case No. WEC 137 826 ("Asbestos Litigation").**

The Asbestos Litigation seeks damages arising out of expenditures incurred by the Debtor in excess of \$2,000,000 in connection with abatement of asbestos and asbestos containing materials in the Improved Parcel. Prior to the Petition Date, Debtor commenced a lawsuit entitled J. H. Snyder Company v. Carey Canada, Inc., et al., Case No. WEC 137826, in the Superior Court of California for the County of Los Angeles (the "Lawsuit"). The Lawsuit arises from the exposure of Debtor's property to asbestos and asbestos containing materials. The Lawsuit seeks the recoupment of asbestos abatement costs incurred by the Debtor primarily between the years 1987 through 1991. The Lawsuit involves the Center and East Towers, in which the results of bulk sample constituent analysis (and original building specifications) differentially identified the manufacturer of the abated ceiling texture as U.S. Gypsum. Costs linked to this part of the abatement (approximately 372,000 square feet) were determined to be approximately \$1.3 million.

Trial in the Lawsuit began on April 14, 1994. After over thirty motions in limine, a jury was selected. Testimony from witnesses began on April 21, 1994.

On May 2, 1994, the Lawsuit was settled. The settlement was for \$325,000, an amount which exceeded the trial judge's evaluation of the case. Prior to trial, U.S. Gypsum had offered \$110,000.

To facilitate the settlement, Moreno, Purcell and Schindler, Debtor's special litigation counsel, agreed to accept one-third of the settlement in payment of attorneys' fees and case costs, which costs have not yet been entirely compiled, but which are expected to total approximately \$25,000 to \$30,000. Normally, these costs would have been paid out of the two-thirds net recovery to the Debtor. Consequently, net proceeds to the Debtor are \$216,666.67.

**C. Claim Against Citicorp Mortgage.**

Prior to the Petition Date, and as part of the Debtor's condominium sales program, the Debtor arranged for financing for the purchase of condominium subleases. The Debtor received a commitment from Citicorp with regard to such financing. Although sales were continuing at a steady level, approval for loans submitted to Citicorp became increasingly difficult. As a result, many buyers either cancelled or were ultimately denied loans. Other buyers were forced to submit loan packages to

other lenders, which were approved. The lack of financing as a result of Citicorp's bad faith refusal to honor its loan commitment severely impacted Debtor's ability to sell the condominium subleases and was a contributing factor in Debtor's financial difficulty, ultimately leading to the chapter 11 filing. Debtor reserves the right to assert a claim against Citicorp for actual as well as punitive damages.

**D. Claim Against Kennedy-Wilson.**

The Debtor reserves the right to assert, post confirmation, a claim against Kennedy-Wilson arising from its failure to provide lenders in connection with the auction sale of condominiums pursuant to an executed contract.

**E. Claim Against The County of Los Angeles.**

On March 26, 1992, the Debtor filed a claim against the County arising out of damage to and loss of use of certain dock facilities. The claim was initially rejected by the County as containing insufficient information. On June 8, 1992, the claim was refiled and the County has subsequently asserted that the claim was not timely filed. Debtor reserves the right to pursue, post-confirmation, any and all remedies available under applicable law with regard to this claim.

**F. Other Claims.**

Debtor reserves the right to assert any and all other claims against all parties, including claims for offsets against any claim and the payments or other distributions to be made on account of such claims pursuant to this Plan, and claims arising from the sale of condominiums, except as set forth in the Settlement Agreements attached hereto. Neither the failure to assert any such claims or offsets prior to confirmation of the Plan nor the allowance of any claim of any creditor shall constitute a waiver or a release by the Debtor of any such claim that the Debtor may have against such holder.

**G. Preferences and/or Fraudulent Transfers.**

As indicated above, the Debtor, Aetna and the Creditors' Committee entered into the "Stipulation re Filing and Prosecution of Avoidance Actions". The Debtor and the Committee recognize that if the Plan is confirmed and becomes effective, there will be no need to assert any claims under Bankruptcy Code Sections 544, 545, 547, 548 or 553 ("Avoidance Claims"), nor will there be any purpose served by prosecuting any adversary proceedings to recover such Avoidance Claims (the "Avoidance Actions"). While the Debtor, Aetna and the Creditors' Committee are optimistic that the Plan will be confirmed and become effective, the Plan was not confirmed prior to the deadline for filing the Avoidance Actions (May 13, 1994). Consequently, the Debtor, Aetna and the Creditors' Committee entered into a stipulation, pursuant to which the Committee was to be vested with the authority and responsibility for filing Avoidance Actions against insiders of the Debtor (as defined in the Stipulation), while the Debtor was vested with the authority and responsibility for filing Avoidance Actions against all potential avoidance action defendants except insiders (as defined in the Stipulation). On the Effective Date, all such actions shall be dismissed with prejudice.

IX.

FEDERAL INCOME TAX CONSEQUENCES

A. Generally.

The following discussion summarizes certain of the significant federal income tax consequences of the implementation of the Plan to the Debtor and to taxpayers that own claims against or equity interests in the Debtor as capital assets and not for sale to customers in the ordinary course of business. This discussion is for informational purposes only and is based on the United States Internal Revenue Code of 1986, as amended (the "Tax Code"), the Treasury Regulations promulgated thereunder, judicial authority interpreting the Tax Code, and current administrative rulings and pronouncements of the IRS. The following discussion does not address foreign, state or local tax consequences, nor does it purport to address special classes of taxpayers (such as S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, foreign companies, nonresident alien individuals, regulated investment companies, broker-dealers, and tax-exempt organizations). Furthermore, estate and gift issues are not addressed herein.

Due to the complexity of the federal income tax issues raised by the Plan, the lack of applicable legal precedent and possibility of changes in law, the differences in the nature of the claims, the differences in the creditors' status and methods of accounting (including creditors within the same Class), and the potential for disputes as to legal and factual matters, the tax consequences described herein are subject to significant uncertainties. No opinion of counsel or ruling from the IRS will be sought or obtained prior to the Confirmation Date with respect to any of the tax aspects of the Plan, and it is not likely that an opinion or ruling could be obtained on all issues if one were sought. **EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN.**

B. Federal Income Tax Consequences to the Debtor and Holders of Equity Interests Therein.

1. Discharge of Indebtedness Income of the Debtor in General.

Subject to several exceptions, a taxpayer generally recognizes taxable income upon a satisfaction of its indebtedness for less than the taxpayer received on issuance of the debt. Accordingly, in an exchange transaction, if the amount "paid" in cancellation of the old debt (which would be the sum of any cash paid, the issue price of any new debt instruments transferred and the fair market value of any other property transferred in cancellation of the old debt) is less than the adjusted issue price of the old debt (i.e., the amount paid for the old debt when originally issued plus accruals of original issue discount, if any, on the old debt to the date of discharge), then the taxpayer generally is required to include the difference in gross income for the taxable year of the discharge.

One of the exceptions to this rule provides that gross income does not include amounts attributable to a discharge of indebtedness granted by a court pursuant to a title 11 case (the "Bankruptcy Discharge Exception"). Another exception (the "Insolvency Exception") provides that gross income does not include cancellation of debt income to the extent that the taxpayer is insolvent immediately before the debt is discharged. For this purpose, insolvency is measured by the difference between the taxpayer's liabilities immediately before the discharge and the fair market value of the taxpayer's assets (including goodwill and other intangible assets) immediately before the discharge.

In the case of a debtor that is a partnership for federal income tax purposes ("Partnership Debtor"), both the Bankruptcy Discharge Exception and Insolvency Exception are applied solely by determining whether the ultimate partners in that debtor (i.e., taxpayers that are not themselves partnerships) satisfy the requirements of the exceptions. Thus, as discussed in greater detail below, cancellation of debt income recognized by a Partnership Debtor generally is allocated to the partners and included in the taxable income of each partner unless either the Insolvency Exception or Bankruptcy Discharge Exception applies by reason of the insolvency or bankruptcy of the partners.

2. Federal Income Tax Consequences Peculiar to a Partnership Debtor and Holders of Equity Interests Therein.

a. Recognition of Cancellation of Debt Income.

Cancellation of debt income generally will be realized by the Debtor equal to the excess of (i) the total amount of all allowed claims against the Debtor that are discharged under the Plan over (ii) the sum of (A) the amount of cash and the fair market value of any property paid to claimants by the Debtor under the Plan, if any, plus (B) the issue price of the allowed secured claim against the Debtor immediately after the Effective Date.

Cancellation of debt income, if any, realized by the Debtor will be allocated to the existing holders of equity interests in the Debtor. However, the manner in which cancellation of debt income of the Debtor must be allocated is not clear. The Debtor may amend its governing instrument under the Plan to provide that cancellation of debt income realized under the Plan must be allocated among the equity interest holders in the Debtor in the same manner that such holders share the cancelled debt under Sections 752 of the Tax Code and the Treasury Regulations issued thereunder. There can be no assurance that the IRS will agree with this method for allocating cancellation of debt income. Thus, there can be no certainty that the cancellation of debt income displayed on the Form K-1 received by an equity interest holder from the Debtor in which he owns an equity interest will be the amount of ordinary income such equity holder ultimately is required to include in his taxable income (or exclude due to the application of the Partnership Interest-For-Debt Exception or the Bankruptcy Discharge Exception or Insolvency Exception with respect to such equity interest holder).

Cancellation of debt income of a Partnership Debtor allocated to an existing equity interest holder that is not excluded under any of the exceptions discussed above generally should be treated as income from a passive activity if, with respect to such equity interest holder, the interest deductions and other deductions attributable to the cancelled debt were subject to the passive activity loss limitations of Section 469 of the Tax Code. Thus, such an equity interest holder generally should be able to use any suspended passive activity losses such holder may have to shelter such cancellation of debt income.

b. Constructive Cash Distributions.

Generally, under Section 752 of the Tax Code, a partner is deemed to have received a distribution of cash to the extent that such partner's share of partnership liabilities is reduced, whether by reason of a discharge of such liabilities or by reason of a shift of such liabilities to another partner. Under Sections 751 and 731 of the Tax Code, (i) a partner will generally recognize ordinary income to the extent that his interest in any appreciated inventory or unrealized receivables (including depreciation recapture) of the partnership is reduced, and (ii) the balance of

such reduction in liabilities will reduce the adjusted tax basis of the partner's interest in the partnership, with any excess over such adjusted tax basis being taxed to the partner as capital gain.

A constructive cash distribution will occur to each holder of an equity interest in the Debtor to the extent such holder's share of the Debtor's liabilities as determined under Section 752 of the Tax Code is reduced by reason of a cancellation of debt under the Plan. See the discussion under "Recognition of Cancellation of Debt Income" above. Any cancellation of debt income allocated to an existing holder of an equity interest in the Debtor (including income that is excluded under either the Bankruptcy Discharge Exception or the Insolvency Exception, which exceptions, unlike the Partnership Interest-For-Debt Exception, are applied at the partner level) should increase the holder's adjusted tax basis of his equity interest. As a result of this increase in basis, provided the manner in which the Debtor allocates its cancellation of debt income is respected for federal income tax purposes (as discussed above), the deemed cash distribution should not exceed the holder's tax basis for its equity interest and, thus, the holder should not recognize additional gain under Section 731 of the Tax Code.

Gain or income recognized by an existing equity interest holder under either or both Sections 751 and 731 of the Tax Code in connection with a reduction in his share of Partnership Debtor liabilities generally should be treated as income from a passive activity to the extent that, with respect to such equity interest holder, the assets of the Debtor are used in an activity of the Partnership Debtor that is subject to the passive activity loss limitations of Section 469 of the Tax Code. Thus, such an equity interest holder generally should be able to use any suspended passive activity losses it may have to shelter such gain or income, if any.

c. Gain on Property Transfer.

The Debtor will recognize gain upon the transfer of property to a creditor to the extent that the fair market value of such property exceeds the Debtor's tax basis therein. Any such gain will be allocated to the holder of equity interests in accordance with the allocation provisions in the partnership agreement.

C. Federal Income Tax Consequences to Creditors.

The federal income tax consequences to creditors of the implementation of the Plan will depend, among other things, on the consideration to be received by the creditor, whether the creditor reports income using the accrual or cash method, and whether the creditor has taken a "bad debt" deduction or worthless security deduction with respect to its claim.

1. Gain or Loss to Creditors Receiving Cash Only on the Effective Date.

Those creditors receiving only cash on the Effective Date generally recognize gain or loss equal to the difference between the amount of cash received and the adjusted tax basis of the claim exchanged therefor. For those holders of claims who acquired their claims at a significant discount or who have taken a bad debt or worthless security deduction with respect to all or a portion of their claims, it is possible that gain may be recognized as a result of this exchange. Other holders of claims may recognize a significant loss in connection with the discharge of their claims for cash.



2. Creditors Actually or Constructively Receiving Property Other than Cash in General.

In the case of allowed secured claims that are modified under the Plan in several respects (including the adjustment of the interest rate on such instruments), a constructive taxable exchange will occur for federal income tax purposes in which such a claim holder transfers its old claim in exchange for a new allowed secured claim. The holder will generally recognize gain or loss to the extent of the difference between the adjusted issue price of the old claim and the issue price of the new claim.

3. Creditors Receiving Allowed Secured Claims Against the Debtor.

In the case of a holder of an allowed claim against the Debtor who continues to own an allowed secured claim after the Effective Date, generally gain or loss will be recognized by such holder in an amount equal to the difference between (a) the sum of any cash received by such holder under the Plan plus the issue price of the allowed secured claim deemed to have been issued on the Effective Date (other than that portion of the consideration deemed to have been distributed in payment of accrued and unpaid interest on the allowed claim) and (b) the adjusted tax basis of such holder's allowed claim immediately before the Effective Date. The adjusted tax basis of the allowed secured claim immediately after the Effective Date will equal the issue price thereof, as determined under applicable original issue discount rules, and the holding period therefor will begin on the date following the Effective Date.

4. Gain or Loss to Holders of Disputed Claims.

Holders of disputed claims on the Effective Date which later become allowed claims will receive payments in discharge of such claims as distributions are made to such holders. It is likely that a portion of any amounts received by a contested claimant from the Disputed Claims Reserve will be treated as imputed interest income, computed from the Effective Date. The balance of the consideration should be subject to tax in the same manner as would have occurred if the claim had been an allowed claim on the Effective Date.

5. Other Tax Consequences.

a. Character of Gain or Loss.

The character of any gain or loss as capital or ordinary gain or loss and, in the case of capital gain or loss, as short-term or long-term, will depend on a number of factors, including among other things: (i) the nature and origin of the claim; (ii) the tax status of the holder of the claim; (iii) whether the holder is a financial institution; (iv) whether the claim is a capital asset in the hands of the holder; (v) whether the claim has been held for more than one year; and (vi) the extent to which the holder previously claimed a loss, bad debt deduction or charge to a reserve for bad debts with respect to the claim.

b. Receipt of Interest.

Creditors will recognize ordinary income to the extent that they receive any cash or other property (including notes or debt securities) that is allocable to unpaid interest accrued on their claims that has not already been included for federal income tax purposes in such creditor's taxable income. The proper allocation between principal and interest of amounts received in exchange

for the discharge of a claim at a discount is unclear and may be affected by, among other things, the rules in the Tax Code relating to imputed interest, original issue discount and accrued market discount. In connection with the allocation of consideration between principal and interest, creditors should consult their own tax advisors to determine the amount of consideration received under the Plan that is allocable to interest.

In the event that the amount of cash and other property allocable to interest on a creditor's claim is less than the amount previously included as interest on the claim in the creditor's federal taxable income, the unpaid interest may be deducted, generally as a loss.

c. Withholding and Reporting.

The Debtor will withhold all amounts required by law to be withheld from payments to holders of claims. In addition, such holders may be required to provide certain tax information to Debtor as a condition of receiving distributions under the Plan. Debtor will comply with all applicable reporting requirements of the Tax Code.

D. Importance of Obtaining Professional Assistance.

AS INDICATED ABOVE, THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLANS ARE COMPLEX AND, IN MANY AREAS, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING SUCH TAX CONSEQUENCES.

X.

VOTING PROCEDURES AND REQUIREMENTS

In order for the Plan to be confirmed, various conditions, both statutory and as provided in the Plan, must be satisfied. Statutory requirements include (a) acceptance of the Plan by a requisite class of creditors or interest holders entitled to vote on the Plan, (b) provision for payment or distribution under the Plan to each creditor of money and/or other property equal in value to that it would have received in liquidation, and (c) a finding by the Bankruptcy Court that the Plan is feasible. The Debtor has the right with Aetna's written consent, to withdraw the Plan at any time up to the entry by the Bankruptcy Court of the Confirmation Order.

In order to confirm the Plan, the Bankruptcy Court must determine, among other things, which of the impaired classes have accepted the Plan. See "Voting Procedures and Requirements -- Parties in Interest Entitled to Vote." If one or more of such classes do not vote to accept the Plan, the Bankruptcy Court will determine whether, notwithstanding such nonacceptance, the Plan is fair and equitable to the nonaccepting class or classes and does not discriminate unfairly against them.

**A. Ballot Solicitation and Tabulation Procedures.**

The Debtor will solicit and tabulate votes to accept or reject the Plan pursuant to the procedures outlined herein. The ballot solicitation materials consist of the (i) order approving the Disclosure Statement, (ii) the Disclosure Statement, (iii) the Plan, (iv) appropriate ballots and voting instructions, and (v) pre-addressed return envelope (collectively the "Solicitation Package").

**1. Distribution of Solicitation Packages.**

The Debtor will cause a Solicitation Package to be served upon each Creditor or interest holder in an impaired class.

**2. Return of Ballots.**

Each Ballot will be accompanied by a return envelope addressed to Debtor's counsel. All ballots for accepting or rejecting the Plan must be received by McDermott, Will & Emery by 5:00 p.m., on August 1, 1994 (the "Voting Deadline"). Ballots may be received at the address set forth on the return envelope provided with each ballot, by mail, courier or similar delivery only. Facsimile transmission of Ballots will not be allowed.

**3. Tabulation of Ballots.**

The following voting procedures and assumptions will be used in tabulating votes:

a. If a ballot is not received at McDermott, Will & Emery by the Voting Deadline imposed by the Bankruptcy Court, the ballot will not be counted.

b. Each creditor or interest holder will be deemed to vote the full amount of its claim or interest.

c. Whenever a creditor or interest holder casts more than one ballot voting the same claim or interest prior to the Voting Deadline, the last ballot received prior to the Voting Deadline will be deemed to reflect the creditor or interest holder's intent and thus to supersede any prior ballots.

d. A creditor or interest holder must vote all of its claims or interests within a particular Plan class either to accept or reject the Plan and may not split its vote. Accordingly, a ballot (or multiple ballots with respect to multiple claims or interests within a single Plan class) that partially rejects and partially accepts the Plan will not be counted.

e. For purposes of voting, the amount of the claim or interest used to tabulate acceptance or rejection of the Plan will be the amount appearing on the Debtors' schedules (the "Scheduled Amount") subject to the guidelines set forth in subsection (f) below, or, if a timely proof of claim has been filed, the amount shown on a proof of claim filed by the claimant on or before the claims bar date (the "Claimed Amount");

f. For determining which of the above amounts will be counted with respect to each ballot, the following guidelines will be used:

(i) Use of Claimed Amount. When a ballot is filed that pertains to a proof of claim that was filed by the claims bar date (or otherwise deemed timely by the Bankruptcy Court under applicable law), the Claimed Amount will be used for voting purposes unless an objection to the proof of claim has been filed before the commencement of the Confirmation Hearing, in which case the ballot will be allowed or disallowed for voting purposes in accordance with the following:

(1) if the proof of claim is subject to a pending full or partial objection to claim, the non-disputed amount will be counted for voting purposes;

(2) if the Bankruptcy Court enters an order fully or partially disallowing the proof of claim, the allowed amount will be counted for voting purposes;

(3) if the Bankruptcy Court approves a stipulation partially allowing the proof of claim, the stipulated amount will be counted for voting purposes;

(4) if the Bankruptcy Court approves a stipulation fixing the Claimed Amount for voting purposes, the stipulated amount will be counted for voting purposes;

(5) if the Bankruptcy Court enters an order fixing the Claimed Amount for voting purposes prior to the Voting Deadline, the ordered amount will be counted for voting purposes.

(ii) Use of Unliquidated Claimed Amount. When a ballot is filed that pertains to a proof of claim for an unliquidated or unknown amount that was filed by the claims bar date (or otherwise deemed timely filed by the Bankruptcy Court under applicable law), but the claim does not appear on the Schedules of Liabilities and if the proof of claim is not the subject of an objection filed before the commencement of the Confirmation Hearing, then the ballot will be counted for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code but will not be counted towards satisfying the aggregate amount provision of that section.

(iii) Use of Scheduled Amount. When a ballot is filed that pertains to a claim listed on the Schedule of Liabilities, and a Claimed Amount does not exist for voting purposes, the Scheduled Amount will be used for voting purposes, unless such claim is scheduled as disputed, contingent or unliquidated, in which case, the ballot will not be counted.

(iv) Use of Other Amounts. If the amount shown on the ballot conflicts with the Scheduled Amount or Claimed Amount, the Scheduled Amount, or Claimed Amount, as appropriate, will be used for voting purposes.

(v) No Scheduled Amount or Claimed Amount. If a ballot is filed with respect to a claim or interest and there exists no related Scheduled Amount or Claimed Amount, that can be used for voting purposes, the ballot will not be counted.

g. For purposes of voting on Debtor's Plan of Reorganization only, each holder of a Class 10 Claim shall be deemed to have one vote per unit owned at any time during the period December 23, 1992 to the last day for voting on Debtor's Plan. For purposes of calculation of the dollar amount of each vote pursuant to Bankruptcy Code section 1126(d), each vote shall have a dollar amount equal to the square footage of the condominium unit owned, according to the following schedule:

<u>Type of Condominium</u>	<u>Square Footage</u>
Studio	400
1 bedroom	935
2 bedroom	1,422
3 bedroom	1,722
Penthouse - 3 bedroom	2,652
Penthouse - 4 bedroom	3,092

**B. Ballots and Voting Procedures.**

A ballot to be used for voting to accept or reject the Plan and a pre-addressed, return envelope are enclosed with all copies of the Disclosure Statement mailed to creditors and interest holders entitled to vote. **BEFORE COMPLETING YOUR BALLOT. PLEASE READ CAREFULLY THE VOTING INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.** Please use only the ballot that accompanies this Disclosure Statement.

It is important that creditors and interest holders exercise their right to vote to accept or reject the Plan. Even if you do not vote to accept the Plan, you may be bound by the Plan, if it is accepted by the requisite holders of claims or interests. In addition, you may be bound by the Plan, even if you do not vote in favor of it, if you are the holder of an unimpaired claim or interest.

The ballot included herewith will serve as the ballot for indicating acceptance of the Plan pursuant to the requirements of sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rule 3018(c). The Debtor believes the solicitation of acceptances under this Disclosure Statement will be procured in compliance with applicable nonbankruptcy laws, rules, and regulations governing the adequacy of disclosure in connection therewith and that this Disclosure Statement contains "adequate information," as that term is defined in Section 1125(a) of the Bankruptcy Code.

The amount and number of votes required for confirmation of the Plan are computed on the basis of the total amount of claims or interests actually voting for or against the Plan.

There are currently claims pending against the Debtor that are or may become contested claims. The Debtor reserves the right to dispute both the asserted classification and the alleged amount proposed by creditors and interest holders objecting to the classification and amount of claims.

**C. Parties in Interest Entitled to Vote.**

Any creditor or interest holder of the Debtor whose claim or interest is impaired under the Plan is entitled to vote, if either (a) its claim or interest has been scheduled by the Debtor (and if a claim is not scheduled as disputed, contingent or liquidated), or (b) it has filed a proof of claim on or before December 31, 1992, the last date set by the Bankruptcy Court for such filings, unless the creditor is an insider as defined in section 101(28) of the Bankruptcy Code. Any claim to which an objection has been filed (and the objection is still pending) is not entitled to vote, unless the Bankruptcy Court temporarily allows the claim in an amount which it deems proper for the purpose of accepting or rejecting the Plan upon application by the creditor whose claim has been objected to. A creditor's vote may be disregarded if the Bankruptcy Court determines that the creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

**D. Definition of Impairment.**

Under section 1124 of the Bankruptcy Code, a class of claims or equity interests is impaired under a plan of reorganization unless, with respect to each claim or equity interests of such class, the plan:

1. leaves unaltered the legal, equitable, and contractual rights of the holder of the claim or interest; or
2. notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to receive accelerated payment of his claim or interest after the occurrence of a default:
  - (i) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code;
  - (ii) reinstates the maturity of the claim or interest as it existed before the default;
  - (iii) compensates the holder of the claim or interest for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and
  - (iv) does not otherwise alter the legal, equitable, or contractual rights to which the claim or equity interest entitles the holder of the claim or interest; or
3. provides that, on the Effective Date, the holder of the claim or interest receives, on account of such claim or interest, cash, equal to:
  - (i) with respect to a claim, the allowed amount of the claim; or
  - (ii) with respect to an interest, if applicable, the greater of:
    - (A) any applicable fixed liquidation preference; or

(B) any fixed price at which the debtor, under the terms of the security, may redeem the security.

Holders of claims and interests in impaired classes are entitled to vote to accept or reject the Plan.

XI.

CONFIRMATION OF THE PLAN

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

A. Confirmation Hearing.

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan. Section 1128(b) provides that any party in interest may object to confirmation of the Plan.

The Bankruptcy Court has scheduled a hearing to consider objections to confirmation of the Plan on August 3, 1994 at 2:00 p.m., which hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the hearing. Any objection to confirmation must be made in writing, filed with the Bankruptcy Court, and served upon and received by the following parties on or before July 29, 1994 at 5:00 p.m.:

Alan J. Stomel, Esq.  
McDermott, Will & Emery  
2049 Century Park East, 34th Floor  
Los Angeles, California 90067

Sheri Bluebond, Esq.  
Murphy, Weir & Butler  
2049 Century Park East, 21st Floor  
Los Angeles, California 90067

Michael Lubic, Esq.  
McCutchen, Doyle, Brown & Enersen  
355 South Grand Avenue, Suite 4400  
Los Angeles, California 90071

Maxine Miller, Esq.  
Andrews & Kurth  
601 S. Figueroa Street  
Los Angeles, California 90017

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. **UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.**

B. Requirements for Confirmation of the Plan.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of section 1129 of the Bankruptcy Code and all conditions set forth in the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. These requirements are as follows:

With respect to each impaired class of creditors and interest holders, each holder of an allowed claim or allowed interest in the class either (a) has accepted the Plan or (b) will receive or retain under the Plan, on account of its claim or interest, property of a value, as of the Effective Date

of the Plan, that is not less than the amount the holder would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code.

To determine what the holders in each impaired class of claims and interests would receive if the Debtor were liquidated, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtor's assets and properties in a context of chapter 7 liquidation case. The cash amount which would be available for satisfaction of the allowed claims and allowed interests of the Debtor would consist of the proceeds resulting from the disposition of the assets of each of the Debtor, augmented by the cash held by the Debtor at the time of the commencement of the chapter 7 case. This cash amount would be reduced by the costs and expenses of the liquidation and by such additional Administrative Claims and Priority Claims that may result from the termination of the Debtor's business and the use of chapter 7 for the purposes of liquidation.

The Debtor's costs of liquidation under chapter 7 would include the fees payable to the trustee appointed in the chapter 7 case, as well as those that might be payable to additional attorneys and other professionals that the trustee might engage. Costs of liquidation would also include any unpaid expenses incurred by the Debtor during the chapter 11 case, such as compensation for attorneys, financial advisors, and accountants and costs and expenses of any committee that are allowed in the chapter 7 case. In addition, claims may arise by reason of the breach or rejection of obligations incurred and executory contracts entered into by the Debtor during the pendency of the chapter 11 case.

To determine if the Plan is in the best interests of each impaired class of allowed claims and allowed interests, the present value of the distributions from the proceeds of the liquidation of the Debtor's assets and properties (after subtracting the amounts attributable to the claims described above) are then compared with the present value offered to each of the classes of allowed claims and allowed interests under the Plan.

In applying the "best interests" test, it is necessary to consider that claims and interests in a chapter 7 case might not be classified in the same manner as provided in the Plan. In the absence of a contrary determination by the Bankruptcy Court, all allowed claims which have the same rights upon liquidation would be treated as one class for the purposes of determining the potential distribution of the liquidation proceeds resulting from a chapter 7 case of the Debtor. The distribution from the liquidation proceeds would be calculated pro rata according to the amount of the allowed claim held by each creditor in the class. The Debtor believes that the most likely outcome of liquidation proceedings under chapter 7 would be the application of the rule of absolute priority of distributions. Under that rule, no junior class of creditors would receive any distribution until all senior classes of creditors were paid in full with interest, and no interest holder would receive any distribution until all creditors were paid in full with interest.

In order for the Plan to be confirmed, the Bankruptcy Court must determine that the need for further reorganization or a subsequent liquidation of the Debtor is not likely to result following confirmation of the Plan. Based on the financial projections which are attached as an exhibit to this Disclosure Statement, the Debtor does not believe that further reorganization or liquidation of the Debtor will be necessary.

Section 1129(a)(8) of the Bankruptcy Code requires that each impaired class must accept the Plan by the requisite votes for confirmation to occur. As more fully described herein, a class of impaired claims will have accepted the Plan if at least two-thirds in amount and more than one-half in number of allowed claims in the class voting to accept or reject the Plan have voted in



favor of acceptance. A class of impaired interests will have accepted the Plan if at least two-thirds in amount of the allowed interests in the class voting to accept or reject the Plan have voted in favor of acceptance.

If any impaired class of claims or interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtor if, as to such impaired class, the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to that class. A plan does not discriminate unfairly if no class receives more than it is legally entitled to receive for its claims or equity interests. "Fair and equitable" has different meanings for secured claims, unsecured claims and interests.

With respect to a secured claim, "fair and equitable" means that either (a) the impaired secured creditor retains its liens to the extent of its allowed secured claim and receives deferred cash payments at least equal to the allowed amount of its claim with a present value as of the Effective Date of the plan at least equal to the value of the creditor's interest in the property securing its liens, (b) property subject to the lien of an impaired secured creditor is sold free and clear of the lien, with the lien attaching to the proceeds of the sale, or (c) the impaired secured creditor realizes the "indubitable equivalent" of its claim under the Plan.

With respect to an unsecured claim, "fair and equitable" means that either (a) each impaired unsecured creditor receives or retains property of a value equal to the amount of its allowed claim or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the Plan.

With respect to an interest, "fair and equitable" means that either (a) each holder of an impaired interest in the class receives or retains property of a value equal to the greatest of the allowed amount of any fixed liquidation preference to which the holder is entitled, any fixed redemption price to which the holder is entitled, or the value of that interest or (b) the holders of all interests that are junior to the interests of the dissenting class will not receive any property under the Plan.

With respect to a class of claims which does not vote to accept the Plan, the Bankruptcy Court must determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any impaired class of claims or interests.

The Debtor believes that each holder of a claim impaired under the Plan will receive payments under the Plan having a present value as of the Effective Date of an amount not less than the amount likely to be received if Debtor were liquidated in a case under chapter 7 of the Bankruptcy Code. The Debtor believes that the values reflected in the Liquidation Analysis represent the most likely result in the event of a liquidation of their assets in a chapter 7 case and believe that the likelihood that a liquidation of their assets would yield going concern values is highly remote. At the Confirmation Hearing, the Bankruptcy Court will determine whether creditors would receive greater distributions under the Plan than they would in a liquidation under chapter 7.

The Debtor also believes that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor or any successor to the Debtor under the Plan.

## XII.

### ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtor believes that the Plan affords creditors and interest holders the potential for the greatest realization out of its assets and, therefore, is in the best interest of creditors and interest holders. The Debtor has considered alternatives to the Plan. In the view of the Debtor, these alternatives do not afford creditors or interest holders as great a realization potential as does the Plan, especially in light of the non-monetary benefits to certain classes.

#### A. Liquidation under Chapter 7.

If the Plan is not consummated, the theoretical alternatives include liquidation, or one or more alternative plans of reorganization.

In evaluating its current business operations, the Debtor has considered the alternative of immediately liquidating their assets. In considering such alternative, the Debtor, in the context of both an ongoing concern and a liquidation, has taken into account the nature, status, and underlying values of the tangible and intangible assets, the ultimate realizable value of those assets, and the extent to which certain of the assets are subject to the liens and security interests of various secured lenders.

The Debtor believes that if a reorganization is not effected, Aetna will seek leave to foreclose. If Aetna forecloses, creditors other than Aetna will receive nothing from that portion of the Debtor's property which constitutes Aetna's collateral, and the settlements with the Health Club Lifetime Members and the Homeowners Association as well as all other settlements would be of no force and effect. Accordingly, in a liquidation, the Debtor estimates that there would be a significantly reduced distribution to unsecured creditors from property of the Debtor should the claims of Homeowners and Health Club Lifetime Members be allowed. It is anticipated that a chapter 7 trustee would object to such claims; nevertheless, even if a trustee were to prevail, the delay and accrual of the trustee's attorneys' fees would reduce the distribution to general unsecured creditors. Although unsecured creditors may be entitled to pursue their claims against the individual General Partners of the Debtor, MCC does not believe that recovery, if any, on such claims will be realized prior to the likely date of distribution to creditors under the Plan. For these reasons, the Debtor believes that the Plan offers unsecured creditors more than they would realize in liquidation.

As discussed above in section IV.B.5, Aetna holds a non-recourse note, secured by certain assets of the Debtor. In a Chapter 7, Aetna would, on account of its non-recourse note, be limited to its particular collateral, and would not have recourse against other assets of the Debtor or against the General Partners, except as set forth in Aetna's Amended Loan Documents.

#### B. Alternative Plans.

If the Plan were not confirmed, the Debtor or any other party in interest could attempt to formulate a different plan. Such a plan might involve either a reorganization and continuation of the Debtor's business, a liquidation of Debtor's assets, or the foreclosure by Aetna of its collateral. The Debtor believes that the Plan, as described herein, enables creditors and interest holders to realize the greatest amount possible under the circumstances.

XIII.

CONCLUSION

The Debtor urges holders of impaired claims and interests to vote to accept the Plan and to evidence such acceptance by returning their ballots so that they will be received on or before 5:00 p.m. August 1, 1994.

DATED: June 28, 1994

Respectfully submitted,

DAVID GOULD  
ALAN STOMEL  
McDERMOTT, WILL & EMERY

By 

ALAN J. STOMEL

Attorneys for Debtor and Debtor in Possession  
MARINA CITY CLUB, L.P.

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**EXHIBIT 1**

**EXHIBIT 1**

DAVID GOULD (State Bar No. 037947)  
ALAN J. STOMEL (State Bar No. 124986)  
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(310) 551-9373

Attorneys for Debtor and Debtor in Possession  
**MARINA CITY CLUB, L.P.**

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA**

In re	)	CASE NO. LA 92-29484-SB
	)	
	)	CHAPTER 11
MARINA CITY CLUB, L.P., a California	)	
limited partnership, fka J.H. Snyder Company, a	)	AMENDED PLAN OF
California limited partnership, dba Marina City	)	REORGANIZATION DATED
Club.	)	JUNE 28, 1994
	)	
Debtor.	)	DATE: August 3, 1994
	)	TIME: 2:00 P.M.
	)	CTRM: 1575
	)	255 E. Temple St.
	)	Los Angeles, CA 90012

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**TABLE OF CONTENTS**

		<u>Page(s)</u>
ARTICLE 1	DEFINITIONS .....	2
ARTICLE 2	CLASSIFICATION OF CLAIMS AND INTERESTS .....	6
ARTICLE 3	PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS .....	7
ARTICLE 4	TREATMENT OF CLASSES OF CLAIMS OR INTERESTS .....	8
ARTICLE 5	EXECUTORY CONTRACTS .....	10
ARTICLE 6	MEANS OF EXECUTION .....	10
ARTICLE 7	ALLOWANCE OF CLAIMS .....	13
ARTICLE 8	CONDITIONS PRECEDENT TO THE PLAN .....	14
ARTICLE 9	MISCELLANEOUS .....	14

Marina City Club, L.P., debtor and debtor in possession in this chapter 11 case ("MCC" or "Debtor"), proposes the following Plan of Reorganization (the "Plan").

## ARTICLE 1

### DEFINITIONS

The following definitions apply:

1.1 "Administrative Creditor" shall mean any entity entitled to payment of an Administrative Expense.

1.2 "Administrative Expense" means any cost or expense of administration allowed against the Debtor under Section 503(b) of the Bankruptcy Code including, without limitation, any actual and necessary costs and expenses in preserving the estate of the Debtor, and the actual and necessary costs and expenses of operating the business of the Debtor, and the indebtedness or obligation incurred or assumed by the Debtor in connection with its conduct or business or for the acquisition or lease of property or for the rendition of services to the Debtor, and all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court by Final Order under Section 330 of the Bankruptcy Code, and any fees or charges assessed against the estate of the Debtor under 28 U.S.C. section 1930.

1.3 "Aetna" means Aetna Life Insurance Company, the holder of a note dated September 6, 1991 in the amount of \$24,000,000, secured by a deed of trust on the Debtor's leasehold interest in the Improved Parcel and the improvements thereon.

1.4 "Aetna Restructure Agreement" means the Settlement Agreement between Aetna and the Debtor which is attached hereto as Exhibit "C".

1.5 "Allowed Claim" means a claim with respect to which (a) a proof of claim has been filed with the Court or (b) which is scheduled in the list of creditors prepared and filed with the Court by MCC (as amended), not listed as disputed, contingent or unliquidated as to amount, and in either case, as to which no objection to allowance thereof has been determined by an order or judgment which has become a Final Order.

1.6 "Allowed Secured Claim" means an Allowed Claim secured by a lien, security interest or other charge against property in which MCC has an interest, or which is subject to setoff under section 553 of the Code to the extent of the value (determined in accordance with section 506(a) of the Code) of the interest of the holder of such Allowed Secured Claim in the interest of the Estate in such property or to the extent of the amount subject to setoff, as the case may be.

1.7 "Allowed Unsecured Claim" shall mean an Allowed Claim, other than an Administrative Claim or priority claim, that is not secured by a valid, perfected, and enforceable lien against property of the Debtor.

1.8 "Amended Aetna Loan Documents" means the new loan documents necessary to implement the terms and conditions of the Aetna Restructure Agreement.



1.9 "Avoidance Action" means a cause of action assertable pursuant to Sections 542, 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code.

1.10 "Bankruptcy Code" or "Code" means title 11, United States Code, section 101, et seq.

1.11 "Bankruptcy Court" or "Court" means the United States Bankruptcy Court for the Central District of California in which the Reorganization Case is pending, or such other court of competent jurisdiction as is exercising jurisdiction over the Reorganization Case at the time of Confirmation.

1.12 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

1.13 "Confirmation" means entry of the Confirmation Order.

1.14 "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan under section 1129 of the Code.

1.15 "Debtor's Condo Proceeds" means that portion of the proceeds from the sale of condominium units to which the Debtor or its affiliates would be entitled pursuant to the MDP Second Modification Agreement, net of costs of sale and net of payments to MDP.

1.16 "Disbursing Agent" means MCC, which shall serve as agent for distributions made under the Plan to the parties entitled thereto.

1.17 "Disputed Claim" means any alleged claim against MCC which may be filed with the Bankruptcy Court on or before the Effective Date with respect to which an objection has been filed by a party in interest which objection has not been withdrawn or resolved by entry of a Final Order on or before the Effective Date or a claim scheduled as disputed, contingent or unliquidated.

1.18 "Disputed Claim Reserve" shall mean a reserve established and held by the Debtor for the benefit of holders of Disputed Claims, containing a reasonable reserve to be set by the Court, which funds are to be distributed to the holder of the Disputed Claim on the Distribution Date in the event the Disputed Claim is ultimately allowed.

1.19 "Distribution" means the pro rata distribution(s) to holders of Allowed Claims or Interests in a Class.

1.20 "Distribution Date", when used with respect to an Allowed Claim, means the later of the Effective Date or as soon as practicable thereafter, or the date upon which the claim becomes an Allowed Claim.

1.21 "Effective Date" means the eleventh (11th) day after Confirmation unless in the interim an appeal from the Confirmation Order is timely perfected and a stay is obtained prior to substantial consummation. In such event, the Effective Date shall be the eleventh (11th) day after the date on which the appeal is finally dismissed or otherwise resolved in favor of MCC.

1.22 "Enforcement Deed of Trust" means the deed of trust which secures monetary obligations of a condominium sublessee under the Master Condominium Sublease.

1.23 "Estate" means the estate created in the Reorganization Case pursuant to Bankruptcy Code section 541.

1.24 "Final Order" means an order or judgment of the Bankruptcy Court as to which any appeal that has been or may be taken is final and as to which the time for appeal has expired.

1.25 "General Partners" means Jerome H. Snyder, Lewis P. Geyser and Milton I. Swimmer.

1.26 "Health Club Claims" means those claims which arise out of Lifetime or Sterling memberships with respect to health and tennis club facilities located on the Improved Parcel.

1.27 "Health Club Class Claims Settlement Agreement" means the Settlement Agreement between the Debtor and the Lifetime and Sterling Members of the Marina City Club attached to the Plan as Exhibit "F".

1.28 "Homeowner Claims" means the claims asserted by the Homeowners Association or individual condominium sublessees encompassed in the settlement with the Homeowners Association.

1.29 "Homeowners Association" means the Marina City Club Condominium Owners Association.

1.30 "Homeowners Class Claims Settlement Agreement" means the Settlement Agreement between the Debtor and the Marina City Club Condominium Owners Association attached to the Plan as Exhibit "D".

1.31 "Hotel Parcel" means that certain real property commonly known as the Ritz Carlton Hotel which the Debtor leases from Los Angeles County pursuant to the Hotel Parcel Ground Lease and which the Debtor subleases to the Ritz-Carlton Hotel pursuant to the Ritz-Carlton Sublease.

1.32 "Hotel Parcel Ground Lease" means that lease dated November 7, 1986 between Debtor and Los Angeles County pursuant to which Debtor is the master lessee of the Hotel Parcel.

1.33 "Improved Parcel" means the real property commonly known as the Marina City Club, 4333 Admiralty Way, Marina del Rey, CA, on which is located three high-rise tower buildings containing 600 condominiums, 101 apartments, 376 boat slips, certain common areas and other commercial and retail space including restaurant space, retail shopping facilities and offices, and health and recreational facilities, alternatively referred to as the "Towers Parcel".

1.34 "Improved Parcel Ground Lease" means that Second Amended and Restated Lease [Improved Parcel] (as amended) dated October 15, 1987 between Debtor and Los Angeles County, pursuant to which Debtor is the master lessee of the Improved Parcel.

1.35 "International Onion" shall mean International Onion, Inc., debtor in a chapter 7 case pending in the Central District of California, Case No. LA 92-52820-LHF.

1.36 "Interest" means the interest of a holder of an equity security as defined in the Bankruptcy Code.

1.37 "Limited Partners" means Jerome H. Snyder, Lewis P. Geysler, Milton I. Swimmer, Joan A. Snyder, Wendy K. Snyder, Lon J. Snyder and William N. Snyder.

1.38 "Master Condominium Sublease" means the sublease dated January 5, 1988 pursuant to which Debtor and Marina City Condominiums, L.P. entered into subleases for the condominium portion of the Improved Parcel.

1.39 "MDP" means MDP, Ltd., the holder of a promissory note dated December 8, 1986 (as extended and modified by agreements dated December 29, 1989 and September 6, 1990 and as modified by the Second Modification Agreement dated February 18, 1991) secured by a deed of trust on the Hotel Parcel and Improved Parcel.

1.40 "New General Partner Interests" means the new interests in the Reorganized Debtor which shall be issued to the General Partners if the Plan is confirmed pursuant to Bankruptcy Code Section 1129(b)(2)(B)(ii).

1.41 "New Limited Partner Interests" means the new interests in the Reorganized Debtor which shall be issued to the Limited Partners if the Plan is confirmed pursuant to Bankruptcy Code Section 1129(b)(2)(B)(ii).

1.42 "Petition Date" means May 15, 1992.

1.43 "Plan" means this Plan of Reorganization, as it may be modified from time-to-time.

1.44 "Priority Nontax Claims" means any Allowed Claim, other than an Administrative Expense, to the extent entitled to priority under Section 507(a) of the Bankruptcy Code, but excluding Tax Claims.

1.45 "Red Onion Sublease" means that certain lease dated September 15, 1981 between MDP and International Onion, pursuant to which International Onion is the subtenant of a portion of the Improved Parcel.

1.46 "Reorganization Case" or "Case" means Case No. LA 92-29484, currently pending in the United States Bankruptcy Court for the Central District of California.

1.47 "Ritz-Carlton Sublease" means that certain lease dated May 27, 1987 between MCC and the Ritz-Carlton Hotel, pursuant to which the Ritz-Carlton Hotel is the subtenant of the Hotel Parcel.

1.48 "Security Deposit Claims" means claims asserted by tenants of apartments or condominiums, which tenants have terminated occupancy and are entitled to a refund of their security deposit.

1.49 "Settlement Agreements" means the Los Angeles County Settlement Agreement, the MDP letter agreement, the Actna Restructure Agreement, the Homeowners Class Claims Settlement Agreement, the Health Club Class Claims Settlement Agreement, the Marina Yacht Club

Settlement Agreement, which are attached to the Plan as Exhibits "A", "B", "C", "D", "F" and "G", respectively, and the General Partners Settlement.

1.50 "Tax Claim" means a priority claim allowed pursuant to Section 507(a)(7) of the Bankruptcy Code.

1.51 "Tax Code" means the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal Revenue Act.

1.52 "Trade Claims" means claims of trade creditors, lease back claims, buyer credits, refund of sales prices, claims of Homeowners or Health Club Members which do not fall within Class 9 or Class 10, and other general unsecured claims.

1.53 "U.S. Trustee" means the Office of the United States Trustee.

2. A term or phrase used in this Plan that is not specifically defined above but that is used in the Bankruptcy Code has the meaning assigned to that term or phrase in the Bankruptcy Code.

## ARTICLE 2

### CLASSIFICATION OF CLAIMS AND INTERESTS

The Code does not require certain priority claims to be classified. Accordingly, Administrative Claims, and claims of governmental units for certain taxes entitled to priority under sections 507(a)(1) and (7) of the Code are not classified in the Plan ("Unclassified Claims").

Unclassified Claims include the cost and expenses incurred in connection with the reorganization arising subsequent to the commencement of the chapter 11 case, as well as the fees and expenses of professionals and expenses of members of the Creditors Committee allowed by the Bankruptcy Court. Unclassified Claims also include all payments due to the USTO as of Confirmation as well as the special assessment pursuant to 28 U.S.C. 1930 to be paid to the Clerk of the Court.

The Plan divides claims and interests in classes in conformity with section 1122 of the Bankruptcy Code as follows:

- 2.1 Class 1. Priority Nontax Claims.
- 2.2 Class 2. The Claim of Los Angeles County.
- 2.3 Class 3. The Secured Claim of MDP.
- 2.4 Class 4. The Secured Claim of Aetna.
- 2.5 Class 5. The Secured Claim of Citicorp Mortgage, Inc.
- 2.6 Class 6. The Secured Claim of Bank of America.

- 2.7 Class 7. The Secured Claim of Sears Mortgage Corporation.
- 2.8 Class 8. Trade Claims.
- 2.9 Class 9. Homeowner Claims.
- 2.10 Class 10. Health Club Claims.
- 2.11 Class 11. Non-Priority Security Deposit Claims.
- 2.12 Class 12. The Deficiency Claim of Actma.
- 2.13 Class 13. The Secured Claim of Wilshire Courtyard.
- 2.14 Class 14. General Partnership Interests.
- 2.15 Class 15. Limited Partnership Interests.

### ARTICLE 3

#### PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS

3.1 Administrative Expenses. Each Administrative Expense shall be paid in full in cash on the Effective Date, or as soon as practicable thereafter, provided, however, that Administrative Expenses representing (a) liabilities incurred in the ordinary course of business by the Debtor as debtor in possession, (b) liabilities arising under loans or advances to the debtor in possession, whether or not incurred in the ordinary course of business, shall be assumed and paid by the Debtor in accordance with the terms and conditions of the particular transactions and relevant court order approving such transaction; and provided, further, that any Administrative Expense may be satisfied upon other terms as may be agreed upon by the Debtor and the holder thereof. All Administrative Creditors that are awarded compensation or reimbursement expenses by the Bankruptcy Code under sections 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) shall be paid in full in such amounts as are allowed by the Bankruptcy Court (a) upon the later of (i) the Effective Date and (ii) the date upon which the Bankruptcy Court enters an order with respect to any such Administrative Expense, or (b) upon such other terms as may be mutually agreed upon by such Administrative Creditor and the Debtor and approved by an order of the Court. Any Administrative Claims, other than those allowable under section 330 of the Bankruptcy Code or those based upon ordinary course post-petition transactions shall be filed within 30 days after the date of service of an approved Disclosure Statement. Any Administrative Claims for which a proof of claim is not timely filed shall be barred.

3.2 Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall receive deferred cash payments, including interest as authorized by the Court, over a period not to exceed six years from the date of assessment of such claim pursuant to Bankruptcy Code section 1129.

## ARTICLE 4

### TREATMENT OF CLASSES OF CLAIMS OR INTERESTS

4.1 Class 1. Priority Non-Tax Claims. Unimpaired. Class 1 Claims, to the extent which they have not been paid pursuant to prior order of the Court, shall be paid in full, in cash on the Effective Date, except that priority vacation claims of continuing employees and priority Security Deposit Claims of current tenants may be paid in the ordinary course of business of the Debtor.

4.2 Class 2. The Claim of Los Angeles County. Impaired. The Class 2 Claim shall be paid pursuant to the terms of the Los Angeles County Settlement Agreement, attached hereto as Exhibit "A", which shall be binding upon the parties thereto and inure to the benefit of successors and assigns of the Debtor, including any deed of trust beneficiary that succeeds to title.

4.3 Class 3. The Secured Claim of MDP. Impaired. The Class 3 Claim shall be paid pursuant to the terms of the MDP Second Modification Agreement, as amended pursuant to the letter agreement attached hereto as Exhibit "B".

4.4 Class 4. The Secured Claim of Aetna. Impaired. The Class 4 Claim shall be paid pursuant to the terms of the Aetna Restructure Agreement, attached hereto as Exhibit "C". The Debtor intends to amend this Plan prior to the Confirmation hearing for the purpose of annexing to and incorporating in the Plan the form of the Amended Aetna Loan Document.

4.5 Class 5. The Secured Claim of Citicorp Mortgage, Inc. Unimpaired. The Class 5 Claim has been satisfied by the foreclosure of collateral by Citicorp Mortgage, Inc. in April 1994.

4.6 Class 6. The Secured Claim of Bank of America. Unimpaired. The Class 6 Claim shall be satisfied by the surrender of its collateral if the collateral has not been foreclosed upon by Bank of America prior to the Effective Date, which shall constitute the indubitable equivalent of claimant's interest in the collateral.

4.7 Class 7. The Secured Claim of Sears Mortgage Corporation. Unimpaired. The Class 7 Claim has been satisfied by the foreclosure of the collateral by Sears Mortgage Corporation in May 1994.

4.8 Class 8. Trade Claims. Unimpaired. Holders of Allowed Trade Claims will receive payment in full of the Allowed Trade Claim, on the Effective Date or as soon thereafter as practicable. Such payment shall also include post petition interest calculated at the federal judgment rate as of the Petition Date (4.4%).

4.9 Class 9. Homeowner Claims. Impaired. Holders of Allowed Homeowner Claims shall be treated according to the Homeowner Class Claim Settlement Agreement, attached hereto as Exhibit "D". This Plan is conditioned on obtaining Court approval of the Homeowner Class Claim Settlement Agreement, which condition may be waived by the Debtor. In the event Class 9 votes to reject the Plan, the Debtor retains the right to seek confirmation pursuant to Bankruptcy Code Section 1129(b) and to propose, at the Debtor's option, either of the following alternative treatments of the Class, which treatment shall constitute the indubitable equivalent of the claims:

- (1) Holders of Allowed Homeowner Claims will be treated pursuant to the terms of the Homeowner Class Claim Settlement Agreement;
- (2) Holders of Allowed Homeowner Claims will be treated pursuant to the terms of the Homeowner Class Claim Settlement Agreement, except that the following paragraphs shall be null and void: paragraphs (A)(7, 8 and 9) (provisions regarding transfer of Shared Common Area and Towers Reserve Accounts), (B) (Enforcement Deed of Trust), (C) (Transfer Fees), (D) Reimbursement of Legal Fees), (F) (Conversion of Existing Cultural Center), (M) (Use of Office Space); or
- (3) Homeowner claims will be estimated at zero for purposes of allowance pursuant to Bankruptcy Code Section 502(c)(1).

4.10 Class 10. Health Club Claims. Unimpaired. Holders of Allowed Health Club Claims shall be treated according to the Health Club Class Claim Settlement Agreement, attached hereto as Exhibit "F". This Plan is conditioned on obtaining Court approval of the Health Club Class Claim Settlement, which condition may be waived by the Debtor.

4.11 Class 11. Non-Priority Security Deposit Claims. Unimpaired. Holders of Allowed Non-Priority Security Deposit Claims shall be paid in full on the Effective Date with post-petition interest at the federal judgment rate as of the Petition Date.

4.12 Class 12. The Deficiency Claim of Aetna. Impaired. The Class 12 Claim shall be treated pursuant to the terms of the Aetna Restructure Agreement, attached hereto as Exhibit "C." The Debtor intends to amend this Plan prior to the Confirmation hearing for the purpose of annexing to and incorporating in the Plan the form of the Amended Aetna Loan Document.

4.13 Class 13. The Secured Claim of Wilshire Courtyard. Unimpaired. The Class 13 Claim shall be satisfied from the proceeds of the certificate of deposit securing the claim, with any balance to be paid to the Debtor.

4.14 Class 14. General Partnership Interests. Unimpaired. Allowed General Partnership Interests shall be retained. In the event, however, that the Plan is confirmed pursuant to Bankruptcy Code Section 1129(b)(2)(B)(ii), then the General Partnership Interests shall be cancelled on the Effective Date.

4.15 Class 15. Limited Partnership Interests. Unimpaired. Allowed Limited Partnership Interests shall be retained. In the event, however, that the Plan is confirmed pursuant to Bankruptcy Code Section 1129(b)(2)(B)(ii), then the Limited Partnership Interests shall be cancelled on the Effective Date.

4.16 **Pro Rata Distribution.** For any class of claims or interests that the Plan impairs, the property to be distributed to the class under the Plan shall be divided pro rata among the holders of Allowed Claims or Interests of the class, based on the amount of the holder's Allowed Claim or Interest.

## **ARTICLE 5**

### **EXECUTORY CONTRACTS**

Without admitting that any contract or lease is an executory contract or unexpired lease, or that MCC has any liability under any such contract or lease, any executory contract or unexpired lease which was not assumed or rejected during the Reorganization Case or in connection with this Plan is rejected as of the Effective Date.

The Plan shall constitute a motion by the Debtor to approve: (i) the assumption of all executory contracts which are to be assumed pursuant to the Plan, and which are listed in Exhibit "E" hereto, including but not limited to the Individual boat slip subleases, Individual apartment subleases, Individual commercial subleases, the Hotel Parcel Ground Lease and Ritz Carlton Sublease; (ii) cure of the defaults under each of the assumed contracts; and (iii) the settlements with MDP, the County, Aetna, the Homeowners Association, Health Club Lifetime Members, the Marina Yacht Club (attached as Exhibit "G" hereto), and the General Partners.

Confirmation of the Plan shall constitute a finding that the Debtor has complied with all of the requirements of the Bankruptcy Code with respect to the leases and contracts assumed by the Debtor and settlements effectuated pursuant to this subsection. The Confirmation Order shall represent and reflect an order of the Bankruptcy Court approving any settlement or assumption as of the Effective Date.

## **ARTICLE 6**

### **MEANS OF EXECUTION**

6.1 **Cash Payment from General Partners.** On the Effective Date, or as soon as practicable thereafter, the General Partners shall deposit \$200,000 with the Disbursing Agent to be utilized for funding the Plan. On the Effective Date, the General Partners will additionally contribute the Debtor's Condo Proceeds.

6.2 **New General Partners.** On the Effective Date, and only in the event of cancellation of the interests of the existing General Partners, New General Partnership Interests in the Reorganized Debtor will be issued to the existing General Partners in such proportions as they designate inter se.

6.3 **New Limited Partners.** On the Effective Date, and only in the event of cancellation of the interests of the existing Limited Partners, New Limited Partnership Interests in the Reorganized Debtor will be issued to the existing Limited Partners in such proportions as they designate inter se.



6.4 Cash Payment to Creditors. On the Effective Date, or as soon as practical thereafter, the Debtor shall transfer to a separate account an amount equal to the sum of all Allowed Unsecured Claims and Administrative Expenses. Prior to the Confirmation hearing, Debtor shall transfer to a separate Debtor in Possession account the sum of \$1,150,000 in anticipation of the "Lump Sum" payment to Aetna on the Effective Date.

6.5 Disbursing Agent. MCC shall serve as Disbursing Agent for distributions made under this Plan to the parties entitled thereto. In this capacity, the Disbursing Agent shall serve without bond. Debtor's counsel shall serve as counsel for the Disbursing Agent and the Reorganized Debtor and shall be compensated for services rendered from and after the Effective Date without further order of the Court, except as provided in the Aetna Restructure Agreement.

6.6 Disputed Claims. The Disbursing Agent shall withhold from property to be distributed under this Plan a reasonable reserve to be set by the Court to cover any claim that is disputed by any party in interest and which has not been allowed by a Final Order as of the date of the Distribution under this Plan. In determining the amount of such reserve, the Court shall consider the merits of the Disputed Claim and the likelihood of success of the Debtor's objection. The Disbursing Agent shall invest any funds withheld in a segregated account and shall retain interest earned. As Disputed Claims, if any, are allowed by a Final Order, the Disbursing Agent shall distribute property under this Plan to the holders of such Disputed Claims as soon as practicable.

6.7 Retention of Jurisdiction. The Bankruptcy Court shall retain post Confirmation jurisdiction to hear and determine all matters relating to the case, including but not limited to objections to claims, avoidance powers actions, compromises of controversies, any motion under Bankruptcy Code Section 363 (as defined in the Aetna Restructure Agreement), and issuance of such orders as may be necessary to aid in the consummation of the Plan.

6.8 Unclaimed Property. Any property to be distributed under the Plan which is not claimed by the entity entitled to it before six (6) months after the date the Distribution is initially mailed to the particular creditor shall be returned to the Reorganized Debtor.

6.9 Amendment of Partnership Agreement. The MCC Partnership Agreement shall be amended as necessary or appropriate to carry out the provisions of the Plan.

6.10 Means of Cash Payment. Cash payments made pursuant to this Plan shall be in U.S. funds, by check drawn on a domestic bank, or by wire transfer from a domestic bank.

6.11 Delivery of Distributions. Distributions and deliveries to holders of Allowed Claims or Interests shall be made at the addresses set forth on the proofs of claim or proofs of interest filed by such holders (or at the last known addresses of such holders if no proof of claim or proof of interest is filed or if the Debtor has been notified of a change of address). If any holder's distribution is returned as undeliverable, no further distributions to such holders shall be made unless and until the Debtor is notified of such holder's then current address, at which time all missed distributions shall be made to such holder without interest. All claims for undeliverable distributions shall be made on or before the six month anniversary of the Distribution Date. After such date, all unclaimed property shall revert to the Reorganized Debtor, and the claim or interest of any holder with respect to such property shall be discharged and forever barred.

**6.12 Time Bar to Cash Payments.** Checks issued by the Debtor in payment of Allowed Claims or Interests shall be null and void if not cashed within 60 days of the date of issuance. Request for reissuance of any check shall be made directly to the Debtor by the holder of the Allowed Claim with respect to which such check was originally issued 60 days after the date of issuance of such check. After such date, all claims with respect to voided checks shall be discharged and forever barred.

**6.13 Prepayment.** Unless this Plan otherwise provides, the Debtor shall have the right to prepay, without penalty, all or any portion of an Allowed Claim at any time.

**6.14 Setoffs.** The Debtor or its successor-in-interest may, but shall not be required to, set off against any claim and the payments or other distributions to be made pursuant to this Plan in respect to such claim, claims of any nature whatsoever that the Debtor may have against the holder of such claim, but neither the failure to do so prior to Confirmation of the Plan nor the allowance of any claim hereunder shall constitute a waiver or release by the Debtor of any such claim that the Debtor may have against such holder.

**6.15 Cancellation of Liens.** To the extent that a lien secures a claim against the Debtor that is not an Allowed Secured Claim as defined in this Plan, the lien shall be voided as of the Confirmation Date unless the claim was disallowed under Section 502(b)(5) or Section 502(e) of the Bankruptcy Code, or unless the claim is not an Allowed Secured Claim due only to the failure of any entity to file a proof of claim under Section 501 of the Bankruptcy Code. Unless the holder of a potential deficiency claim is authorized to elect and does validly elect treatment under Section 1111(b) of the Bankruptcy Code, the deficiency claim shall not be secured by any lien from and after the Confirmation Date and shall be treated as an unsecured claim for all purposes under this Plan unless otherwise specifically provided for in this Plan.

**6.16 Maintenance of Causes of Action.** From and after the Effective Date, the Reorganized Debtor will retain and may litigate any causes of action or right to payment of claims that belong to the Debtor that may be pending on the Effective Date or instituted by the Reorganized Debtor after the Effective Date. Any net recovery realized by the Debtor on account of any such claims will be retained by the Reorganized Debtor for the benefit of all creditors and interest holders, subject to the provisions of this Plan.

**6.17 Reaffirmation of Post-Petition Contracts.** The Plan hereby affirms any and all contracts that the Debtor has entered into since the filing of the chapter 11 petition in the ordinary course of business or with the approval of the Bankruptcy Court.

**6.18 Discharge.** All consideration distributed under the Plan shall be in exchange and in complete satisfaction, discharge, and release of all claims of any nature whatsoever against the Debtor or any of its assets or property; and except as otherwise provided herein or in any of the Settlement Agreements incorporated herein, upon the occurrence of the Effective Date and the payment of such sums as are required to be paid on the Effective Date, the Debtor and its successor-in-interest shall be deemed discharged and released pursuant to Section 1141(d)(1)(A) of the Bankruptcy Code from any and all claims, including, without limitation, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; (c) the holder of a claim based upon such debt has accepted this Plan; or (d) the claim has been allowed, disallowed, or estimated pursuant to Section 502(c) of the

Bankruptcy Code. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtor and its successors-in-interest other than those obligations specifically set forth pursuant to this Plan or any settlement agreement incorporated herein.

6.19 Modification of Plan. Modifications of this Plan may be made in writing by the Debtor, with Actna's approval, at any time before Confirmation, provided that this Plan, as modified, meets the requirements of Sections 1122, 1123 and 1127 of the Bankruptcy Code. This Plan may be modified at any time after Confirmation and before its substantial consummation subject to prior written approval of Actna, provided that the Plan, as modified, meets the requirements of Sections 1122, 1123 and 1127 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under Section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a claim or equity interest that has accepted or rejected this Plan may be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

6.20 Revocation of Plan. The Plan may only be withdrawn or revoked prior to the entry of the Confirmation Order with the written consent of Actna and the Debtor. If the Plan is revoked or withdrawn, or if confirmation of the Plan does not occur, then this 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.

6.21 Revesting of Title. On the Effective Date, title to all assets and properties whatsoever of the Debtor shall revert in the Reorganized Debtor free and clear of all claims and interests, except as provided for in this Plan and the Settlement Agreements incorporated herein.

6.22 Discharge of Creditors' Committee. The Creditors' Committee shall, on the Effective Date, be dissolved and its members discharged.

6.23 United States Trustee Quarterly Fees. Any unpaid U.S. Trustee Quarterly fees shall be paid in full prior to or on the Effective Date.

## ARTICLE 7

### ALLOWANCE OF CLAIMS

7.1 Objections to Claims. The Debtor may file an objection to the allowance of any claim or interest prior to one year after the Effective Date. Any objection to a claim or interest not filed within the foregoing time period (or such later date as the Court may order) shall be deemed waived. Each of the deadlines recited herein may be extended upon further order of the Court upon motion by the Debtor or any party in interest. The treatment of Allowed Claims under the Plan is not an admission that any claim constitutes an Allowed Claim and all defenses and grounds for objection are retained hereby.

7.2 Disputed Claims. Notwithstanding any other provision of the Plan, the Debtor shall not pay cash or deliver other consideration pursuant to this Plan in satisfaction of any Disputed Claim unless and until the Bankruptcy Court has adjudicated the contested matter arising from any objection to the claim by the entry of a Final Order.

7.3 Treatment of Contingent Claims. Until such time as a contingent claim becomes fixed and absolute, such claim shall be treated as a Disputed Claim for purposes related to estimation, allocation, and distribution under this Plan.

## ARTICLE 8

### CONDITIONS PRECEDENT TO THE PLAN

8.1 Conditions Precedent to Confirmation. The following are conditions which must occur or be waived in writing prior to confirmation of this Plan and the entry of the Confirmation Order:

(a) The Debtor will transfer to a separate debtor in possession account the sum of \$1,150,000.00 prior to the Confirmation hearing in anticipation of the Lump Sum payment to Aetna on the Effective Date;

(b) The Amended Aetna Loan Documents will be in a form and content acceptable to Aetna and will be annexed to and incorporated in the Plan; and

(c) The Confirmation Order will be in form and content acceptable to the Debtor and Aetna and contain, among other things, provisions approving the transactions necessary to implement this Plan.

## ARTICLE 9

### MISCELLANEOUS

9.1 Classes Entitled to Vote. Each impaired class of claims or Interests shall be entitled to vote separately to accept or reject this Plan. Any unimpaired class of claims or Interests shall not be entitled to vote to accept or reject this Plan.

9.2 Class Acceptance Requirements. A class of claims shall have accepted the Plan if it is accepted by at least two-thirds in amount and more than one-half in number of the Allowed Claims of such class that has voted to accept or reject this Plan. A class of Interests shall have accepted this Plan if it is accepted by at least two-thirds in amount of the allowed equity Interest of such class that has voted to accept or reject this Plan.

9.3 Cramdown. To the extent applicable, if an impaired class of claims or Interests fails to accept this Plan by the requisite majorities, the Debtor requests that the Bankruptcy Court confirm this Plan in accordance with Section 1129(b) of the Bankruptcy Code.

9.4 Further Assurances. Each Party to the Settlement Agreements agrees to take such further acts and execute such additional documents as may be necessary or desirable to implement the provisions of the Plan and the Debtor shall file with the Bankruptcy Court such other and further documents as are necessary to implement any of the provisions of this Plan.

9.5 Inconsistencies. To the extent of any inconsistency between the terms of this Plan including the Settlement Agreements incorporated therein, and those of the Disclosure Statement, then the terms of the Plan incorporating the Settlement Agreements shall control. To the extent of any inconsistency between the terms of the Plan and those of the Settlement Agreements, the terms of the Settlement Agreements shall control as among the parties thereto.

9.6 Binding Affect. This Plan, together with the Settlement Agreements incorporated therein, will be binding upon, and will inure to the benefit of, the Debtor, its creditors, the parties to the Settlement Agreements, and each of their respective successors and assigns, including any deed of trust beneficiary that succeeds to title.

9.7 Governing Law. Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and the Bankruptcy Rules, and unless otherwise expressly provided, the laws of the State of California will govern the construction and implementation of this Plan and any agreements, documents, and instruments executed in connection with or pursuant to this Plan.

DATED: June 28, 1994

MARINA CITY CLUB, L.P.

By \_\_\_\_\_ /s/  
JEROME H. SNYDER  
General Partner

PRESENTED BY:

DAVID GOULD  
ALAN J. STOMEL  
McDERMOTT, WILL & EMERY

By \_\_\_\_\_ /s/  
ALAN J. STOMEL  
Attorneys for Debtor and Debtor  
In Possession, MARINA CITY CLUB, L.P.

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COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL  
640 KENNETH MANN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET  
LOS ANGELES CALIFORNIA 90012

DE WITT W. CLINTON, COUNTY COUNSEL

June 24, 1994

TELEPHONE  
(213) 974-1857  
FACSIMILE  
(213) 617-7182

Alan J. Stomel, Esq.  
McDermott, Will and Emery  
2049 Century Park East, 34th Floor  
Los Angeles, California 90067

Re: Marina City Club, L.P.  
BK No. LA 92-29484-SB

Dear Counsel:

This letter ("Letter Agreement") sets forth our clients' agreement with respect to the county's support for the debtor's proposed reorganization plan (the "Plan") in consideration for the debtor's treatment of the county's tax and transfer fee claims under the Plan on the following terms. This Letter Agreement is subject to confirmation of the Plan.

EXHIBIT A

**I. THE UNPAID LEASEHOLD TAXES**

Payment of \$1,108,078 in the installment amounts hereafter provided in full satisfaction of the debtor's liability for the delinquent leasehold taxes, inclusive of all costs and penalties accruing thereon to the date payment is made.

The delinquency to be satisfied by the payments to be made arises from the county's levy of the following property taxes on the debtor's leasehold estate within the "Tower's Parcel" (excluding the penthouses in Section II below), as that term is defined in the Plan, and the personalty, fixtures, and flotation located thereon.

The tax levied on the personalty and fixtures for the fiscal year 1992 in the sum of \$13,170.33 based on the escaped assessment made on said property for the fiscal year 1989.

The tax levied on the flotation for the fiscal year 1992 in the sum of \$12,012.98 based on the escaped assessment made on said property for the fiscal year 1989.

EXHIBIT A 1

The tax levied on the personality and fixtures for the fiscal year 1992 in the sum of \$19,119.21 based on the escaped assessment made on said property for the fiscal year 1990.

The tax levied on the flotation for the fiscal year 1992 in the sum of \$11,190.44 based on the escaped assessment made on said property for the fiscal year 1990.

The tax levied on the land and improvements for the fiscal year 1991 in the sum of \$824,625.36 based on the assessment made on said property for the fiscal year.

The \$1,108,078 shall be paid in the following amounts and time.

\$50,000 payable prior to the Plan's effective date.

\$250,000 payable on the Plan's effective date.

\$808,078 in amounts equal to the protraction of this sum over the remaining unsold condominium units as of the Plan's effective date payable on the earlier of the date of closure of escrow for each remaining unit that is sold or the eighteenth monthly anniversary of the Plan's effective date (i.e. the remaining balance of \$808,078 is to be paid in installments equal to the prorated amount upon the closure of escrow for each remaining unit that is sold, but in no event later than the eighteenth monthly anniversary of the Plan's effective date).

All payments are to be made payable to the Los Angeles County Tax Collector and delivered to Martha Romero, Deputy County Counsel, at the Office of the Los Angeles County Counsel, 500 West Temple Street, Los Angeles, CA 90012.

**II. THE UNPAID PARTNER CONDOMINIUM SUBLEASEHOLD TAXES**

Payment on or before the date hereafter provided of the general partners' liability for the delinquent condominium subleasehold taxes, inclusive of all costs and penalties accrued thereon to the date payment is made.

The delinquency to be satisfied by the payments to be made arises from the county's levy of the following property taxes on

the general partners' condominium subleasehold units within the Towers Parcel.

The tax levied on the land and improvements within Snyder's penthouse unit no. 9 for the fiscal year 1991 in the sum of \$4,415.74 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 9 for the fiscal year 1992 in the sum of \$4,484.36 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Swlmer's penthouse unit no. 11 for the fiscal year 1991 in the sum of \$4,415.74 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Swlmer's penthouse unit no. 11 for the fiscal year 1992 in the sum of \$4,484.36 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 27 for the fiscal year 1991 in the sum of \$4,415.74 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 27 for the fiscal year 1992 in the sum of \$4,484.36 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 28 for the fiscal year 1991 in the sum of \$4,415.74 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 28 for the fiscal year 1992 in the sum of \$4,484.36 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Gaysner's penthouse unit no. 38 for the fiscal year 1991 in the sum of \$4,415.74 based on the assessment made on said property for the fiscal year.



The tax levied on the land and improvements within Geyser's penthouse unit no. 38 for the fiscal year 1992 in the sum of \$4,484.36 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Geyser's penthouse unit no. 38 for the fiscal year 1993 in the sum of \$5,055.96 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 39 for the fiscal year 1991 in the sum of \$4,415.74 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 39 for the fiscal year 1992 in the sum of \$4,484.36 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Snyder's penthouse unit no. 39 for the fiscal year 1993 in the sum of \$5,055.96 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Swimmer's penthouse unit no. 41 for the fiscal year 1991 in the sum of \$4,415.74 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Swimmer's penthouse unit no. 41 for the fiscal year 1992 in the sum of \$4,484.36 based on the assessment made on said property for the fiscal year.

The tax levied on the land and improvements within Swimmer's penthouse unit no. 41 for the fiscal year 1993 in the sum of \$4,816.60 based on the assessment made on said property for the fiscal year.

Payment of the delinquent taxes, inclusive of all costs and penalties accrued thereon to the date payment is made, shall be made no later than the second annual anniversary of the Plan's effective date. The county acknowledges that the debtor contemplates securing payment of the delinquent sums by the third party unit lender for each condominium through enforcement of the debtor's priority lien under the enforcement deed of trust

securing all monetary obligations assumed by the lender under the terms of each condominium sublease, and that to the extent any such third party payments are made the debtor and its general partners shall be discharged from all further liability for the sums paid. However, the lenders' failure to make payment of the delinquent sums shall not relieve the debtor from the liability assumed herein for the delinquencies owed, and the debtor hereby acknowledges its obligation to pay any and all unpaid sums no later than the second annual anniversary of the Plan's effective date.

All payments are to be made payable to the Los Angeles County Tax Collector and either mailed to said office at P.O. Box 2102 Terminal Annex, Los Angeles, CA 90051 or delivered to said officer's business office at 225 North Hill Street, Los Angeles, CA.

### III. THE HOTEL PARCEL GROUND LEASE ADMINISTRATIVE FEE

Payment of \$15,000 in full satisfaction of the debtor's and MDP Ltd.'s joint and several liability under the terms of the Hotel Parcel Ground Lease, as that term is defined in the Plan, providing for payment of an administrative transfer fee in an amount equal to 1% of the sales price or other consideration given for the interest transferred at the time the debtor's entire interest in the ground lease is transferred by the debtor to MDP, Ltd. as contemplated by the Plan.

The fee shall be paid 60 days after the Plan's effective date.

Payment is to be made payable to the Los Angeles County Department of Beaches and Harbors and delivered to Dennis Heitmann, Lease Administrator, Department of Beaches and Harbors, 13837 Fiji Way, Marina del Rey, CA 90292.

### IV. OTHER MATTERS OF AGREEMENT

Notwithstanding the county's agreement to support the Plan, such support shall not be deemed to require the county's approval of the debtor's settlement with the "Homeowners Association," as that term is defined in the Plan, on terms that the county disapproves.

Alan J. Stomel, Esq.  
June 24, 1994  
Page 6

Also, notwithstanding the county's agreement to support the Plan, such support shall not be deemed to require the debtor's relinquishment of its claim against the county for the damages to pier 3600 arising out of the grounding of the pier on the shoal located thereunder in the absence of a final agreement on the terms for a compromise and release of said claim and the bankruptcy court's approval thereof.

Except as otherwise provided herein, this Letter Agreement constitutes the complete agreement of the parties in connection with every matter included in and resolved by this Letter Agreement and supersedes any and all prior or contemporaneous negotiations, promises, covenants, agreements, representations of any kind or nature whatsoever, all of which have become fully merged and finally integrated into this Letter Agreement. This Letter Agreement cannot be amended, modified or supplemented except by a written document executed by each party to this Letter Agreement.

This Letter Agreement shall inure to the benefit of and shall bind the parties and the heirs, executors, administrators, assigns and successors in interest, as the case may be, of each of the parties hereto.

The rule that any ambiguous provision of an agreement, may be construed against the party that drafted the agreement shall not be used in interpreting this Letter Agreement.

No waiver by a party of a breach of any of the provisions of this Letter Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other provision of this Letter Agreement. The failure of the parties hereto to strictly enforce any rights conferred by this Letter Agreement shall not constitute a waiver of such rights.

Alan J. Stomel, Esq.  
June 24, 1994  
Page 7

If the foregoing is in accordance with your understanding of our clients' agreement, kindly so indicate by executing and returning the enclosed copy of this Letter Agreement.

Very truly yours,

DE WITT W. CLINTON  
County Counsel

By *Robert W. Rodolf*  
ROBERT W. RODOLF  
Principal Deputy County Counsel  
Public Works Division

RWR:es

c: Martha Romero, Esq.  
Michael Wise  
Dennis Heitmann

The foregoing accurately states our clients' agreement.

Dated: \_\_\_\_\_

McDERMOTT, WILL and EMERY

By: \_\_\_\_\_  
ALAN STOMEL  
Attorneys for Marina City Club, L.P.,  
Debtor-in-Possession

**EXHIBIT B**

**LATHAM & WATKINS**

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PAUL R. WATKINS (1000-1078)  
DANA LATHAM (1000-1076)

November 19, 1993

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VIA TELECOPY

Alan J. Stornel, Esq.  
McDermott, Will & Emery  
2049 Century Park East  
34th Floor  
Los Angeles, California 90067

Re: Marina City Club, L.P. ("Debtor-In-Possession")  
Proposed Plan of Reorganization

Dear Alan:

In response to your request in connection with your preparation of the Debtor's proposed Plan of Reorganization, the basic agreement in principle between MDP, Ltd. and the Debtor-in-Possession with respect to satisfaction of MDP's \$18,000,000 deed of trust on the subject property, which agreement in principle has always been expressly subject to confirmation of the Debtor-in-Possession's Plan of Reorganization, is as follows:

1. The first \$950,000 of the net sales proceeds from the sale of the 52 unsold condominiums, as between MDP, Ltd. and the Debtor-in-Possession, shall go to the Debtor-in-Possession.
2. MDP shall receive 65% of the remaining net sales proceeds of the 52 unsold condominiums without further reduction or off-set and MDP shall receive the Hotel Parcel Master Lease and a credit in the amount of \$181,000 relating to previous condominium sales. The \$950,000 of net sales proceeds referred to above would be the net settlement for the "permitted payments" under the Second Modification Agreement between MDP and Debtor-in-Possession and the Debtor-in-Possession would not be entitled to any

ENCLOSURE  
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Alan J. Stempel, Esq.  
November 19, 1993  
Page 2

other amounts pursuant to the Second Modification Agreement accruing or otherwise attributable to the King's Road Note, J.H. Snycer Company partner advances, operating expenses or any other amounts relating to the Marina City project.

3. As we have frequently stated, without limiting the generality of the foregoing, other than amounts payable out of the \$950,000 payable to the Debtor-in-Possession as described above and the Debtor-in-Possession's 35% of the remaining net sales proceeds, MDP will not be responsible for any operating, carrying, refurbishment, marketing or other expenses relating the 52 unsold condominiums or any other part of the estate of the Debtor-in-Possession.

4. The \$181,000 amount owed to MDP by Debtor-in-Possession with respect to prior sales of condominiums shall be paid or credited to MDP in some manner, without any reduction, at the time the Debtor's plan of reorganization is approved.

5. In connection with its plan of reorganization, the Debtor-in-Possession shall assume the Hotel Parcel Lease and concurrently assign its entire interest in the Hotel Parcel Lease to MDP.

6. MDP would release its \$18,000,000 Deed of Trust as to all other portions of and interests in the estate of the Debtor-in-Possession.

The foregoing agreement in principle is subject to confirmation of Debtor-in-Possession's plan of reorganization for the Marina City Club, L.P., consistent therewith, as to which plan of reorganization MDP, without thereby waiving any other rights, expressly reserves the right to approve or disapprove said plan of reorganization.

As an accommodation with respect to closing escrows on sales of the 52 unsold condominiums that were sold in the Kennedy-Wilson auction, or otherwise, MDP has agreed to allow payments to Kennedy-Wilson of \$10,000 out of each escrow that closes (up to a maximum of \$100,000) pursuant to the earlier court order under which Kennedy-Wilson agreed to advance \$100,000 for marketing expenses. Such accommodation, and any other accommodation that may be made from time to time by MDP with respect to closing specific escrows, shall not be deemed to be a limitation or modification of any kind of the above agreement in principle and all such payments shall be deemed to be part of the \$950,000 total sum that MDP agreed that the Debtor-in-Possession would be entitled to out of net sale proceeds from sales of the 52 unsold condominiums before MDP begins receiving its 65% of such net sales proceeds.

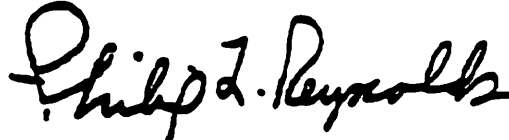
LATHAM & WATKINS

Alan J. Stornal, Esq.  
November 19, 1993  
Page 3

It is also our understanding that the net proceeds from the sale of the 52 unsold condominiums, after normal closing costs, and the \$10,000 per acre amount payable to Kennedy-Wilson (up to a maximum of \$100,000) as described above, shall be held in a special account pursuant and subject to order of the bankruptcy court pending approval of the Debtor-in-Possession's Plan of Reorganization or other resolution of the current proceedings, as provided in the Stipulation Regarding Use of Cash Collateral dated August 5, 1993 and any other relevant orders of the bankruptcy court authorizing the sale of the 52 unsold condominiums and related matters.

If the foregoing is in accordance with your understanding of the agreement in principle described above, kindly so indicate by executing an enclosed copy of this letter and returning it to me.

Sincerely,



Philip L. Reynolds  
of LATHAM & WATKINS  
Attorneys for MDP, Ltd.

The foregoing accurately represents  
the agreement in principle between  
MDP, Ltd. and the above described  
Debtor-in-Possession

Dated: November \_\_, 1993

MCDERMOTT, WILL & EMERY

By: \_\_\_\_\_  
Alan J. Stornal  
Attorneys for Marina City Club, L.P.  
Debtor-in-Possession

LATHAM & WATKINS

Alan J. Stornai, Esq.  
November 19, 1993  
Page 4

cc: Robert M. Hall, Esq.  
Bruce R. Lederman, Esq.

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[REDACTED]  
[REDACTED]  
(WW)115

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**EXHIBIT C**



**TERMS OF RESTRUCTURED  
AETNA - MARINA CITY CLUB, L.P. LOAN**

**Principal Amount of  
Aetna Secured Claim:**

- \$24.00 mm (the "Deferred Sum"), plus the Major Lump Sum (as defined herein), plus the Minor Lump Sum (as defined herein), plus the \$400,000 Lump Sum (as defined herein) (collectively, the "Aetna Secured Claim"). The Aetna Secured Claim shall be deemed an Allowed Secured Claim in the amount of \$25.65 mm under the Doctor's plan of reorganization (the "Plan").

**Interest Rate:**

- **Contract Rate:** The Deferred Sum shall bear interest at the rate of 8.00% per annum on and after Effective Date.
- **Pay Rate:** Interest in respect of the Deferred Sum shall be payable at the respective rates of interest set forth below:
  - 5.00% per annum on and after Effective Date through and including the last day of the sixth (6th)

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For purposes of this Discussion Outline, it is assumed that the Effective Date will occur on August 1, 1994.

calendar month following the month in which the Effective Date occurs;

- 7% per annum on and after the first day of the seventh (7th) month after the Effective Date through and including the last day of the twenty-fourth month after the Effective Date;
- Thereafter, the Pay Rate shall be the same as the Contract Rate.

**Accrued Interest:**

- The difference ("Accrued Interest") between interest accrued at the Contract Rate and interest paid to Aetna by the Debtor at the Pay Rate shall accrue and shall be accounted for in a separate bookkeeping account (the "Aetna Accrued Interest Account"). All Accrued Interest accounted for in the Aetna Accrued Interest Account shall bear interest at the Contract Rate and shall be compounded quarterly.

**Payments:**

- Monthly payments of interest on the outstanding principal balance of the Deferred Sum, calculated at the Pay Rate, shall be made to Aetna on the first day of each month in respect of the period from the Effective Date through and including August 1, 1996. Thereafter, and through and including the Maturity Date, monthly payments of interest on the outstanding principal balance of the Deferred Sum, calculated at the Contract Rate, shall be made to Aetna on the first day of each month. The first of such monthly payments shall be due on the first day of the first calendar month immediately following the Effective Date.
- Payment of a principal prepayment in the amount of \$1,150,000 (the "Major Lump Sum") shall be made on the Effective Date.
- Payment of a principal prepayment in the amount of \$100,000 (the "Minor Lump Sum") shall be made, to the extent of Net Plan Cash (as defined herein), on the Effective Date. The unpaid balance of the Minor Lump Sum shall be paid no later than ninety (90) days after the Effective Date.
- A portion of the Aetna Secured Claim in the amount of \$400,000 (the "\$400,000 Lump Sum") shall not bear interest, shall not be subject to mandatory prepayment and shall be due and payable, in full, on the Maturity Date.

- Any and all Plan Cash (as defined herein) remaining after (i) satisfaction of all allowed claims (other than the Aetna Secured Claim and the Aetna Deficiency Claim) required to be paid under the Plan, (ii) funding of the approximately \$170,000 reserve maintenance account required by the Ground Lease and (iii) funding of the Operating Reserve Account shall be paid to Aetna within fifteen (15) days after the Debtor shall have satisfied such claims and funded such accounts and, thereafter, as the Debtor continues to receive Plan Cash, within fifteen (15) days after the Debtor's receipt of such Plan Cash. As used herein, the term "Plan Cash" shall mean any and all of Aetna's cash collateral, any and all Net Condo Proceeds (as defined herein), any and all cash contributed by the Debtor's general partners as "new value" under the Plan and any and all recoveries realized by the Debtor on account of claims and causes of action that belong to the Debtor as of the Effective Date of the Plan. Notwithstanding anything herein to the contrary, Plan Cash shall not include (i) the proceeds (the "Dock Proceeds") of the Debtor's claim against the County of Los Angeles (the "County") arising out of alleged damage to and loss of use of certain of the Debtor's dock facilities, which claim is described more particularly on page 63 of the Debtor's "Proposed" Second Amended Disclosure Statement for Plan of Reorganization Dated April 22, 1994 (blacklined version); and (ii) all funds constituting the replacement reserve account that the Debtor holds in trust for the benefit of certain homeowners.

- The outstanding principal balance of the Deferred Sum, together with the \$400,000 Lump Sum, together with any and all Accrued Interest, together with any and all other sums payable under the Plan or the Amended Aetna Loan Documents, shall be due and payable on the Maturity Date.

**Amortization:**

- No prepayment of the principal of the Aetna Secured Claim prior to the Maturity Date shall be due except the Major Lump Sum, the Minor Lump Sum, the Net Plan Cash (if applicable) and, to the extent provided herein, the Real Estate Tax Rebate, the Excess Cash Flow Payments and Plan Cash. Notwithstanding anything herein to the contrary, in the event that the Debtor delivers to Aetna the Real Estate Tax Rebate, an Excess Cash Flow Payment

or Plan Cash, the funds so delivered shall be applied by Aetna, first, to satisfy fully all Accrued Interest then accounted for in the Aetna Accrued Interest Account and, second, to the outstanding principal balance of the Aetna Secured Claim.

**Maturity Date:**

- The earlier of (i) August 1, 1999 or (ii) the fifth anniversary of the Effective Date.

**Non-Recourse and Indemnification:**

- The indebtedness evidenced by the Amended Aetna Loan Documents shall be non-recourse to the Debtor (and its constituent partners and the constituent partners of its constituent partners, if any) to the same extent provided in the Existing Aetna Loan Documents. The Debtor shall indemnify and hold harmless Aetna from, and be personally liable for, any damage, loss, liability or expense incurred by Aetna to the same extent provided in the Existing Aetna Loan Documents; provided, however, that the Debtor also shall indemnify and hold harmless Aetna from, and be personally liable for, any damage, loss, liability or expense incurred by Aetna as a result of any misapplication of Plan Cash

**Collateral:**

- The Aetna Secured Claim, together with any and all Accrued Interest, together with any and all other sums payable under the Plan or Amended Aetna Loan Documents, shall be secured by a valid, first-priority lien upon and security interest in (i) the Trust Estate (as defined herein), (ii) the Capital Reserve Account, (iii) the Tax Reserve Account (iv) the Real Estate Tax Rebate, (v) the Operating Reserve Account, (vi) the Plan Cash (as defined herein), (vii) any and all Net Condo Proceeds (as defined herein), (viii) any and all bank accounts of the Debtor in which the Debtor has deposited Operating Revenues and (ix) the Dock Proceeds (collectively, the "Aetna Collateral"). As used herein, the term "Net Condo Proceeds" means, with respect to the sale of any condominium unit (a "Unit") comprising a portion of the Trust Estate (as herein defined), the gross sale price of such Unit minus (a) brokerage commissions, if any, incurred by the Debtor in connection with such sale, (b) any and all reasonable and substantiated closing costs and expenses incurred by the Debtor in connection with

such sale, including, without limitation, reasonable attorneys' fees, (c) any and all closing adjustments for taxes, utilities and similar items, which, according to the residential real estate custom and practice then prevailing in Los Angeles County, California regularly are adjusted between a buyer and seller of residential real estate, (d) real property taxes assessed against such Unit and payable to the County, (e) fees incident to the sale of such Unit and payable to the County and the Los Angeles Housing Authority, respectively, and (f) MDP's share of the Net Condo Proceeds, as described in the letter dated November 19, 1993, from Philip Reynolds to Alan J. Stomel (the "MDP Letter") annexed as Exhibit A to the Debtor's Amended Plan of Reorganization Dated April 22, 1994).

- The Debtor shall grant to Aetna an absolute assignment of all rents, issues, profits, income and other revenues arising from the Trust Estate, including, without limitation, all rents, issues, profits, income and other revenues arising from the Excluded Commercial Space (as defined in the Deed of Trust).
- As used herein, the term "Trust Estate" shall have the meaning ascribed to it in the Deed of Trust; provided, however, that, notwithstanding anything contained in the Deed of Trust to the contrary, the term Trust Estate shall include the Excluded Commercial Space (as defined in the Deed of Trust) and the interest of the sublessee under the Master Condominium Sublease (as defined in the Deed of Trust. Without limiting the generality of the foregoing, the phrase "...but excluding any of the items referred to in this clause (ii) to the extent generated by the Excluded Commercial Space,...", appearing in Paragraph 5.20 of the Deed of Trust on lines 8-9 on page 19 thereof, and the phrase "... (exclusive of the Excluded Commercial Space) ...", appearing in Paragraph 5.20 of the Deed of Trust on line 18 on page 19 thereof, shall be deleted in the Amended Aetna Loan Documents.
- The Amended Aetna Loan Documents shall require a collateral assignment to Aetna of the Enforcement Deeds of Trust, which assignment shall be senior to all other interests in the Enforcement Deeds of Trust except a collateral assignment thereof to the County.

- The lien of MDP, Ltd. shall be released upon the date (the "MDP Release Date") that is the later to occur of (i) the Effective Date and (ii) the date on which the sale of the last Condominium Unit remaining unsold shall be consummated. Notwithstanding anything herein to the contrary, prior to the MDP Release Date, nothing herein contained shall affect or disturb the relative priorities between Aetna and MDP, as established by that certain Subordination Agreement dated as of September 6, 1990, between the Debtor, Aetna, Marina City Condominiums and MDP and that certain Subordination Agreement dated as of February 28, 1991, between the Debtor, Aetna, Marina City Condominiums and MDP. The interest of MDP in the Net Condo Proceeds shall be expressly limited under the Plan to sixty-five percent (65%), as set forth in the MDP Letter.

**Capital Reserve Account:**

- In each Plan Year, an account (the "Capital Reserve Account") shall be funded from available Operating Cash Flow (in accordance with the provisions of the "Operating Cash Flow and Excess Cash Flow" section of this Discussion Outline) up to an amount not to exceed the amount identified in such Plan Year's budget (the "Capital Budget") for carpet installation and capital improvements (collectively, "Capital Expenses"), which Capital Budget shall be submitted to Aetna for approval at least forty-five (45) days prior to such Plan Year. The Capital Budget in respect of the Plan Year immediately following the Effective Date shall be annexed to the Plan as an exhibit.
- Once the Capital Reserve Account has been fully funded with respect to a Plan Year to the extent described in the immediately preceding sentence, no additional Operating Revenues (as defined herein) shall be deposited in the Capital Reserve Account during such Plan Year in respect of Capital Expenses for such Plan Year except upon the written consent of Aetna.
- The Capital Reserve Account shall be held and maintained by Aetna's designee, as escrow agent (the "Escrow Agent"). The costs of maintaining the Capital Reserve Account with the Escrow Agent shall be paid by the Debtor.
- Aetna shall be granted a first-priority security interest in all funds in the Capital Reserve Account.

- Disbursements from the Capital Reserve Account shall not be made except upon the prior consent of Aetna, which consent shall not unreasonably be withheld, provided that, (A) at least twenty (20) days prior to the proposed disbursement, (i) the Debtor shall have delivered to Aetna a written request for such disbursement specifying the amount of the requested disbursement and describing the purpose for which the requested disbursement is to be used and (ii) the Debtor shall have delivered evidence satisfactory to Aetna (including, without limitation, invoices or paid receipts from contractors, subcontractors and material or equipment suppliers) that the amount of the requested disbursement is then owing for previously incurred costs provided for in the then current Plan Year's Capital Budget and (B) Aetna shall have received such evidence as Aetna may reasonably require to verify that any and all work associated with the requested disbursement has been completed in accordance with the Capital Budget, which evidence may include, without limitation, the results of any inspection of all or any part of such work that Aetna may elect to conduct or cause to be conducted.

**Tax Reserve Account:**

- Each month the Debtor shall deposit in a segregated bank account (the "Tax Reserve Account") an amount (a "Tax Reserve Account Payment") of available Operating Cash Flow (in accordance with the "Operating Cash Flow and Excess Cash Flow" section of this Discussion Outline) equal to one-twelfth (1/12) of the annual Impositions (as defined in the Deed of Trust) assessed or to be assessed against the Trust Estate. The Debtor's initial Tax Reserve Account Payment shall be accompanied by such further sum, which, together with such initial and subsequent Tax Reserve Account Payments, shall be required to enable the Escrow Agent timely to pay in full the installment of Impositions next due.
- The Tax Reserve Account shall be held and maintained by the Escrow Agent. The costs of maintaining the Tax Reserve Account with the Escrow Agent shall be paid by the Debtor.
- Aetna shall be granted a first-priority security interest in all funds in the Tax Reserve Account.



**Operating Reserve Account:**

- On the Effective Date, the Debtor shall deposit into a segregated bank account (the "Operating Reserve Account") the aggregate sum of \$100,000 from Plan Cash. The cumulative total of Plan Cash that may be deposited into the Operating Reserve Account prior to payment in full of all sums payable under the Amended Aetna Loan Documents shall not exceed \$100,000. Funds deposited in the Operating Reserve Account shall not be used by the Debtor except to pay for (i) Operating Expenses (as herein defined) in the event, and only to the extent, that there exist insufficient Operating Revenues and (ii) Tax Reserve Account Payments. The foregoing uses of the funds in the Operating Reserve Account shall not require Aetna's approval.
- The Operating Reserve Account shall be held and maintained by the Escrow Agent. The costs of maintaining the Operating Reserve Account with the Escrow Agent shall be paid by the Debtor.
- Aetna shall be granted a first-priority security interest in all funds in the Operating Reserve Account.

**Operating Cash Flow and Excess Cash Flow:**

- As used in this Discussion Outline, the following terms shall have the respective meanings ascribed to them below:

**Operating Revenues** shall mean any and all receipts and revenues of any kind arising from the operation of the Trust Estate, including, without limitation, any and all rents and any and all sums paid to the Debtor for maintenance, taxes, ground rent and similar items of reimbursement.

**Operating Expenses** shall mean any and all ordinary and necessary expenses relating to the operation of the Trust Estate and provided for in a Budget approved by Aetna, including, without limitation, expenses relating to routine maintenance and repair, labor, supplies, insurance, utilities, property management fees (subject to the limitation set forth herein), the reasonable salaries of those Employees (as defined herein) working full-time on activities directly benefitting the Aetna Collateral and ground rent payable to the County, any sums required to cure non-monetary defaults declared by the County under the Ground Lease and all sums payable to Aetna under the Amended Aetna Loan

Documents, but excluding Tax Reserve Account Payments, all sums deposited into the Capital Reserve Account and the Operating Reserve Account, respectively, all Excess Cash Flow Payments, all distributions under the Plan to holders of allowed claims, the Major Lump Sum, the Minor Lump Sum, the Net Plan Cash (if applicable) and all expenses of operating and maintaining the Marina City Health and Tennis Club. Notwithstanding anything herein to the contrary, Operating Expenses shall include monthly maintenance fees duly assessed against the 101 Promenade units, the Marina, the Excluded Commercial Space, and the unsold Units. As used herein, the term "Employees" means persons employed by the Debtor and performing the functions of dockmaster, maintenance supervisor, leasing agent, custodian, dockmaster assistant and painter, respectively.

Operating Cash Flow shall mean, for any period of time, the difference between the Operating Revenues for such period minus the Operating Expenses for such period.

- The Operating Cash Flow generated each calendar month (the "Operative Month") shall be allocated and disbursed by the Debtor in the immediately succeeding calendar month in the following manner and order of priority:
  - First, on or before the 15th day of such succeeding month (the "Reserve Account Payment Date"), such Operating Cash Flow shall be disbursed to make the Tax Reserve Account Payment next due;
  - Second, on the Reserve Account Payment Date, such Operating Cash Flow shall be disbursed to the Capital Reserve Account to the extent, if any, necessary to cause such account to be funded cumulatively in the amount set forth in the current Plan Year's Capital Budget;
- On the Reserve Account Payment Date corresponding to third consecutive Reserve Account Payment Date immediately following the Effective Date, and on each quarterly Reserve Account Payment Date thereafter, if there exists any Operating Cash Flow generated during the three (3)

Operative Months immediately preceding such Reserve Account Payment Date, after giving effect to the foregoing disbursements of such Operating Cash Flow (the "Excess Cash Flow"), the Debtor shall disburse such Excess Cash Flow to Aetna.

- Any payment (an "Excess Cash Flow Payment") of Excess Cash Flow delivered to Aetna shall be applied, first, to pay any sums advanced by Aetna on or after the Effective Date pursuant to the Amended Aetna Loan Documents, second, to pay any Accrued Interest and, third, to reduce the outstanding principal balance of the Aetna Secured Claim.

**Operating Expense Budget:**

- Concurrently with the delivery to Aetna of the Capital Budget, and in no event later than forty-five (45) days before the commencement of each Plan Year, the Debtor shall deliver to Aetna for approval a budget (the "Operating Budget") setting forth the Operating Revenues that the Debtor anticipates collecting during such Plan Year and the component Operating Expenses that the Debtor anticipates expending during such Plan Year. The Operating Budget in respect of the Plan Year immediately following the Effective Date shall be annexed to the Plan as an exhibit.
- The Operating Budget shall be prepared on an accrual basis and shall be broken down by line-item in accordance with standard, commercial property management reporting practice.

**Real Estate Tax Rebate:**

- Within fifteen (15) days of the Debtor's receipt of the Real Estate Tax Rebate, the Debtor shall disburse the Real Estate Tax Rebate to Aetna. Aetna shall apply the Real Estate Tax Rebate, first, to pay any sums advanced by Aetna on or after the Effective Date pursuant to the Amended Aetna Loan Documents, second, to pay any unpaid Accrued Interest, and, third, to reduce the outstanding principal balance of the Aetna Secured Claim.

**Dock Proceeds:**

- Upon the Debtor's receipt of the Dock Proceeds, the Debtor shall deposit the Dock Proceeds in a segregated bank account (the "Dock Proceeds Account"). Funds deposited in the Dock Proceeds Account shall not be used by the Debtor except to

pay for the costs of repairing and restoring the Debtor's dock facilities.

- The Dock Proceeds Account shall be held and maintained by the Escrow Agent. The costs of maintaining the Deck Proceeds Account with the Escrow Agent shall be paid by the Debtor.
- Aetna shall be granted a first-priority security interest in all funds in the Operating Reserve Account.

**Financial Reports:**

- On or before the fifteenth (15th) day of each month during the term of the Plan, the Debtor shall deliver to Aetna an accounting (the "Monthly Accounting"), which shall be prepared on a cash basis, and shall be in the form of a statement of sources and uses having a breakdown by line-item in accordance with standard, commercial property management reporting practice. The Monthly Accounting shall account for all Operating Revenues actually received by the Debtor during the immediately preceding calendar month and all Operating Expenses and Capital Expenses actually paid by the Debtor during such calendar month. In addition the Monthly Accounting shall contain a summary, in form and substance satisfactory to Aetna, of (i) any and all Net Condo Proceeds realized by the Debtor during the immediately preceding calendar month, (ii) any and all distributions made by the Debtor pursuant to the Plan during the immediately preceding calendar month in respect of allowed claims and (iii) the balance of Plan Cash held by the Debtor as of the last day of the immediately preceding calendar month.
- On or before the first day of the third calendar month following the end of each Plan Year, the Debtor shall deliver to Aetna an accounting (the "Annual Accounting"), which shall account for all Operating Revenues actually received by the Debtor during the immediately preceding Plan Year and all Operating Expenses and Capital Expenses actually paid by the Debtor during such Plan Year. The Annual Accounting shall be accompanied by a certification of independent certified public accountants that is satisfactory, in form and substance, to Aetna.
- On or before the first day of the third calendar month following the end of each Plan Year, the Debtor shall deliver to Aetna a statement of income and changes in financial position for such Plan Year.

setting forth, in each case, in comparative form the figures for the previous Plan Year, all in reasonable detail and accompanied by an unqualified opinion thereof of independent certified public accountants reasonably acceptable to Aetna, which opinion shall state that such financial statements fairly present the financial condition of the Debtor, have been prepared in accordance with generally accepted accounting principles consistently applied (except for changes in application in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and such other auditing procedures as were considered necessary in the circumstances. The fees and expenses of the independent certified public accountants preparing such financial statements shall constitute an Operating Expense and shall be paid from Operating Revenues

#### **Events of Default:**

- Same as Existing Loan Documents, including, without limitation, failure of the Debtor to pay, when due, any installment of debt service, whether or not there exists sufficient Operating Revenues with which to pay such installment.
- In addition, failure of the Debtor to pay, when due, (i) a Tax Reserve Account Payment (whether or not there exists sufficient Operating Revenues), (ii) an Excess Cash Flow Payment, (iii) the Real Estate Tax Rebate, (iv) an installment of Plan Cash, (v) any payment required to be paid under the Ground Lease (whether or not there exists sufficient Operating Revenues), (vi) the Major Lump Sum, (vii) the Minor Lump Sum or (viii) the Net Plan Cash.
- In addition, failure of the Debtor to make payment, when due, of any other sum payable under the terms of the Plan and the Amended Aetna Loan Documents.

#### **Remedies Upon Default:**

- Same as Existing Loan Documents.
- In addition, at Aetna's election, upon the occurrence of a monetary event of default (including, without limitation, a monetary cross-default) under the Amended Aetna Loan Documents, the Trust Estate shall be sold, free and clear of all liens, claims and encumbrances pursuant to Bankruptcy Code § 363(b), (f), and (k). Aetna, without further order of

the Bankruptcy Court or the execution of any document or instrument, automatically shall be constituted as the duly authorized attorney-in-fact of the Debtor for the purpose of filing and prosecuting a motion (a "§ 363 Motion") in the Bankruptcy Court seeking the entry of an order providing for the sale of the Trust Estate and all other property of the Debtor in which Aetna has an interest, free and clear of all liens, claims and encumbrances, pursuant to Bankruptcy Code § 363(b), (f) and (k). In the event that Aetna shall file and prosecute a §363 motion, the Debtor shall not seek, apply for or cause the entry of an order enjoining, staying or otherwise interfering with the exercise and enforcement by Aetna of any of its rights and remedies pursuant to this section; provided, however, nothing herein contained shall preclude the Debtor from raising at the hearing (the "§ 363 Hearing") in respect of the § 363 Motion a bona fide dispute regarding the existence of the default alleged by Aetna.

Aetna shall not cause the § 363 Hearing to be held prior to thirty (30) days after the occurrence of the event of default. If, prior to the § 363 Hearing, the Debtor shall cure such default, the § 363 Motion shall be withdrawn. In the case of a monetary event of default, cure shall be effected by the payment to Aetna (or, in the case of a cross-default, to such other party entitled to payment), prior to the § 363 Hearing, of all sums (e.g., debt service, Tax Reserve Account Payment, Excess Cash Flow Payment, Real Estate Tax Rebate, Major Lump Sum, Minor Lump Sum, Net Plan Cash, Plan Cash, Ground Lease payments) then due and payable under the Plan, the Amended Aetna Loan Documents or other applicable documents, plus applicable late charges, plus applicable default interest, plus Aetna's costs and expenses incurred in connection with the event of default, including, without limitation, all attorneys' fees incurred in connection with the event of default and the § 363 Motion. In the case of a non-monetary event of default that cannot reasonably be cured within such thirty-day period, if, prior to the § 363 Hearing and within such thirty-day period, the Debtor shall have commenced such cure and, hereafter, at all times shall diligently continue its efforts to effect cure (until such default shall have been fully cured), the § 363 Hearing shall be

continued until such time, if any, as the Debtor shall have ceased diligently to effect cure.

- The Bankruptcy Court shall retain postconfirmation jurisdiction of the Debtor's chapter 11 case for, among other purposes, entertaining such sale (the "§ 363 Sale"). The Debtor's Plan and the Confirmation Order shall provide further that, in the event that, prior to the § 363 Hearing, the Bankruptcy Court shall have previously entered an order closing the Debtor's Chapter 11 case, the Bankruptcy Court, upon application of Aetna pursuant to Bankruptcy Code § 350(b), shall enter an order reopening the Chapter 11 case in order to permit Aetna to file, and the Bankruptcy Court to rule upon, the § 363 Motion.
- The rights and remedies provided for herein shall apply with equal force and effect, and shall be available to Aetna, with respect to any Chapter 11 case commenced by or against any entity, other than the Debtor, to whom the Trust Estate may be transferred in violation of the Amended Aetna Loan Documents.

**Treatment of Aetna  
Deficiency Claim:**

- For purposes of the Plan, Aetna shall have an Allowed Unsecured Claim in the amount of \$1,521,613.62 (the "Aetna Deficiency Claim"). The Aetna Deficiency Claim shall be evidenced by a non-recourse promissory note (the "Aetna Deficiency Note") that shall be executed by the Debtor and made payable to the order of Aetna. The principal amount of the Aetna Deficiency Note, together with any and all interest accrued thereon, shall be due and payable on the Maturity Date. The principal amount of the Aetna Deficiency Note shall bear interest at the rate of 8.0% per annum. Accrued interest shall be compounded quarterly.
- No prepayments of principal and no payments of interest shall be required to be made prior to the Maturity Date.
- The Aetna Deficiency Claim, together with any and all accrued and unpaid interest thereon, shall be secured by a valid, lien upon and security interest in the Aetna Collateral, which lien and security interest shall be junior in priority only to the respective, existing liens and security interests of MDP and Aetna.

- Notwithstanding anything herein to the contrary, the principal amount of the Aetna Deficiency Note, together with any and all interest accrued thereon, shall be discharged and released upon (i) payment in full of all sums payable to Aetna under the Plan and the Amended Aetna Loan Documents, (ii) consummation of the § 363 Sale or (iii) consummation of a foreclosure action in respect of the Aetna Collateral, as the case may be.

**Treatment of Other General Unsecured Claims:**

- As provided in the Debtor's Amended Plan of Reorganization Dated June 14, 1994.

**Distribution to Equity Holders:**

- Prior to payment in full of all sums owed to Aetna under the Plan and the Amended Aetna Loan Documents, the Debtor shall not make any distributions of cash or other property to any present or future holder(s) of an equity interest in Debtor.

**Management Fees:**

- The Debtor shall be permitted to pay a fee for management of the Trust Estate at a rate not to exceed four (4%) of gross rental receipts (exclusive of Net Condo Proceeds), excluding tenant reimbursements for utilities and common area charges.

**Equity Participation:**

- The Debtor shall pay Aetna fifty percent (50%) of the net proceeds of (i) any arms-length sale of the Trust Estate to a third party or (ii) any refinancing, in the event that such sale or refinancing shall be consummated during the period commencing on the Effective Date and ending two (2) years after the Maturity Date. The foregoing obligation of the Debtor shall be a recourse obligation.

**Restrictions on the Use of the Debtor's Revenues:**

- The Debtor shall not use any Operating Revenues for the payment of any expenses associated with or relating to the shared common areas within the Trust Estate, including, without limitation, Marina City Health and Tennis Club; notwithstanding the foregoing, the Debtor shall be permitted to use Operating Revenues to pay monthly maintenance fees duly assessed against the '01 Promenade



units, the Marina, the Excluded Commercial Space, and the unsold Units. Each Operating Budget submitted by the Debtor to Aetna shall disclose such maintenance fees as a component Operating Expense.

- The Debtor shall not use any Operating Revenues for the payment of any Operating Expenses unless such Operating Expenses have been set forth in an Operating Budget submitted to and approved by Aetna.
- The Debtor shall not use any Operating Revenues to pay for any Operating Expenses in an amount that exceeds by more than ten percent (10%), on a line-item basis, the amount of each of the line-item Operating Expenses set forth in the Operating Budget without obtaining the prior written consent of Aetna.

**Relief from Automatic Stay:**

- The Debtor and each of its general partners covenant that, after the Confirmation Date, neither the Debtor nor its general partners (nor any of them) will file in respect of the Debtor, or cause to be filed against the Debtor, a voluntary or involuntary petition under title 11 of the United States Code.
- If, notwithstanding such covenant, a petition is filed by or against the Debtor under title 11 of the United States Code, the Debtor and its general partners agree that the automatic stay shall be deemed terminated, as of the date (the "Subsequent Petition Date") on which such petition is filed, as to Aetna in order to permit Aetna to exercise and enforce any and all of its rights and remedies under the Plan (including, without limitation, the § 363 Sale), the Amended Loan Documents and applicable law. Notwithstanding the foregoing, in the event that such a petition shall be filed, Aetna may, but shall not be required or obligated to, obtain, *ex parte*, an order of the Bankruptcy Court providing that, effective as of the Subsequent Petition Date, the automatic stay shall be modified to permit Aetna to exercise and enforce any and all of its rights and remedies under the Plan (including, without limitation, the § 363 Sale), the Amended Loan Documents and applicable law. The Debtor and its general partners shall cooperate with Aetna to effectuate the foregoing and shall execute such consents, orders, motions and other papers as shall

be necessary or appropriate to effectuate the foregoing.

**Guaranty:**

• The Amended Aetna Loan Documents shall include a Guaranty from the Debtor's general partners in favor of Aetna for the amount of the Aetna Secured Claim. The liability of such general partners under the Guaranty shall be discharged and satisfied upon the indefeasible payment in full of the Aetna Secured Claim, together with all Accrued Interest and all other sums payable by the Debtor under the Amended Aetna Loan Documents. In the absence of such payment in full, the liability of such general partners under the Guaranty shall be discharged and satisfied (a) upon acquisition of title to the Trust Estate by Aetna, free and clear of any and all rights of redemption, whether by foreclosure or pursuant to the § 363 Sale or (a) upon acquisition of title to the Trust Estate, free and clear of any and all rights of redemption, by one or more bona fide purchasers at any foreclosure sale or at the § 363 Sale, provided, in any such case: (v) neither the Debtor nor any of the Debtor's partners shall have contested or in any way interfered with any foreclosure commenced by Aetna or any § 363 Sale (except, in the case of the § 363 Sale, the Debtor shall be permitted to raise a bona fide dispute regarding the existence of an event of default) or with any other enforcement of Aetna's rights, powers or remedies under the Amended Aetna Loan Documents (whether by making any motion, seeking any extension, asserting any defense, claim, counterclaim or right of offset, seeking any injunction or other restraint, commencing any action, or otherwise); (w) neither the Debtor nor Marina City Condominiums, a California limited partnership ("MCC") shall have filed a petition commencing, or otherwise commenced, any case or proceeding seeking relief under Title 11 of the United States Code; (x) neither the Debtor nor any of the Debtor's partners shall have filed a petition commencing, or otherwise commenced, or consented to or acquiesced in the commencement of, any case or proceeding against the Debtor or MCC under Title 11 of the United States Code; (y) the Debtor shall not have transferred or encumbered the Trust Estate in violation of the Amended Aetna Loan Documents; and (z) none of the Debtor's partners shall have

filed a petition commencing, or otherwise commenced, or consented to or acquiesced in the commencement against such partner of, a case or proceeding seeking relief under Title 11 of the United States Code in which case or proceeding there shall be entered prior to the discharge of the Guaranty an order staying, enjoining, restraining or otherwise interfering with (i) the exercise by Aetna of any of Aetna's rights and remedies under the Amended Aetna Loan Documents or applicable law or (ii) the § 363 Sale. Any such contest, interference, filing, commencement, consent or acquiescence is sometimes referred to as an "Enforcement Event." Aetna shall not enforce the Guaranty against the Debtor's general partners until the occurrence of an Enforcement Event.

**Prohibition of Junior Liens  
and Transfer of Trust Estate:**

- The Debtor shall not file or record, or consent to the filing or recordation of, any deed of trust or other lien against any or all of the Trust Estate.
- The Debtor shall not transfer any or all of the Trust Estate prior to the Maturity Date without the written consent of Aetna, which consent shall only be required to be given upon the Debtor's satisfaction of all sums due and payable under the Amended Aetna Loan Documents.

**Various Conditions:**

- Confirmation of the Debtor's Plan shall be conditioned upon, among other things, the Plan (and all exhibits thereto) and the order confirming the Plan (the "Confirmation Order") being satisfactory, in form and substance, to Aetna.
- Confirmation of the Plan shall be conditioned upon, among other things, the Debtor depositing in a segregated bank account, prior to the date (the "Confirmation Date") of the confirmation hearing, the Major Lump Sum and the Minor Lump Sum. Notwithstanding the foregoing, in the event that the difference (the "Net Plan Cash") between (i) the amount of Plan Cash, as of the Confirmation Date, and (ii) the sum of all allowed claims required to be paid under the Plan (excluding the Minor Lump Sum but including the Operating Reserve Account) is not sufficient to permit the payment of all or any portion of the Minor Lump Sum, the Debtor shall deposit in such segregated bank account, prior to the Confirmation Date, the Net Plan Cash. On the

Effective Date, the Debtor shall deliver to Aetna the sums deposited in such segregated bank account (i.e., the Major Lump Sum and the Minor Lump Sum or the Net Plan Cash, as the case may be). The difference (the "Minor Lump Sum Shortfall") between the Minor Lump Sum and the Net Plan Cash, as of the Confirmation Date, shall be paid to Aetna no later than ninety (90) days after the Effective Date. Payment of the Minor Lump Sum Shortfall shall be secured by the Minor Lump Sum Shortfall L/C (as defined herein). In the event that there exists a Minor Lump Sum Shortfall as of the Confirmation Date, on the Effective Date, the Debtor shall deliver to Aetna a clean, irrevocable, unconditional letter of credit (the "Minor Lump Sum Shortfall L/C") issued by a bank acceptable to Aetna, naming Aetna as beneficiary. The amount of the Minor Lump Sum Shortfall L/C shall be the amount of the Minor Lump Sum Shortfall. Honor of the Minor Lump Sum Shortfall L/C shall be conditioned only upon the presentation by Aetna to the issuing bank, on or after the 60th day after the Effective Date, of the Minor Lump Sum Shortfall L/C. The Minor Lump Sum Shortfall L/C shall expire 120 days after the Effective Date and otherwise shall be satisfactory, in form and substance, to Aetna. Confirmation of the Debtor's Plan shall be conditioned upon, among other things, the Debtor providing written evidence satisfactory to Aetna that the Minor Lump Sum Shortfall L/C has been issued.

The occurrence of the Effective Date shall be conditioned upon, among other things, (i) the payment to Aetna of the Major Lump Sum and (ii) (x) the payment to Aetna of the Minor Lump Sum or (y) the payment to Aetna of the Net Plan Cash and the delivery to Aetna of the Minor Lump Sum Shortfall L/C, as the case may be. The Debtor shall not make any distributions under the Plan in respect of allowed claims, and no release contemplated to be delivered pursuant to the Plan shall be effective, until the Debtor shall have satisfied the foregoing condition.

- The proposed form of the Amended Aetna Loan Documents shall provide for the modification of the Existing Loan Documents in a manner consistent with this Discussion Outline and shall otherwise be satisfactory, in form and substance, to Aetna and the Debtor. Prior to confirmation of the Plan, the Debtor shall cause the Plan to be amended, in a manner satisfactory, in form and substance, to Aetna, for the purpose of annexing to the Plan as exhibits the proposed form of the Amended Aetna Loan Documents.
- Each of the Aetna Secured Claim and the Aetna Deficiency Claim shall be deemed and treated for all purposes under the Plan as an Allowed Secured Claim and an Allowed Unsecured Claim, respectively, in the respective amounts set forth in this Discussion Outline.
- In consideration of the concessions and accommodations made by Aetna in favor of the Debtor in connection with the negotiation of a consensual plan of reorganization, the Debtor (on its own behalf and on behalf of the Debtor's estate) and the Debtor's partners, concurrently with the execution and delivery of the Amended Aetna Loan Documents, shall execute and deliver to Aetna an instrument releasing Aetna from any and all claims and causes of action, if any, that they, or any of them, have and may have against Aetna, arising under or relating to the Existing Aetna Loan Documents, whether arising under the Bankruptcy Code or otherwise. Concurrently with the execution and delivery of the Amended Loan Documents, Aetna shall execute and deliver an instrument releasing the Debtor and the Debtor's partners from any and all claims and causes of action that Aetna has and may have against the Debtor and the Debtor's partners arising under or relating to the Existing Aetna Loan Documents, whether arising under the Bankruptcy Code or otherwise; provided, however, that such release shall exclude any and all obligations of the Debtor and the Debtor's partners arising under the Plan and/or the Amended Aetna Loan Documents and/or the Guaranty.
- The hearing in respect of confirmation of the Plan shall be held no later than August 3, 1994, or as soon thereafter as the Bankruptcy Court's calendar permits.

- Aetna reserves the right to be a joint proponent of the Plan.
- Concurrently with the execution and delivery of the Amended Aetna Loan Documents, Aetna shall obtain an endorsement to its existing title insurance policy redating the policy to the date of recording of the Amended Aetna Loan Documents, increasing the policy amount to the extent, if any, necessary to cover any increases in principal contemplated by the Plan, insuring the Deed of Trust (as modified pursuant to the Plan and the Amended Aetna Loan Documents) as a valid, first-priority lien on the Trust Estate securing all indebtedness evidenced or to be evidenced thereby as contemplated by the Plan, and indicating that no title matters exist other than those shown on the original policy or those expressly permitted pursuant to the Plan.
- Notwithstanding anything herein to the contrary, neither the Debtor nor Michael E. Wise nor Raymond S. Kaplan shall seek or support the allowance of any claim for compensation for professional services rendered by Messrs. Wise and/or Kaplan under Bankruptcy Code § 503(b) or otherwise, nor shall the Plan shall contain any provision providing for such allowance, nor shall the Debtor pay such claim(s) under the Plan or otherwise. In the event that the Court allows all or any portion of such claim(s), payment of such claim(s) shall be made by the Debtor's general partners.
- Aetna does not consent to the provisions of Section "D" of that certain letter agreement (the "Homeowners Agreement") dated June 30, 1994 between the Debtor and Marina City Club Condominium Owners Association, Inc. (the "Homeowners Association") concerning the settlement of various issues between the Debtor and the Homeowners Association. Without limiting the generality of the foregoing, Aetna objects to the allowance and payment by the Debtor, whether from Aetna's collateral or otherwise, of any fees and expenses incurred by the Homeowners Association in connection with the Debtor's chapter 11 case. Aetna's agreement to the provisions of this term sheet is conditioned upon Aetna's consent to the amount of fees and expenses to be paid by the Debtor to counsel to the the Homeowners

Association. Subject to the foregoing, Aema  
consents to the Homeowners Agreement.

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**SECRET**

MARINA CITY CLUB, L.P.  
Debtor-In-Possession  
5757 Wilshire Blvd., Penthouse 30  
Los Angeles, CA 90036

June 30, 1994

Marina City Club Condominium  
Owners Association  
Marina City Club  
4333 Admiralty Way  
Attention: Executive Offices  
Marina del Rey, California 90292  
Attn: Shirley Bailey, D.D.S., President

Re: Agreement re Settlement of Pending Litigation between Marina City Club Condominium Owners Association, Inc. ("Association") and Marina City Club, L.P. et al. ("Debtor")

Dear Condominium Owners Association:

This letter ("Letter Agreement") shall: (i) supersede that certain Letter Agreement, dated October 1, 1993 between the Association and Debtor (the "Prior Agreement"), which Prior Agreement shall be deemed void and of no further force and effect, and (ii) confirm the terms and conditions which the Association and Debtor have subsequently agreed upon with respect to the settlement of the class action claims filed by the Association and the related individual and class claims; provided, however, that, notwithstanding anything contained herein to the contrary, if for any reason the United States Bankruptcy Court for the Central District of California (the "Bankruptcy Court") fails to enter by November 1, 1994 in chapter 11 case number LA 92-29484-SB (the "Chapter 11 Case") an order confirming a plan of reorganization proposed by Debtor that includes the terms of this Letter Agreement, each of the parties hereto reserves the right to contend that the Prior Agreement remains enforceable in accordance with its terms.

We understand that this Letter Agreement shall be subject to the approvals of the Bankruptcy Court, the County of Los Angeles, and Aetna Life Insurance Company ("Aetna"). By execution of this Letter Agreement, we represent to each other that we shall each use our respective best efforts to: (i) obtain as soon as possible the requisite consents and (ii) cause to have our respective attorneys prepare the formal documentation in order to document the agreements and obligations contained in this Letter Agreement. Nevertheless, we agree to jointly sign this letter to confirm the agreement between the parties and to then proceed to

have formal documents prepared by legal counsel in order to implement the terms contained in this Letter Agreement.

**A. Revisions to Management Structure for all Areas Covered by Maintenance Fees:**

**1. Formation of Management Council.**

A five (5) member Management Council (the "Management Council") shall be formed. The Management Council will include (i) two (2) representatives from the Association (the "Association Representatives") to be appointed by the Board of Directors of the Association (the "Board of Directors") (it being understood and agreed that the existing Board of Directors shall appoint the initial two (2) representatives, and each annually newly elected Board of Directors thereafter may, if it so desires, but shall not be required to change the Association Representatives to the Management Council), (ii) two (2) representatives from Debtor (the "Debtor Representatives"), and (iii) an independent member (the "Independent Member") to be mutually agreed upon by the Board of Directors and Debtor. The Association Representatives shall at all times represent the opinion and/or decisions of the majority of the Board of Directors and may be removed for any reason at any time by a majority of the Board of Directors. The Independent Member may be paid for attendance at all meetings and shall be either a member of the Urban Planning Department of a local university or a highly qualified individual with experience in management of condominiums. Any and all costs associated with the selection of, or the payment of fees to, the Independent Member shall be allocated in such a way as to cause one-half of such costs and fees to be borne by homeowners through maintenance fees and the other half to be borne by Debtor.

Notwithstanding the foregoing, with the consent of a majority of the Association Representatives and the Debtor Representatives, which consent may be revoked at any time, the Board of Directors and the Debtor may defer or discontinue the appointment of the Independent Member; provided, however, that, if at any time any two or more members of the Management Council (other than the Independent Member) so request, an Independent Member shall be appointed or re-appointed. At such times as there is no Independent Member of the Management Council, in the event of deadlock or a tie vote among the members of the Management Council, the subject matter that gave rise to such

deadlock or tie vote shall be subject to arbitration as set forth in paragraph 2, below. In addition, in the event that the Debtor Representatives and the Association Representatives elect to have an Independent Member on the Management Council but cannot agree upon a mutually acceptable Independent Member, such Independent Member shall be appointed by arbitration as set forth in paragraph 2, below.

2. Procedure for Arbitration.

The arbitration(s) discussed in the foregoing paragraph shall be before a retired judge of the Superior Court, District Court or Court of Appeals, with experience in property management issues. Upon notice by any member of the Management Council to the others of an issue that should be arbitrated pursuant to the provisions hereinabove, the parties shall attempt to agree upon a mutually acceptable arbitrator. In the event that no agreement on an arbitrator is reached within two (2) weeks from the date of such notice, then the claimant shall submit the issue for arbitration to the Judicial Arbitration Mediation Services (JAMS) with instructions that an arbitrator be appointed who complies with the foregoing provisions of this Paragraph and who has no conflict of interest. Except for any provisions thereof which are inconsistent with this Letter Agreement, each of the provisions of Title 9 of Part 3 of the California Code of Civil Procedure (commencing with Section 1280) in effect at the time of this Letter Agreement shall apply to any arbitration(s) commenced pursuant to this Paragraph. The arbitrator shall have the right to: (i) award to the prevailing party all costs and actual attorney fees and costs incurred by the prevailing party in said arbitration, and (ii) cause to have the non-prevailing party pay for all of the arbitrator's and/or JAMS' fees with respect to the arbitration.

3. Areas Controlled by Management Council.

Subject to the provisions of paragraph 7 below, the Management Council shall collect all monthly maintenance fees paid with regard to the 701 units and shall be responsible for the management of the areas that Exhibit "B" identifies as being included within the "Project," which areas consist generally of the common areas of the towers (the "Towers Common Areas") and the areas that are common both to the towers and to the remainder of the property leased by the Debtor from the County of Los Angeles (the "Shared Common Areas") and exclude (1) those areas

administered from time to time by the Executive Council of the Marina City Health and Tennis Club and (2) areas of the property actually leased or available for lease by Debtor to third parties under an agreement other than the Master Condominium Sublease, such as the boat slips, the retail and commercial space and the interior rental areas of the 101 Promenade Apartments. In the event of any inconsistency between the description of the Project contained within this paragraph and the description of the Project that is contained in Exhibit "B," the description contained within Exhibit "B" shall govern.

4. Independent Property Management Company.

The Management Council shall retain a highly qualified independent management company ("Management Company") to manage the Project. The Management Company shall be required to execute a property management agreement in connection with this employment (the "Property Management Agreement"). The Property Management Agreement shall contain the following provision and may contain any other terms and conditions that the Management Council deems appropriate, including terms and conditions that delegate to the Management Company one or more of the duties imposed upon the Management Council hereunder:

Notwithstanding anything else contained in this Property Management Agreement to the contrary, if:

a. One of the following conditions is satisfied:

(1) the Management Council or the Board of Directors acts or fails to act with respect to any matter, where such act or failure to act would constitute then or with the passage of time a default under the Second Amended and Restated Lease [Improved Parcel] (as amended) dated October 15, 1987 between Debtor and the County of Los Angeles pursuant to which Marina City Club, L.P. ("Debtor") is the master lessee of the real property commonly known as the Marina City Club (the "Master Lease"); or

(2) the County of Los Angeles declares the Master Lease to be in default; and

b. Both of the following conditions are satisfied:

(1) It reasonably appears that the default will not be cured within the time granted by the County; and

(2) It would not be consistent with the terms of the Master Lease for funds held on deposit in either the Shared Common Areas Reserve Account or the Towers Reserve Account to be used to cure the default in question,

then, upon the expiration of a period of five (5) business days after the Management Company's receipt of a Debtor Notice, as defined below, the Management Company shall make such payments from funds held with regard to the Project that are not held on deposit in, or designated for deposit into, either the Shared Common Areas Reserve Account or the Towers Reserve Account as may be necessary to cure the default or anticipated default described in the Debtor Notice, unless within such five (5) business day period (a) such default or anticipated default has already been cured by another party or (b) the County has indicated to Debtor's satisfaction that it no longer considers Debtor to be in default or that it will not declare Debtor in default based on the act or failure to act described in the Debtor Notice, as defined below.

The term "Debtor Notice" as used herein shall mean and refer to a written notice from Debtor that: (1) contains a statement of Debtor's intention to exercise rights under this section; (2) includes a description of the act or failure to act that Debtor contends gave rise to rights under this section; (3) specifies the steps that Debtor contends must be taken to cure such act or failure to act; and (4) is served on the Management Company, the Management Council and the Board of Directors of the Marina City Club Condominium Owners Association.

5. Operating Statements: Books and Records.

The Management Company shall prepare monthly operating statements showing all income and expenses. Such monthly statements shall be distributed to Debtor, the Board of Directors, the members of the Management Council and, upon

request, Aetna. All employees of the Project shall be employees of the Management Company. The books and records of the Management Company shall comply with the accounting requirements of Debtor so as to be reasonably consolidated with the books and records of Debtor, which requirements shall not be unreasonable and shall be in conformity with customary accounting procedures. For a period of at least four (4) months from the date that the Management Company commences its services, it is agreed that in order to ensure an orderly transition of the record keeping and other transition matters, Richard Samia shall be retained on a part time basis by the Management Council pursuant to terms to be agreed upon between the Management Council and Richard Samia. Debtor, the Board of Directors and the members of the Management Council shall have the right to confer with the Management Company concerning and to review records of the Management Company relating to the allocation as between the Towers Common Areas and the Shared Common Areas of any income or expense set forth on such statements. Any and all disputes among the parties concerning the reasonableness, accuracy or propriety of any such allocation shall be resolved by arbitration in the manner set forth in paragraph 2, subject to the County's existing rights regarding determination of such allocation and any rights that any of the parties may have to negotiate with the County concerning, or lobby the County for, a modification thereof.

5. Budgets.

The Management Council will be governed by an annual operating budget prepared by the Management Company for the Management Council's approval. It is further understood and agreed that the Management Council shall have the final approval of the operating budget submitted by the Executive Council described in Paragraph H, hereinafter. Debtor, the Board of Directors and the members of the Management Council shall have the right to confer with the Management Company concerning and to review records of the Management Company relating to the allocation of as between the Towers Common Areas and the Shared Common Areas of any income or expense set forth on such budget. Any and all disputes among the parties concerning the reasonableness, accuracy or propriety of any such allocation shall be resolved by arbitration in the manner set forth in paragraph 2, subject to the County's existing rights regarding determination of such allocation and any rights that any of the parties may have to negotiate with the County concerning, or lobby the County for, a modification thereof.

7. The Towers Common Areas.

In the event the Association wishes to increase the level of operations in any specific area within the Towers Common Areas over and above the previously approved budget, then the Association may elect to obtain the necessary additional funds for these additional operations, services or improvements (the "Additional Operations") in either of the following manners:

(1) by instructing the Management Council to increase the monthly maintenance fees to be paid by homeowners, in which event the Management Council shall collect from homeowners the amounts necessary to fund the Additional Operations and shall disburse these amounts in accordance with instructions given by the Association; or

(2) by increasing the monthly Association dues, approving a special assessment or, to the extent permissible under the Master Lease, using funds on deposit in the Tower Reserve Account for the Additional Operations. If the Association selects any of these three options, the Association shall collect from homeowners the amounts necessary to fund the Additional Operations and may either (a) incur and pay the expenses arising out of the Additional Operations itself or (b) turn amounts collected from homeowners for the Additional Operations (the "Collected Amounts") over to the Management Council and require the Management Council to incur and pay expenses arising out of the Additional Operations, up to the aggregate of the Collected Amounts. (In the event that Collected Amounts turned over to the Management Council in connection with a specific instance of Additional Operations exceed the aggregate of the expenses arising out of that instance of Additional Operations at the conclusion of such operations, the full amount of any such excess shall be returned to the Association.)

It is understood and agreed that there will need to be modifications to the existing Association/Condominium documents (i.e. CC&R's, By-laws, etc.) for adequate authority for these assessments and the collection thereof.

The Management Council shall manage the Towers Common Areas (as defined in Exhibit "B") in a manner that is substantially consistent with general policy guidelines adopted by the Board of



Directors and pursuant to an operating budget approved by the Management Council in the manner set forth above. Any dispute with respect to the Towers Common Areas between the Board of Directors and the Management Council shall be resolved through arbitration in accordance with paragraph 2 hereof.

8. Compliance with Master Lease.

The Management Council and the Board of Directors shall at all times operate in accordance with the Second Amended and Restated Lease [Improved Parcel] (as amended) dated October 15, 1987 between Debtor and the County of Los Angeles pursuant to which Debtor is the master lessee of the real property commonly known as the Marina City Club (the "Master Lease"). Notwithstanding any provision of this Letter Agreement or any other agreement between the Association and Debtor to the contrary, Debtor shall have the right to exercise final control over any issue if necessary to avoid and/or cure a default under the Master Lease in the event that one of the following occurs and it reasonably appears that the default will not be cured within the time granted by the County: (a) the Management Council or the Board of Directors acts or fails to act with respect to any matter, where such act or failure to act would constitute then or with the passage of time a default under the Master Lease or (b) the County of Los Angeles (the "County") declares the Master Lease to be in default.

In such event, upon the expiration of a period of five (5) business days after the Association's receipt of written notice from Debtor of Debtor's intention to exercise rights under this section (which notice shall include a description of the act or failure to act that Debtor contends gave rise to rights under this section and of the steps that Debtor contends must be taken to cure such act or failure to act), Debtor shall have the right to sign checks from the Shared Common Areas Reserve Account or the Towers Reserve Account, as such terms are defined below, to the extent that it would otherwise be consistent with the terms of the Master Lease for funds from these accounts to be used for the expenditure in question, in order to spend the amounts necessary to cure said default or anticipated default, unless within such five (5) business day period: (a) the Management Council or the Board of Directors cures such default or anticipated default; or (b) the County has indicated to Debtor's satisfaction that it no longer considers Debtor to be in default or that it will not declare Debtor in default based on the act or

failure to act described in the Debtor Notice. Nothing contained in this Letter Agreement shall operate to relieve Debtor from any obligation that it would otherwise have had to the County under the Master Lease.

During any period of time in which there is no Management Company operating and managing the Project, Debtor hereby agrees that all payments of ground rent by the Association members will be paid by the Association members directly to the County of Los Angeles, pursuant to a lock box arrangement to be approved by the County.

9. Reserve Accounts.

a. Shared Common Areas.

Promptly upon the effective date of a plan of reorganization that incorporates the terms of this Letter Agreement (the "Effective Date"), all funds on deposit in the replacement/capital reserve account that Debtor is obligated to maintain under the Master Lease (the "Existing Combined Reserve Account") shall be turned over to the Management Council and divided by the Management Council into two separate reserve accounts known as the "Shared Common Areas Reserve Account" and the "Towers Reserve Account." The portion of the Existing Combined Reserve Account that the Management Council determines is attributable to the Shared Common Areas shall be deposited into the Shared Common Areas Reserve Account. The remainder of the sums on deposit in the Existing Combined Reserve Account on the Effective Date shall be deposited into the Towers Reserve Account, as set forth below.

It shall be a condition precedent to the Effective Date that Debtor shall have paid into the Existing Combined Reserve Account: (i) the balance of the amounts that Debtor agreed to pay to the Existing Combined Reserve Account with respect to the Shared Common Areas in a prior settlement agreement with the Association on account of previously unpaid payments to that account (the "Reserve Agreement"), subject to the review of Michael Steiger for compliance with the Reserve Agreement; and (ii) all additional sums required to have been paid by Debtor into the Existing Combined Reserve Account with respect to the Shared Common Areas for periods not covered by the Reserve Agreement through and including the Effective Date.

The following provisions shall govern the control of the Shared Common Areas Reserve Account:

(1) Except as set forth in paragraph 2 below, all checks written on the Shared Common Areas Reserve Account must have two (2) signatures, one of which must be from a Debtor Representative or the Independent Member and the other of which must be from an Association Representative of the Management Council.

(2) In the event that both of the Association Representatives refuse to sign for a disbursement and the conditions for Debtor to have authority to sign checks set forth in paragraph 8 above (the "Disbursement Conditions") have been satisfied, subject to the notice and cure provisions of paragraph 8 above, checks may be issued from the Shared Common Areas Reserve Account to the extent necessary to cure said default and to the extent that it would otherwise be consistent with the terms of the Master Lease for funds from this account to be used for the expenditure in question, with either (a) the signatures of two Debtor Representatives or (b) the signatures of one Debtor Representative and the Independent Member.

b. Towers Common Areas.

Promptly upon the Effective Date, the portion of the Existing Combined Reserve Account that the Management Council determines is attributable to the Towers Common Areas shall be turned over to the Association for exclusive control and deposited into the Towers Reserve Account. In the event that the Management Council has not decided upon an appropriate division of the Existing Combined Reserve Account as between the Shared Common Areas Reserve Account and the Towers Reserve Account by the expiration of a period of 10 days after the Effective Date, the Management Council shall immediately transfer to the Association for deposit into the Towers Reserve Account the full amount of all sums on deposit in the Existing Combined Reserve Account that the Debtor Representatives on the Management Council concede are attributable to the Towers Common Areas, which amount shall be at least \$750,000 to \$1,000,000, and the Management Council shall thereafter continue its efforts to agree upon an appropriate division of the Existing Combined Reserve Account.

If, for any reason, the Management Council has not decided upon an appropriate division of the Existing Combined Reserve Account as between the Shared Common Areas Reserve Account and the Towers Reserve Account by the expiration of a period of 30 days after the Effective Date, the issue of the appropriate division of the Existing Combined Reserve Account (the "Division Issue") shall immediately be submitted to arbitration in accordance with the provisions of paragraph 2 of this Letter Agreement unless, prior to the expiration of this 30-day period, a majority of the members of the Management Council agree in writing to extend the deadline for the completion of these negotiations to a specified date, in which case the Division Issue shall be submitted to arbitration in accordance with the provisions of paragraph 2 at the expiration of this extended negotiation period, if it has not been resolved by that date.

It shall be a condition precedent to the Effective Date that Debtor shall have paid into the Existing Combined Reserve Account: (i) the balance of the amounts that Debtor agreed to pay to the Existing Combined Reserve Account with respect to the Tower Common Areas in the Reserve Agreement, subject to the review of Michael Steiger for compliance with the Reserve Agreement; and (ii) all additional sums required to have been paid by Debtor into the Existing Combined Reserve Account with respect to the Tower Common Areas for periods not covered by the Reserve Agreement through and including the Effective Date.

The following provisions shall govern the control of the Towers Reserve Account:

(1) Except as set forth in paragraph (2) below, the Board of Directors shall have exclusive control over the Towers Reserve Account.

(2) In the event that either of the Disbursement Conditions has been satisfied with respect to a default or prospective default that relates to the operation or maintenance of the Towers Common Areas, then the Independent Member, if any, and, in the event there is no Independent Member, Debtor, shall have the right and authority, subject to the notice and cure provisions of paragraph 8 above, to sign checks from the Towers Reserve Account in order to cure said default, to the extent that it would otherwise be consistent with the

terms of the Master Lease for funds from this account to be used for the expenditure in question.

(3) The Association understands that the Towers Reserve Account must be in an amount sufficient to comply with the Reserve Study requirements pursuant to California Condominium Law.

10. Repair of Elevators and Exterior Walls.

At all times up through the Effective Date, Debtor shall diligently pursue and continue the repair and renovation of the Tower elevators and the repair and repainting of the exterior walls. Such repairs, renovations and repainting shall be funded from current income, to the extent set forth in the current budget for the Shared Common Areas and the Tower Common Areas, and thereafter from the Existing Combined Reserve Account, to the extent appropriate under the Master Lease.

11. Implementation of Provisions.

Notwithstanding anything to the contrary contained hereinabove, it is expressly understood and agreed that the Management Council, which has already been established, shall implement all of the terms and provisions set forth in this Section A within thirty (30) days after the Effective Date.

B. Enforcement Deed of Trust:

Debtor hereby agrees to the terms and conditions set forth in Exhibit "A," attached hereto and incorporated herein by this reference, with respect to permitting homeowners to cause the existing Enforcement Deed of Trust on their condominium unit to be subordinated to certain other financing. Debtor's Plan of Reorganization in the Chapter 11 Case shall include the terms and conditions contained in Exhibit "A" (the "EDOT Plan"). Debtor acknowledges that nothing contained in this Letter Agreement or the EDOT Plan shall relieve Debtor from its obligations to the County under the Master Lease to pay the homeowners' ground rent and maintain the "Property," as that term is defined in the Master Condominium Sublease. It is understood and agreed that the Association's consent to the releases set forth in Paragraph J below is expressly conditioned upon the confirmation and effectiveness of a plan of reorganization that causes the EDOT Plan to become effective.

Condominium Owners Association  
June 30, 1994  
Page -13-

**C. Transfer Fee:**

Debtor will cap at one-half percent (1/2%) the transfer fee that it is entitled to assess under section 5.12.D of the Master Lease for sales of condominium units that occur on or after the Effective Date.

**D. Reimbursement of Legal Fees:**

Debtor will reimburse the Association as an allowed administrative claim in the Chapter 11 Case all actual legal expenses incurred by the Association in connection with the Chapter 11 Case and/or in the extensive negotiations leading to this letter, up to a maximum amount of \$185,000. As a result of said payment, Debtor will not be responsible for any special assessments or charges from the Association in any way relating to such legal fees or the Chapter 11 Case, including, but not limited to, the \$250 per unit "Special Assessment" imposed in 1992 (the "Special Assessment"), it being understood that Debtor's payment of the Special Assessment shall be made from said payment of legal fees.

Notwithstanding the foregoing, Debtor shall be obligated to pay the Special Assessment in the sum of \$10 per unit for all unsold units for each month from January 1992 through December 31, 1993. Debtor has been advised that, if for any reason a plan of reorganization that contains the terms of this Letter Agreement is not confirmed by the Bankruptcy Court by November 1, 1994, it is the Association's present intention to condition any consent that it might elect in its sole discretion to grant to a further extension of time for Debtor to confirm such a plan of reorganization upon Debtor's agreement to increase the amount of attorneys' fees that are to be paid by Debtor pursuant to this section.

**E. Authorization for Payments to Consultants:**

Prior to the Effective Date, Debtor shall release up to \$35,000 from the Existing Combined Reserve Account to retain experts regarding the evaluation of the buildings, improvements, and budgets (including the existing allocation system).

**F. Conversion of Existing Cultural Center:**

Subject to the approval of the County of Los Angeles, MDP, Ltd., and Aetna, Debtor will enter into a lease of the Cultural Center with the Association for the duration of the Master Lease. Debtor shall use its best efforts to obtain said approvals. The consideration for the lease shall be one dollar (\$1.00) per year. As you are aware, there is a current tenant that will need to be relocated and there may be a delay in transferring the front part of the Building. Marina City Club, L.P. will furnish the Center, at a cost not to exceed \$7,500.

**G. Cooperation with Homeowners Association in Negotiations to Reduce County Ground Rent:**

Debtor will support and cooperate with the Board of Directors or a designate of the Board of Directors in negotiations designed to reduce the monthly ground rent paid to the County of Los Angeles. Both Debtor and the Association acknowledge: (1) the County may in its sole and absolute discretion decline to engage in negotiations concerning the reduction of monthly ground rent payments prior to the date currently scheduled for the first of such negotiations in the Master Lease, namely, the year 2016; and (2) the County shall not, by consenting to the terms of this Letter Agreement, be deemed to have consented to engage in such negotiations prior to the year 2016.

**H. Control of the Health and Tennis Club Areas:**

The Association and Debtor acknowledge that, pursuant to that certain Letter Agreement between Debtor and the Association with respect to the management and operation of the Marina City Health Club ("MCHC"), dated September 15, 1992, a true and correct copy of which is attached hereto as Exhibit "F" (the "Club Letter Agreement"), the MCHC is presently being managed by the three (3) person Executive Council. The Association and Debtor hereby agree that, notwithstanding anything to the

contrary contained in Paragraph 1 of the Club Letter Agreement, the Executive Council of the MCHC shall be changed, effective within twenty (20) business days from the Effective Date to be composed of the following: (i) three (3) representatives from the Association; (ii) one (1) representative selected by Debtor; and (iii) one (1) representative elected by the "Outside Members" of the MCHC (as defined in Paragraph 1 of the Club Letter Agreement). The Association Representatives on the Executive Council shall at all times represent the opinion and/or decisions of the majority of the Board of Directors and may be removed for any reason at any time by a majority of the Board of Directors. In the event of any inconsistency between the terms of the Club Letter Agreement and this Letter Agreement, the terms of this Letter Agreement shall govern.

To the extent any area(s) of the health and tennis club cease to be administered by its Executive Council, then such area(s) shall be administered and be under the control of the Management Council referred to above and the Management Council shall have the authority to determine how the costs for maintaining said facilities shall be paid and allocated. It is further understood and agreed that the Management Council shall have final approval of the operating budget prepared by the Executive Council and that all costs related to the operation of the MCHC shall be paid: first, from monthly dues and initiation fees collected from outside members and other amounts collected by the MCHC for particular goods or services (collectively, "Outside Income"); and, to the extent that the Outside Income is insufficient to cover such costs, from the monthly maintenance fees collected with regard to the 701 units.

Notwithstanding anything to the contrary contained in this Paragraph H, it is understood and agreed that, in the event any action is taken by either the Executive Council or the Management Council which shall be in violation of any law or regulation with respect to any license or Permit (i.e. liquor license, massage license, Health and Spa Permit) held by Debtor with respect to the MCHC, and which violation shall result in the suspension or revocation of such license or Permit as evidenced by written notice from the governmental agency having jurisdiction thereof, then Debtor shall have the right to exercise final control over the matter in question in order to ensure that the MCHC is in compliance with the applicable laws and regulations, provided, however, that, prior to any such action by Debtor: (i) the Executive Council (or the Management Council, as the case may be)



shall first be given the opportunity to resolve the violation in question within a reasonable period of time; and (ii) Debtor shall give the Executive Council and the Management Council at least five (5) business days prior written notice of Debtor's proposed actions. The parties hereto shall consider creating a legal entity that shall be responsible for the ownership and management of the MCHC, subject to the management provisions contained hereinabove, in order to reduce any possible risks associated with the operation of the MCHC for the Executive Council, Debtor or the Association or its members.

Debtor hereby agrees that, without the prior written consent of the Board of Directors, it will not lease the areas commonly referred to as the Living Room, the Topside Room or the Slipside Room to any third party whose use or occupation of such premises could reasonably be construed as likely to interfere with the quiet enjoyment of condominium units within the Project. The Association hereby consents to the lease of the Living Room to its current tenant for its current uses.

**I. Audit of Debtor Records:**

The Association shall have the right to audit the books and records of Debtor for any three (3) separate two (2)-month periods from the date of the first sale of a condominium within the project to the date of the implementation of the Management Council and the turnover of management of the project to the Management Company. Said audit shall relate to the income and expenditures relating to the entire Project's operations (including expenditures of all dues paid by the members of the Association, expenditures made from the Existing Combined Reserve Account, etc.). Debtor agrees to release from the Existing Combined Reserve Account an amount not to exceed the sum of \$10,000 to cover said audit. In the event there is any dispute as to the propriety of any expenditure or allocation, then the Management Council shall have the final authority to decide any such dispute. If any expenditure or allocation is found to be unauthorized or inappropriate, Debtor shall reimburse the appropriate account for such expenditure, or reallocate the funds, as appropriate.

**J. Release of Debtor and General Partners:**

Upon the Effective Date of Debtor's Plan of Reorganization in the Chapter 11 Case, and only if such Plan of Reorganization

contains the EDOT Plan as described on Exhibit "A," Debtor and its general partners shall be released and relieved of any and all liability to the Association and/or the homeowners on account of the claims alleged in the class proof of claim filed in the Chapter 11 Case on December 30, 1992 by the Association and in the related individual proofs of claim filed by individual members of the Association only to the extent that such individual proofs of claim raise questions of law and fact that were asserted in the class proof of claim. The same shall be effected by confirmation of a Plan of Reorganization containing the terms of this Letter Agreement pursuant to a final order of the Bankruptcy Court. The right to receive these releases is for the benefit of Debtor and its partners and may be waived by them in writing in whole or in part at any time and from time to time.

**K. Dismissal of Class Action Lawsuit:**

The Association hereby acknowledges that the negotiations have been substantially completed with respect to a settlement (the "Kaplan Settlement") of that certain class action filed by the Wilshire Marina City Venture, a California limited Partnership ("Venture") vs. Marina City Club Condominium Owners Association, et al., (LASC Class Action: BC 072328). It is expressly understood and agreed that, if a final settlement agreement is executed by said parties, then: (i) Debtor agrees to pay the sum of \$10,000.00 towards reimbursement of Venture's legal fees and costs; and (ii) in the event that the Association cannot obtain the requisite 75% approval of the proposed amendment to the CC&Rs (as required pursuant to the Kaplan Settlement) and the applicable court subsequently also disapproves the amendment to the CC&Rs pursuant to Section 1356 of the California Civil Code (as described in the Kaplan Settlement), then the parties hereby agree that the Association shall treat \$25,000.00 of the attorneys' fees paid by Debtor for the benefit of the Association pursuant to paragraph (D) hereof as having been paid toward the \$250.00 Special Assessment by members of the Association (other than Debtor) who have not paid said Special Assessment as of that date. Debtor shall agree pay the sum of \$10,000.00 towards reimbursement of Venture's legal fees and costs. Within ten (10) business days from the later of (a) the Effective Date and (b) the date that a final settlement agreement is executed by said parties, Debtor shall deposit into the Trust Account of the law offices of Christensen, White, Miller, Fink & Jacobs ("Christensen") the sum of \$10,000.00, which sum Christensen is hereby irrevocably instructed and

authorized to pay to Venture pursuant to this paragraph and the settlement documents to be executed hereinafter between the Association and Venture. This Letter Agreement is contingent upon the execution of a final settlement agreement between Venture and the Association.

Concurrently with the execution of this Letter Agreement, Debtor shall execute the Declaration in the form of Exhibit "D", attached hereto and incorporated herein by this reference. In the event that the Kaplan Settlement is executed by the parties and approved by the applicable courts, Debtor agrees further to vote all of its units in favor of the proposed amendments to the CC&R's described in the Kaplan Settlement and to support any efforts that may be taken by the Association to obtain court approval for such amendments under California Civil Code § 1356.

**L. Certification of Class:**

Notwithstanding anything to the contrary contained in this Letter Agreement, the obligation of the parties hereto shall be expressly conditioned upon certification of a non-opt out class pursuant to F.R.C.P. 23(b)(1) and/or (b)(2) and F.R.B.P. 7023(b)(1) and/or (2); once such certification has occurred, all conditions precedent to the effectiveness of this Letter Agreement have been satisfied and the Effective Date has occurred, this Letter Agreement shall be binding upon all members of the Association and no member of the class may opt out for any reason.

In order to effectuate the settlement, the process of designating a class of Association members will be continued. In this regard, notice will be given to all such members of the proposed designation of the class; further notice of the proposed settlement will be given to the class as required under applicable rules. Furthermore, the class proof of claim filed by the Association on December 30, 1992 in the Chapter 11 Case shall be amended to include the general partners of the Debtor as party defendants, and the final resolution of this matter shall include the settlement of claims, if any, by all members of the Association with respect to the claims alleged in such class proof of claim.

**M. Use of Office Space.**

Debtor hereby agrees that the Association shall have the irrevocable right, rent free, to the exclusive use of the following office spaces, including all furniture and equipment located therein as of the Effective Date, for the duration of the Master Lease (as may be extended). Attached hereto as Exhibit "E" is a schedule that itemizes (1) all furniture and equipment located within the following offices as of the date of this Letter Agreement and (2) all furniture and equipment that Debtor is authorized to remove from the following offices prior to the Effective Date.

i) The offices that are presently being occupied and used by Isabelle Sciommeri and her staff located within the East Tower, on Level 3G and the Mezzanine Level, which offices are more fully depicted on Exhibit "C" attached hereto and incorporated herein by this reference,

ii) The five (5) adjacent offices presently being used for the administration of the Health Club as more fully depicted on Exhibit "C-1" attached hereto and incorporated herein by this reference, provided however that, during any period of more than one month during which the Health Club is closed, the usage of said offices shall revert back to Debtor, and Debtor shall then have the exclusive use of said offices. Should the Health Club later reopen, however, the Association shall again be entitled to the exclusive use of these offices, rent free.

**N. Cancellation of Letter Agreement.**

Notwithstanding anything to the contrary contained in this Letter Agreement, if, on or before November 1, 1994: (1) for any reason Aetna, the County, and MDP, Ltd. (so long as MDP, Ltd. has a security interest in the project) fail to approve the terms and conditions contained in this Letter Agreement; or (2) the Debtor fails to obtain from the Bankruptcy Court an order confirming a Plan of Reorganization proposed by the Debtor that includes the terms of this Letter Agreement (a "Conforming Plan"); then, subject to the reservation of rights set forth in the introductory paragraphs of this Letter Agreement with regard to the Prior Agreement, all terms and conditions of this Letter Agreement shall be deemed null and void and of no further force

or effect and the parties' obligations contained herein shall automatically be terminated, with the exception of the terms and conditions of, and the obligations created by, paragraphs A [Revisions to Management Structure, etc.], H [Control of Health and Tennis Club, etc.], K [Dismissal of Class Action Lawsuit] and M [Use of Office Space] of this Letter Agreement (collectively, the "Surviving Obligations").

Whether or not Aetna, the County and MDP, Ltd. approve this Letter Agreement by November 1, 1994, and whether or not Debtor obtains an order confirming a Conforming Plan by that date, the Surviving Obligations shall remain enforceable in accordance with their terms, so long as any Conforming Plan that may be submitted to the homeowners for acceptance with regard to which a confirmation hearing is conducted on or before November 1, 1994 (a "Timely Conforming Plan") is accepted by the class of homeowners designated in such plan (the "Homeowners Class") by the percentages set forth in Bankruptcy Code § 1126. If the Homeowners Class fails to accept a Timely Conforming Plan by the percentages set forth in Bankruptcy Code § 1126, then, subject to the reservation of rights set forth in the introductory paragraphs of this Letter Agreement with regard to the Prior Agreement, the Surviving Obligations shall also be deemed null and void and of no further force or effect, unless, notwithstanding the rejection of such a plan by the Homeowners Class, Debtor elects to seek confirmation of, and succeeds in obtaining under Bankruptcy Code § 1129(b) an order confirming, a Plan of Reorganization that includes the Surviving Obligations.

**O. Miscellaneous Provisions**

1. **Merger.** Except as otherwise provided herein, this Letter Agreement constitutes the complete agreement of the parties in connection with every matter included in and resolved by this Letter Agreement and supersedes any and all prior or contemporaneous negotiations, promises, covenants, agreements, representations of any kind or nature whatsoever, all of which have become fully merged and finally integrated into this Letter Agreement. This Letter Agreement cannot be amended, modified or supplemented except by a written document executed by each party to this Letter Agreement.

2. Binding on Successors. This Letter Agreement shall inure to the benefit of and shall bind the parties and the heirs, executors, administrators, assigns and successors in interest, as the case may be, of each of the parties hereto.

3. Construction. The rule that any ambiguous provision of an agreement may be construed against the party that drafted the agreement shall not be used in interpreting this Letter Agreement.

4. Waiver. No waiver by a party of a breach of any of the provisions of this Letter Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other provision of this Letter Agreement. The failure of the parties hereto to strictly enforce any rights conferred by this Letter Agreement shall not constitute a waiver of such rights.

5. Further Acts. Each party hereto agrees to take such further acts and execute such additional documents as may be necessary or desirable to carry out the provisions and purposes of this Letter Agreement.

Condominium Owners Association  
June 30, 1994  
Page -22-

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

Sincerely,

MARINA CITY CLUB, L.P.,  
Debtor-In-Possession

By: \_\_\_\_\_  
Jerome H. Snyder, General Partner

AGREED TO AND APPROVED

MARINA CITY CLUB CONDOMINIUM OWNERS  
ASSOCIATION, INC., a California non-  
profit corporation

By: \_\_\_\_\_  
Shirley Bailey, President

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EXHIBIT A

PLAN RE REMOVAL OF ENFORCEMENT DEED OF  
RE MARINA CITY CLUB CONDOMINIUMS

The following plan (the "EDOT Plan") shall be implemented immediately once both of the following have occurred: (1) the County of Los Angeles (the "County"), Aetna Life Insurance Company ("Aetna"), and, so long as it has a security interest in the Project, MDP, Limited have consented to the terms of this exhibit; and (2) the Effective Date has occurred. Capitalized terms not otherwise defined herein shall have the meanings given such terms in the preceding Letter Agreement.

Voluntary Payment by Homeowner of Deposit of Two Months  
Ground Rent and Maintenance Fees:

Every homeowner shall have the immediate right and option to cause the full subordination of the existing Enforcement Deed of Trust (or the Enforcement Deed of Trust that would otherwise be required as to each previously unsold unit when such unit is first sold) to new financing secured by a first deed of trust upon depositing with a qualified and independent third party escrow holder acceptable to Debtor, Aetna, the County and the Association (the "Escrow Holder") as hereinafter provided an amount equal to two (2) months of ground rent payments and maintenance fees allocable to such homeowners' unit (as then being charged at the time of the deposit; the "Deposit"), which right and option shall be subject to the following terms and conditions:

1. In order to exercise the option and make the Deposit, the homeowner must be current with respect to all monetary obligations owed to Debtor (e.g., Maintenance Dues, Ground Rent Payments, Special Assessments, etc.).
2. The Deposit may be made, and the subordination may occur, only in connection with a sale, financing, or refinancing of an owner's unit wherein:
  - (a) an institutional lender (i.e. Bank, Savings and Loan, or other entity regulated by Federal or State banking laws) is making a first trust deed loan to the owner of the unit for a refinance, or a first trust deed loan to a buyer for a sale of the unit; or
  - (b) the transaction is a sale by an owner of the unit to a buyer in which the owner is carrying back paper secured by a first deed of trust, provided that, in the case of any such seller

financing: (1) the buyer makes a cash down payment of at least twenty percent (20%) of the purchase price and (2) all of the following are demonstrated to the satisfaction of Aetna:

(i) the sale constitutes a bona fide, arms' length transaction and the buyer is a person that is not an affiliate, insider or relative of the seller;

(ii) the sale price is established in good faith and does not exceed the then current fair market value established for the unit in a current written appraisal by a qualified appraiser applying institutional loan standards; and

(iii) the terms of the first trust deed loan to be made by the seller, the loan to value ratio and the qualifications of the purchaser meet the then current requirements applied generally by institutional lenders (as defined above) in the business of making residential loans on comparable property.

3. Upon the consummation of the refinancing, financing, or sale of the unit and satisfaction of the conditions contained herein (including those set forth in paragraph 2 above), the existing Enforcement Deed of Trust shall: (a) be fully subordinate to the new underlying first trust deed (the "New Trust Deed"); (b) continue to secure the payment of future ground rent and maintenance dues; and (c) not require the beneficiary under the New Trust Deed to pay any unpaid ground rent or maintenance fees in the event the beneficiary under the New Trust Deed obtains title to the unit by foreclosure or deed in lieu of foreclosure. However, such beneficiary or other foreclosure sale purchaser will be required to pay all ground rent and maintenance fees subsequent to the date on which such beneficiary or other purchaser obtains title to the unit, and the obligation to pay such future charges will be secured by a new enforcement deed of trust, which shall be executed in recordable form and delivered by such beneficiary or other purchaser and recorded at the time of foreclosure or delivery of the deed in lieu and which shall be in first position unless and until again subordinated in connection with a transaction of the kind described in paragraph 2

hereof in accordance with the terms of this EDCT Plan, including the making of a new deposit.

4. All Deposits shall be held by the Escrow Holder in trust for the benefit of the County, the Management Council, Aetna and the Debtor, and utilized solely for the purposes described herein. Any interest earned on the Deposits shall be added to and used for the same purpose as the funds established by the Deposits. Unless Aetna and the County elect to require the Deposit Trust Account, as defined below, to be established and treated as a separate taxable entity, the Debtor shall be responsible for filing any tax returns that may be required and paying any taxes that may fall due with regard to such interest, but shall be entitled to receive reimbursement for any such taxes that it pays out of sums held on deposit in the Deposit Trust Account. In the event that Aetna and the County elect to require the Deposit Trust Account to be established and treated as a separate taxable entity, then Escrow Holder shall be responsible for filing any tax returns that may be required and paying any taxes that may fall due with regard to interest earned on the Deposit Trust Account and shall be entitled to receive reimbursement from amounts on deposit in the Deposit Trust Account for any costs and expenses that it incurs in connection with the preparation of such returns and the payment of such taxes. All Deposits may be held in a single bank account. The sum total of all Deposits, or any portion thereof, shall be used, as necessary, subject to the terms and conditions herein summarized, to cure the default of any one or more of the depositors in payment of the amounts secured by the Enforcement Deed of Trust encumbering any such depositor's or depositors' unit(s). The bank account(s) in which the Deposits are held shall be segregated trust accounts (collectively, the "Deposit Trust Account") and shall: (a) not be commingled with any other funds; (b) be used only to cure the defaults of any one or more of the depositors as described above; and (c) be subject to such controls to restrict use and application to intended purposes as may be agreed upon by Aetna, the County and the Association, including without limitation a mechanism designed to preclude the application of Deposits to the payment of maintenance fees due from any homeowner when amounts then held on deposit for all depositors are not, or are not expected to be,

sufficient to cover existing and foreseeable ground rent delinquencies of depositors who are then delinquent on the payments due under the Enforcement Deeds of Trust that encumber their units.

5. If (a) a homeowner deposits funds with the Escrow Holder in contemplation of a transaction that is intended to fall within the scope of paragraph 2 hereof and (b) for any reason that transaction is not consummated or otherwise fails to meet all of the requirements set forth above that are necessary to cause subordination to occur, all funds deposited shall be promptly returned to such depositor. In the event that a subordination agreement executed pursuant to this EDOT Plan ceases to be effective by reason of (a) the consensual rescission of such agreement by all of the parties thereto and all beneficiaries thereof or (b) the recordation of a new Enforcement Deed of Trust that has not been subordinated in accordance with this EDOT Plan, the depositor that made a Deposit in connection with the ineffective subordination agreement shall be entitled to receive a refund of such portion of its deposit as may be determined by a refund formula to be established by agreement among the Debtor, the County, Aetna and the Association (or to assign its right to receive such refund to a successor owner of its unit to be applied as a credit against the deposit that such successor owner would otherwise be required to pay to subordinate a new Enforcement Deed of Trust in accordance with this EDOT Plan), which refund formula shall take into account the need to retain on deposit in the Deposit Trust Account a reasonable reserve against anticipated future defaults and continuing defaults of depositors whose Enforcement Deeds of Trust remain subordinated pursuant to this EDOT Plan.
6. Until such time as Aetna in its sole discretion elects to serve upon Escrow Holder, with a copy to Debtor, the Management Council, the County and the Association, a written notice of its intention to become a required signatory on the Deposit Trust Account (the "Aetna Notice"), which notice Aetna may serve at any time, all checks issued on the Deposit Trust Account shall require two (2) signatures, one of which shall be that of an authorized representative of Debtor and the other of which shall be that of an authorized representative of the County. From and after the date on which the Escrow Holder receives an Aetna Notice, all checks issued on the Deposit Trust Account shall require three (3) signatures: one from an authorized representative

of Debtor; one from an authorized representative of the County; and one from an authorized representative of Aetna. Not less than once each calendar month, Escrow Holder shall provide to Debtor, Aetna, the Management Council, the County and the Association an accounting that sets forth for the calendar month immediately preceding the date of the accounting: (a) the balance on deposit in the Deposit Trust Account at both the beginning and the end of the month; (b) all deposits made to the Deposit Trust Account that month; and (c) all disbursements made from the Deposit Trust Account that month.

7. Debtor and the Management Council shall at all times proceed with due diligence with respect to (a) collecting all unpaid maintenance fees and ground rent payments from any depositor who fails to pay its required monthly maintenance and ground rent fees and (b) requiring any depositor to replenish any amounts that may be withdrawn from the Deposit Trust Account to pay unpaid maintenance and ground rent fees for such depositor. Notwithstanding the making of a deposit and the subordination of an Enforcement Deed of Trust in accordance with the terms hereof, a depositor shall be required to pay in a timely fashion all monthly maintenance and ground rent payments due under that Enforcement Deed of Trust. A failure by a depositor to make any of these payments in a timely manner or to replenish its Deposit once some or all of that Deposit has been applied to pay monthly maintenance and ground rent payments due under its Enforcement Deed of Trust shall constitute a default under the Enforcement Deed of Trust and a basis for foreclosure thereunder.
8. The Management Council shall retain legal counsel to modify and change or create all requisite documents, and Debtor and the Association shall use their best efforts to obtain all requisite consents (i.e., County of Los Angeles, Aetna, MDP, Ltd., etc.) in order to implement immediately the provisions set forth hereinabove. All legal fees incurred in connection with the preparation of said documentation and implementing the provisions set forth hereinabove that are approved by the Management Council as reasonable shall be paid from maintenance fees collected with regard to the Project.
9. This EDOT Plan shall be effective once all of the following have occurred: (a) definitive instruments, documents and forms necessary to implement, and assure and secure continued implementation of, this EDOT Plan,

including without limitation a form of Enforcement Deed of Trust, a form of subordination agreement, agreements and forms of agreements governing the various aspects of deposit and disbursement of Deposits, forms of escrow instructions, agreements incorporating procedures whereby compliance with the conditions precedent to subordination outlined above can be monitored (collectively, the "Definitive Documents") shall have been prepared by counsel for the Management Council, who shall receive compensation for such services from maintenance fees in accordance with and subject to paragraph 8 of this EDOT Plan; (b) the form of the Definitive Documents shall have been approved by the Debtor, the County, Aetna, the Association and the Escrow Holder; and (c) all Definitive Documents that are applicable to the entire EDOT Plan (as opposed to being specific to the subordination of a single Enforcement Deed of Trust) shall have been fully executed and delivered to the appropriate parties.

10. The County, Aetna and the Management Council shall have such security interests (or collateral assignments of security interests) in the Deposits as they may require to protect their interests in the application of the Deposits for the purposes set forth herein.

**EXHIBIT A**

The term, "Project," as used in the foregoing agreement shall mean and refer to all portions of the real property commonly known as the Marina City Club leased by Debtor from the County of Los Angeles under the Second Amended and Restated Lease [Improved Parcel] (as amended) dated October 15, 1987 that are not subleased to members of the Association other than (1) the areas to be managed by the Executive Council of the Marina City Health and Tennis Club pursuant to the Club Letter Agreement and (2) the following areas, which shall be managed by Debtor:

**Areas Not Included Within Towers Common Areas**

**Within West Tower**

Helix Office Area, ground floor  
Living Room that is part of Yacht Club Lease  
Slipside  
Topside  
Restaurant Parking Area  
previously used for Red Onion

**Within Center Tower**

Space presently used by sales and  
leasing office, ground floor  
Convenience Store, ground floor  
Space presently used by Mr. Sauls  
Helix Office, plaza level  
Helix Office, ground floor

**Within East Tower**

Helix Office, plaza level  
Helix Office, ground floor  
Office space located on G-2 level

**Areas Not Included Within Shared Common Areas**

**Within Promenade Apartments**

Interior apartment rental areas  
Public restroom areas  
Nonresidential office space

**EXHIBIT "B"**

Miscellaneous excluded areas

All boat slips

Public restrooms within boat slip area

Areas clearly marked as boat slip tenant parking underneath  
tennis courts 5 and 6, consisting of approximately \_\_\_\_\_ spaces

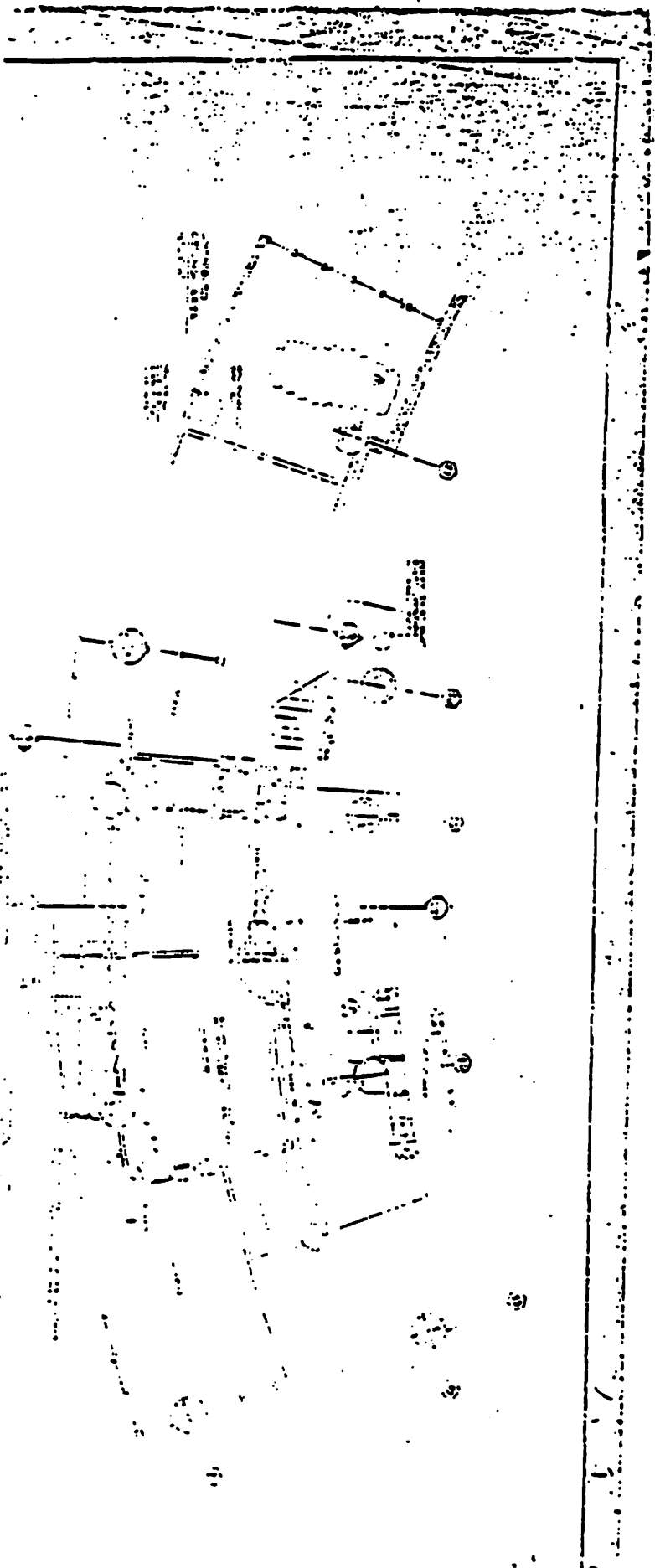
Boat slip tenant parking areas adjacent to fire station

Lockers within promenade parking areas

Areas formerly leased by Red Onion and  
parking areas adjacent thereto

EXHIBIT "B"





SECRETARY OF DEFENSE

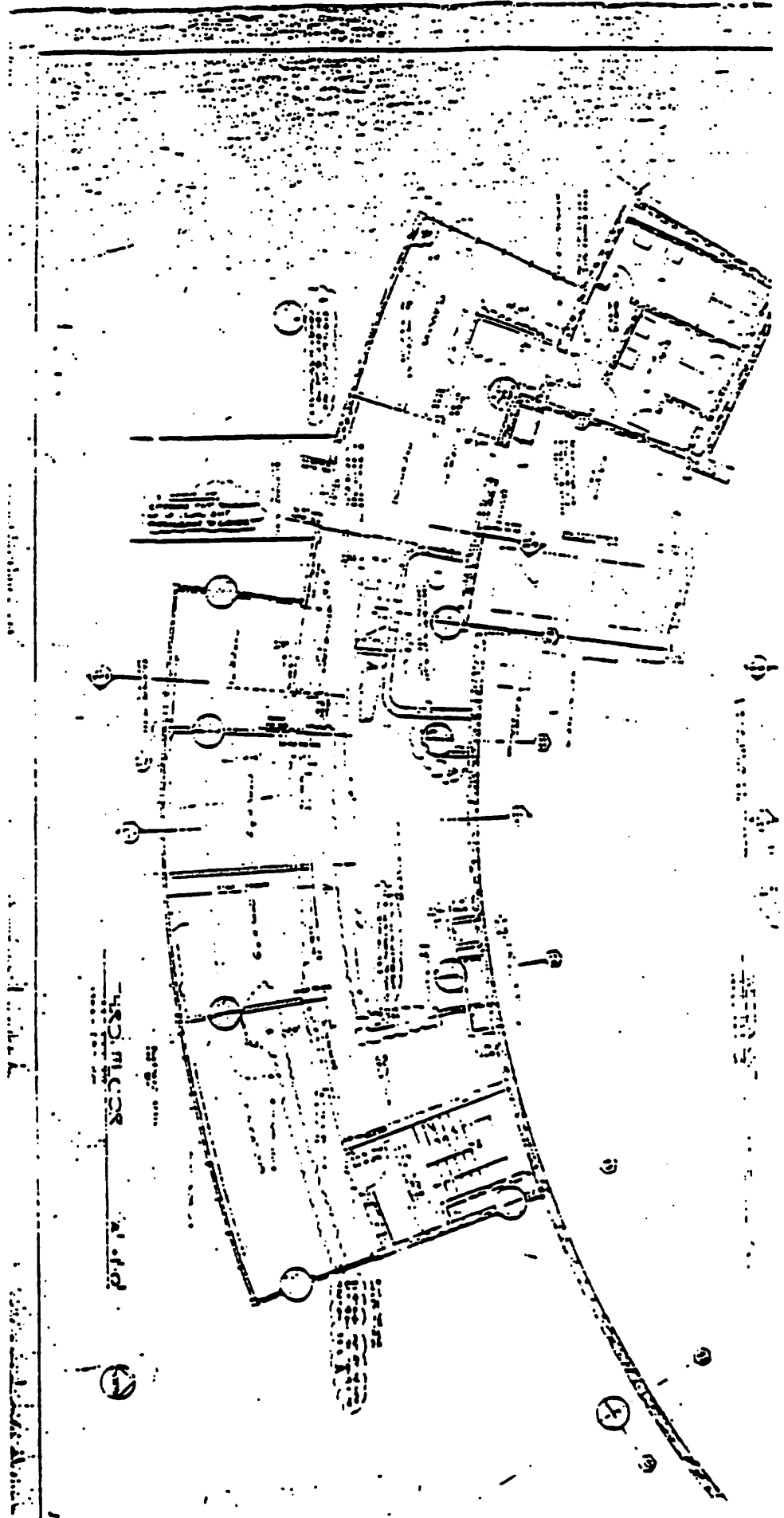


EXHIBIT C-1

FLOOR PLAN INDICATING 5 ADMINISTRATIVE OFFICES

[To be Inserted]

EXHIBIT "C"



1           7.     A dispute has arisen regarding the interpretation of  
2 Section 5.3(b) of the CCRs. This section provides as follows:

3                   "(b) Special assessments ("Special  
4 Assessments") for capital expenditures or other  
5 purposes all on the same basis as for Regular  
6 assessments."

7 A copy of page 10 of the CCRs is attached hereto as Exhibit 1.

8           8.     The Association in or about July, 1992 passed a special  
9 assessment calling for the payment of the sum of \$250 from the 600  
10 owners in order to fund the prosecution of a claim against Marina  
11 City Club L.P. in Bankruptcy Court, Case Number LA 92-29484-SB.  
12 Certain members of the Association who were previously affiliated  
13 with one or more of my companies have taken the position that  
14 Section 5.3(b) of the CCRs does not authorize the passing of a  
15 special assessment to fund litigation and that the 1992 special  
16 assessment is not valid.

17           9.     The CCRs were drafted under my authorization. It was my  
18 intent that the addition of the term "other purposes" in Section  
19 5.3(b) (and in the Bylaws) would serve as a "catch all" phrase and  
20 that the passage of a special assessment to fund litigation falls  
21 within the purview of the term "other purposes" as contemplated  
22 when the CCRs were drafted. The term "other purposes" would  
23 include any purpose that is not illegal and would include the  
24 special assessment passed by the Association in July 1992.

25           10.    Furthermore, the Bylaws for the project were drafted  
26 under my authorization. In Article I, Section 6 of the Bylaws, the  
27 term "other purposes" was included as well for the same reason as  
28

EXHIBIT "D"

1 noted in paragraph 9 above in order to provide the broadest  
2 possible leeway to the governing body of the Association to pass  
3 special assessments. A copy of page 4 of the Bylaws is attached  
4 hereto as Exhibit 2.

5 11. There is no doubt but that the special assessment for  
6 \$250 passed by the Association in or about July 1992 is authorized  
7 by the CCRs and is not invalid for lack of authorization.

8 I declare under penalty of perjury under the laws of the State  
9 of California that the foregoing is true and correct.

10 Executed this \_\_\_\_\_ day of \_\_\_\_\_ 1994 at Los Angeles,  
11 California.

12  
13  
14 \_\_\_\_\_  
15 Jerome H. Snyder  
16  
17  
18  
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EXHIBIT "D"

ALLOCATION OF FURNITURE & EQUIPMENT IN EXECUTIVE OFFICE  
ALLOCATIONISABELL'S OFFICE

1 LARGE DESK	F. O. A.
3 CHAIRS	F. O. A.
1 LAMP	F. O. A.
2 LONG CABINETS (CREDENZAS) WOOD	F. O. A.
1 SHORT CABINET (CREDENZA) WOOD	F. O. A.
1 CALCULATOR	F. O. A.
1 COMPUTER- UNIPAC MONITOR LEADING EDGE	F. O. A.

MICHELLE'S OFFICE

1 DESK	F. O. A.
1 CHAIR	F. O. A.
1 COMPUTER MYRIAD -MONITOR-SUNSHINE	F. O. A.
1 PRINTER EPSON ACTION LASER 1000	F. O. A.
1 COPIER LANIER 6020	F. O. A.
8 FILE CABINETS (4 DRAWER)	F. O. A.
3 FILE CABINETS (2 DRAWER)	F. O. A.
1 FILE CABINET (3 DRAWER)	F. O. A.
2 CHAIRS	F. O. A.
1 LITTLE TABLE 3' X 3'	F. O. A.
1 SAFE	F. O. A.
1 3 SHELF WALL UNIT	F. O. A.
1 CALCULATOR	F. O. A.
1 TYPEWRITER - WHEELWRITER 3	F. O. A.

CONFERENCE ROOM

1 LARGE TABLE	F. O. A.
10 CHAIRS	F. O. A.
1 LITTLE TABLE 3' X 3'	F. O. A.

RECEPTION AREA BY OPERATOR

2 LITTLE TABLES 3' X 3'	F. O. A.
3 CHAIRS	F. O. A.
1 DESK	F. O. A.
1 TYPEWRITER IBM WHEELWRITER 1000	F. O. A.
1 FAX MACHINE	F. O. A.
1 CALCULATOR	F. O. A.
1 CONSOLE SWITCH BOARD	F. O. A.

BREAK ROOM

- 1 MICROWAVE F.O.A
- 1 MICROWAVE STAND F.O.A
- 1 LAMINATING MACHINE F.O.A
- 1 REFRIGERATOR F.O.A
- 1 COFFEE MACHINE F.O.A
- 1 TOASTER F.O.A

CONNIE'S OFFICE

- 1 DESK F.O.A
- 1 TYPEWRITER IBM SELECTRIC II F.O.A
- 1 COMPUTER -DESK PRO 286/ CONSOLE-PROTEUS F.O.A
- 1 PRINTER STAR NR15 F.O.A
- 3 FILE CABINETS (4 DRAWER) F.O.A
- 2 CHAIRS F.O.A
- 1 FILE CREDENZA F.O.A
- 1 FILE CABINET 2 DOOR F.O.A
- 1 CALCULATOR F.O.A

RON'S OFFICE

- 4 FILE CABINETS - (4 DRAWER) F.O.A
- 1 DESK F.O.A
- 2 CHAIRS F.O.A
- 1 CALCULATOR F.O.A

FRANK'S OFFICE

- 1 DESK F.O.A
- 2 CHAIRS F.O.A
- 2 CREDENZAS (1 SMALL & 1 LARGE) F.O.A
- 2 FILE CABINETS (4 DRAWER) F.O.A
- 1 LARGE FILE CABINET 3 DRAWER F.O.A
- 1 COMPUTER -DESK PRO 286 -CONSOLE(AMDEK) F.O.A
- 1 CALCULATOR F.O.A
- 1 PRINTER -OKIDATA MICROLINE 390 F.O.A
- 1 PAY MASTER (TO IMPRINT CHECKS) F.O.A



JACKIE'S AREA

1 DESK	H O A
2 CHAIRS	H O A
1 TYPEWRITER -IBM 6779	H O A
1 TYPEWRITER - IBM CORRECTING SELECTRIC III	H O A
1 CALCULATOR	H O A
1 COMPUTER 2 PRINTERS 1 EPSON ACTION PRINTER 5000 & 1 DESK JET 500	H O A
1 FILE CABINET (2 DRAWERS)	H O A
3 FILE CABINET (4 DRAWERS)	H O A
1 TRW MACHINE	DESTOR
2 STANDS (1 FOR PRINTER & 1 FOR TRW MACHINE)	DESTOR
1 BIG CREDENZA	DESTOR
1 LARGE TABLE	DESTOR

NEXT TO JACKIE

1 DESK	HDA
2 CHAIR	HOA
1 CALCULATOR	HOA
1 TYPEWRITER IBM PERSONAL WHEELWRITER	HOA
9 FILE CABINETS (4 DRAWER)	HOA
1 COPIER RICOH FT 7060	HOA
1 BIG STORAGE CABINET	HOA
1 COMPUTER- COMPAQ DESK PRO 286- MONITOR COMPAQ DESK PRO	HOA

KATHY'S OFFICE

1 DESK	DESTOR
2 CHAIRS	DESTOR
2 PRINTER- 1 DATAPRODUCTS	DESTOR
1 TOSHIBA PAGE LASER 12	
2 COMPUTERS -1 PROXIMA IRS 700 -MONITOR -AMAZING	DESTOR
1 ACMA 486 - MONITOR IMPRESSION 3	
1 CALCULATOR	DESTOR
2 FILE CABINETS 2 DRAWER (1 WOOD)	DESTOR
1 CABINET	DESTOR
1 STAND FOR PRINTER	DESTOR

LEONOR'S OFFICE

- 1 DESK
- 1 CHAIR
- 1 CALCULATOR
- 1 FILE CABINET (4 DRAWER)
- 1 COMPUTER -AMAZING MONITOR-VERVISION

H.O.A  
H.O.A  
H.O.A  
H.O.A  
H.O.A

DICK'S OFFICE

- 1 DESK
- 3 CHAIRS
- 1 LARGE FILE CABINET (3 DRAWERS)
- 1 FILE CABINET (2 DRAWERS)
- 1 CALCULATOR
- 1 PRINTER EPSON LQ 1050
- 1 COMPUTER -ACMA 486 MONITOR IMPRESSION PLUS
- 1 PENCIL SHARPENER
- 1 LARGE PLANT

DEBTOR  
H.O.A  
DEBTOR  
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H.O.A

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**EXHIBIT D**

To Lease Agreement dated \_\_\_\_\_, 1993 between Marina Yacht Club and Marina City Club, L.P.

**Personal Property of LESSEE located in Slipside Room**

40" NEC Television Set  
Popcorn Machine  
Hot Dog Machine  
Bravilon Coffee Machine  
Portable Salad Bar  
Westbend 100 cup Coffee Machine  
Eureka Vacuum Cleaner  
Shop Vac Vacuum Cleaner  
G.E. Coffee Maker  
Bunn Coffee Maker  
3 Chaffing Dishes  
1 Large Clothing Display Case  
1 Large Trophy Case  
1 Nacho Machine  
Stereo System and Loudspeaker system  
Cash Register  
Assorted Glassware  
Assorted Flatware  
Ice Bucket  
Desk Chair  
Desk  
Filing Cabinet  
Bookcase  
Floor Lamp  
Typewriter  
3 Barbarques  
2 Artificial Plants  
Various Wall Decorations, Flags, Trophys, and Photos

**Personal Property in Living Room**

19" Television  
Starch and Bench  
Flag Stand and Flag  
Portable Airboard  
6 Bulletin Boards  
Combo Sink, Stove and Refrigerator  
Floor Lamp  
2 Wooden Cocktail Tables  
4 Blue Lounge Chairs  
4 60" Folding Tables  
6 White Plastic Tables

22 White Plastic Chairs  
10 Black Swivel Chairs  
48 White Metal Stacking Chairs  
12 White Wooden Folding Chairs  
1 Large Conference Table  
48 Metal Chairs  
Assorted Accessories

**Personal Property of LESSEE located in Topside Room**

1 Portable Bar  
6 Round Dining Tables

\*\*\*\*\*

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**EXHIBIT A**

To Lease Agreement dated \_\_\_\_\_, 1993 between Marina Yacht Club and Marina City Club, L.P.

- 60 Walnut finished chairs
- 20 Mahogany upholstered, walnut finished bar stools
- 10 36" x 36" tables

BY: [Signature]

**EXHIBIT C**

To Lease Agreement dated \_\_\_\_\_, 1993 between Marina Yacht Club and Marina City Club, L.P.

Membership Zone Map (5-1-84)



000178



000179

000179

26. SEPARABILITY

Any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions hereof and such other provisions shall remain in full force and effect.

27. GOVERNING LAW

This Agreement shall be governed by and construed pursuant to the laws of the State of California.

IN WITNESS WHEREOF, LESSOR and LESSEE have executed this Agreement: as of the date first hereinabove set forth.

MARINA CITY CLUB, L.P. a California limited partnership

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

MARINA YACHT CLUB,

Assistant Secretary \_\_\_\_\_

By: Commodore \_\_\_\_\_

 APPROVED:

By: Vice Commodore \_\_\_\_\_

Judge Advocate \_\_\_\_\_

By: Rear Commodore \_\_\_\_\_

BY: [Redacted]

EXHIBIT A

To Lease Agreement dated \_\_\_\_\_, 1993 between Marina Yacht Club and Marina City Club, L.P.

The premises consist of the rooms or areas now known as the "Slipside" and the "Living Room" located in the West Tower South of the Marina City Complex, the Slipside being located on the second level and the Living Room on the first level of said West Tower South. In addition LESSEE shall have the right to use on an exclusive basis the four (4) parking spaces described as follows: \_\_\_\_\_ LESSOR reserves the right, at its sole discretion, to relocate any or all of such parking spaces within the \_\_\_\_\_.

19. WAIVER

No waiver by either party of any provision of this Agreement shall be deemed to be a waiver of any other provision. Either party's consent to or approval of any act by the other party requiring consent or approval shall not be deemed to render unnecessary the obtaining of consent to or approval of any subsequent act of such other party whether or not similar to the act so consented to or approved.

20. NOTICES

All notices herein mentioned shall be in writing and sent by certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

TO LESSEE: Marina Yacht Club  
4333 Admiralty Way  
Marina del Rey, California 90292

TO LESSOR: Marina City Club, L.P.  
Attention: General Manager  
4333 Admiralty Way  
Marina del Rey, California 90292

Either party shall have the right to change its address by notice in writing directed to the other party given in compliance with the terms of this paragraph.

21. ATTORNEYS' FEES

In the event that LESSOR or LESSEE shall bring any action for any relief arising out of this Agreement, whether or not such action is prosecuted to judgment, then all cost and expense, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party.

22. SUCCESSORS AND ASSIGNS

The covenants, conditions and agreements contained in the Agreement shall be binding upon and shall inure to the benefit of LESSOR and LESSEE and their respective successors and assigns, except as otherwise provided in this Agreement.

23. TIME OF ESSENCE

Time is of the essence with respect to the performance of every provision of this Agreement in which time of performance is a factor.

24. HEADINGS

The paragraph captions contained in this Agreement are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.

25. INCORPORATION OF PRIOR AGREEMENTS; AMENDMENTS

This Agreement contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Agreement and no prior or contemporaneous written or oral agreement or understanding pertaining to any such matter including without limitation, the Lease, shall be effective for any purposes. No provision of this Agreement may be amended or added to except by an agreement in writing, signed by the parties hereto or their respective successors in interest. LESSEE acknowledges that LESSOR has made no representations or warranties whatsoever concerning the development of any adjacent property owned or leased by LESSOR, or MDP, LTD.

15. MASTER LEASE

LESSEE acknowledges that it has received and that its officers are familiar with the terms and provisions of the Master Lease, which is dated July 30, 1960, and all amendments thereto. It is hereby agreed that this Agreement and LESSEE's operations shall be subordinate to the Master Lease and to any and all ground and underlying leases which now exist or may hereafter be executed affecting LESSOR, MDP, LTD, any successor lessee under the Master Lease, any successor lessor or lessee under said ground and underlying leases, the Marina City Club and/or the property upon which the Marina City Complex is situated.

16. TRANSFER, ASSIGNMENT OR HYPOTHECATION OF LESSOR'S INTEREST

In the event of any transfer, assignment or hypothecation of LESSOR's interest in the Premises, other than a transfer for security purposes only, LESSOR shall be automatically relieved of any and all obligations and liabilities on the part of LESSOR occurring from and after the date of such transfer, provided such obligations and liabilities are assumed in writing by the transferee. In no event shall LESSOR be required to obtain the consent of LESSEE to any transfer, assignment or hypothecation of its interest in the Premises and this Agreement.

17. NO MEMBERSHIP REQUIREMENTS

At no time during the term of this Agreement shall any member of LESSEE be required to pay any membership or other fees to Marina City Health & Tennis Club or to any other entity now or hereafter in existence related to the use of facilities in the

Marina City Complex. Any member of the LESSEE accepted to membership in any such organization shall be responsible for all costs related thereto, and such membership or lack thereof shall not have any effect on this Agreement. LESSEE shall limit the number of its members to two hundred (200) and shall retain the exclusive right to establish monthly dues and fees related to such membership.

18. LIMITATION OF LESSOR'S LIABILITY.

The obligations of LESSOR do not constitute the personal obligation of the individual partners, trustees, directors, officers or shareholders of LESSOR or its constituent partners. If LESSOR shall fail to perform any covenant, term, or condition of this Agreement upon LESSOR's part to be performed, LESSEE shall be required to deliver to LESSOR written notice of the same. If, as a consequence of such default, LESSEE shall recover a money judgment against LESSOR, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of LESSOR in the Premises and out of rent or other income from such property receivable by LESSOR or out of consideration received by LESSOR from the sale or other disposition of all or any part of LESSOR's right, title or interest in the Premises, and no action for any deficiency may be sought or obtained by LESSEE.



notice thereof by LESSOR to LESSEE, or such shorter period as may be expressly provided for herein. provided, however, that if the nature of such default is such that the same cannot reasonably be cured within fifteen (15) days, or shorter, period, LESSEE shall not be deemed to be in default if LESSEE shall within such period commence repair and thereafter diligently prosecute the same to completion.

b. LESSOR shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within thirty (30) days after written notice by LESSEE specifying therein LESSOR has failed to perform such obligation; provided, however, that if the nature of LESSOR's obligation is such that more than thirty (30) days are required for its performance then LESSOR shall not be deemed to be in default if it shall commence such performance with such thirty (30) day period and thereafter diligently prosecute the same to completion.

#### 13. ASSIGNMENT, TRANSFER AND HYPOTHECATION

LESSEE shall not either voluntarily or by operation of law, assign, sell, transfer or hypothecate all or any part of its interest in this Agreement or permit the premises or any part thereof to be occupied (by sublease or otherwise) by anyone other than LESSEE or LESSEE's guests without the prior written consent of LESSOR. Notwithstanding the foregoing, LESSEE may assign all

of its interest in this Agreement to Marina-Venice Yacht Club. In the event of an assignment to Marina-Venice Yacht Club, LESSEE shall give written notice thereof to LESSOR and LESSOR shall not withhold its consent to such assignment. Any such assignment (including an assignment to Marina-Venice Yacht Club), transfer or hypothecation of this Agreement to which LESSEE has consented shall be by an instrument in writing and shall be executed by the transferor or assignor and the transferee or assignee. Each such transferee or assignee (including Marina-Venice Yacht Club) shall agree in writing, for the benefit of LESSOR, to assume, to be bound by, and to perform the terms, covenants and conditions of this Agreement to be kept and performed by LESSEE. Failure to comply with the provisions of this paragraph shall operate to prevent any such assignment, transfer or hypothecation from becoming effective and any attempt to assign, transfer or hypothecate except as provided herein shall be null and void.

#### 14. LAW AND GOVERNMENTAL REGULATIONS

LESSEE covenants and agrees that during the term of this Agreement, it will promptly comply, at its sole cost, with all laws and ordinances and the orders, rules, regulations and requirements of all federal, state and local governments and appropriate departments, agencies, commissions, boards and offices thereof.

Sleeping room and the Topside room, provided, however, that such construction (i) shall include a reasonable barrier between the Sleepside room and Topside room and (ii) shall not unreasonably interfere with any LESSOR use of the Premises or a portion thereof; permitted by this Agreement. Any changes proposed by LESSOR pursuant hereto shall retain a nautical decor and maintain wall area for display of pictures of LESSOR's commodores, but LESSOR shall have the right to remove any decoration in its discretion provided any such decorations that are the property of LESSOR or its members shall be returned to it or them upon removal.

g. In the event that LESSOR is able to obtain required governmental consents, LESSOR may, at its own cost and expense, construct a door from the "corner living room" (the location of which is described on Exhibit "A" hereto) to the adjoining patio, and extend the patio to be compatible with the balconies in the adjoining buildings, and also to construct an enclosing fence around the patio. Prior to any such construction, LESSOR shall have the right, in its reasonable discretion, to approve or disapprove of the plans and specifications for any such improvements proposed by LESSOR. LESSOR shall provide at least fifteen (15) days advance notice to LESSOR of its intention to command such construction so that LESSOR may post a notice of non-responsibility in or around the Premises.

21. ACCESS

LESSOR and its agent shall have the right to enter the Premises at all reasonable times during business hours for the purpose of examining or inspecting the same. Notwithstanding any other provision of this Agreement if a representative of LESSOR shall not be personally present to open and permit entry into the Premises at any time when such entry by LESSOR is required due to an emergency, or in the event that LESSOR cannot locate a representative of LESSOR to give advance oral notice to whom LESSOR wishes to examine or inspect the Premises as provided above, LESSOR may enter by means of a master key without liability to LESSOR except for any failure to exercise due care for LESSOR's property.

22. DEFAULT

a. The occurrence of any of the following shall constitute a material default and breach of this Agreement:

- (1) Any failure by LESSOR to pay rent or other necessary consideration to LESSOR as set forth herein, or to make any other payment required to be made by LESSOR hereunder, and which failure shall constitute for ten (10) days after written notice thereof by LESSOR to LESSOR;
- (11) Any failure by LESSOR to observe and perform any other provision of this Agreement to be observed or performed by LESSOR, express or implied, where such failure continues for fifteen (15) days after written

with LESSOR at least thirty (30) days in advance thereof and there is no conflict with LESSOR's use thereof at that time.

d. With respect to the portion of the Premises known as Slipside (as further described in Exhibit "A" hereto), LESSOR shall retain exclusive use of this room except for the following periods:

(i) Twelve (12) ~~months~~ <sup>days</sup> per calendar year, each for a period from 8:00 a.m. to 11:59 p.m., each date to be designated by notice in writing from LESSEE to LESSOR no less than fourteen (14) days prior to the applicable date;

(ii) All of each Sunday during the term hereof;

(iii) December 31 (New Year's Eve) of each year, extending to 3:00 a.m. of each January 1;

(iv) One day per year during which LESSEE is to provide an "Open House" for members of yacht clubs belonging to the Association of Santa Monica Bay Yacht Clubs, as designated on that Association's calendar, notice of which date LESSEE shall provide to LESSOR at the earliest practicable date;

(v) Four Saturdays per calendar year, each for a period from \_\_\_\_\_ a.m. to \_\_\_\_\_ p.m., each date to be designated by notice in writing from LESSEE to LESSOR not less than twenty-one (21) days prior to the applicable date and so long as there is no conflict with LESSOR's use thereof and that date; and

(vi) Such other dates as LESSEE may request with no less than thirty (30) days prior written notice for each such

date, subject to approval by LESSOR within seven (7) days of each request by LESSEE.

A: All times, LESSEE shall have the right to the use of two existing storage rooms in the hallway adjoining the rear of the Slipside room, and exclusive use of the office adjoining the entrance to the Slipside room unless LESSOR shall ~~request~~ <sup>request</sup> LESSEE with an equivalent room within two hundred (200) ~~feet~~ <sup>feet</sup> of the Slipside room. LESSEE's use of such office shall not interfere with LESSOR's use of the Slipside room.

e. Except for the periods set forth in subparagraph (d) above and unless LESSOR is using Slipside for a private function, members of LESSEE shall have the same right as members of the Marina City Health & Tennis Club to use Slipside, including access to food and drink facilities therein. Such access shall include, without limitation, periods during which Monday Night Football is televised. LESSOR will be solely responsible for the maintenance and upkeep of the Slipside facility, except for those times during which LESSEE uses Slipside other than the times reserved for LESSEE in subparagraph (d) above. During any such other times of use by LESSEE, LESSEE shall be solely responsible for cleanup and maintenance of Slipside.

f. LESSOR retains full authority to modify and remodel the Premises without notice to LESSEE of its intention to do so, but LESSOR shall, upon request of LESSEE, allow LESSEE to review plans for any such modification or remodeling. LESSOR shall, without limitation, be permitted to erect a stairway between the

9. RECIPROCAL PRIVILEGES

The parties acknowledge that members of certain other yacht clubs may be entitled to reciprocity privileges with LESSEE. LESSOR shall permit the members of such yacht clubs entitled to reciprocity privilege to use the premises in the same manner and to the same extent as members of LESSEE, subject to all of the terms and conditions of this Agreement. However, no reciprocity shall be granted to yacht clubs located within the Marina City Club Local Zone or Zone C areas as set forth in Exhibit "C" attached hereto and forming a part hereof, or to members of other clubs whose principal location is within such areas, without prior written permission from LESSOR. LESSOR may charge its usual moorage fees in respect of boats moored by members of such other yacht clubs entitled to reciprocity privileges commencing upon the expiration of the sixty-eight (68) hours after initial mooring.

10. SPECIAL USES OF FACILITIES, SERVICES, EQUIPMENT AND SUPPLIES

a. The parties contemplate that from time to time certain special events such as regattas, ceremonies, banquets and other similar functions will be planned, sponsored and promoted by LESSEE at the Marina City Complex. In respect of each such special event or function to be held outside of the premises, LESSEE shall request permission from LESSOR to conduct such function within ten (10) days prior to the proposed date therefor. Such notice shall set forth: (i) the proposed date, (ii) an accurate general description of the event, (iii) an

estimate of the number of persons expected to attend, (iv) the facilities required, and (v) a list of all services, equipment and supplies which LESSEE desires that LESSOR provide. If LESSOR, in its sole discretion, determines that any such event, except for the opening day of the Association of Santa Monica Bay Yacht Clubs, will interfere unreasonably with or disrupt the usual and ordinary use of the Marina City Complex by Marina City Club Members or others, including, but not limited to, considerations pertaining to parking availability, facility congestion and conflict with other scheduled activities, LESSOR may deny LESSEE the permission requested and so notify LESSEE in writing. With respect to this subparagraph (a) reference is made to subparagraph (c) of paragraph 3 hereof.

b. From time to time LESSEE may desire to utilize the services, equipment and supplies of LESSOR to promote activities of LESSEE and to print and mail materials of LESSEE. LESSOR shall, to the extent it, in its sole discretion, determines feasible, provide such services, equipment and supplies for the aforementioned purposes, provided that LESSEE pays the reasonable costs incurred by LESSOR therefor as such costs are determined in LESSOR's sole discretion.

c. For so long as the premises continues to maintain the "topside" for substantially the same uses and purposes as at present, LESSOR shall make the topside available to LESSEE, at no charge, for up to six (6) times each calendar year during the term of this Agreement provided that LESSEE books each such use

b. Located at the Premises are certain items of personal property of LESSEE as more particularly described in Exhibit 'D' attached hereto. LESSOR shall have the right to use such personal property provided, however, LESSOR shall provide at LESSOR's expense reasonable maintenance for such personal property of LESSEE which is required in the consequence of any act or conduct of LESSOR, ~~or any~~ of its members or guests and which is not the result of ordinary wear and tear. Similarly, LESSEE shall be responsible for and shall pay the costs of any repair or replacement of any of LESSEE's personal property located at the Premises which is required in consequence of any act or conduct of LESSEE, or any of its members or guests or as a result of ordinary wear and tear. In the alternative, should LESSEE determine not to maintain any of LESSEE's personal property, LESSEE shall remove such personal property forthwith from the Premises.

c. LESSOR shall not be liable to LESSEE for any damage, of any nature whatsoever, caused by any latent or patent defects in the construction or condition of the Premises or the Marina City Complex, or for any damage occasioned by the Premises, or any part thereof, being out of repair, or for any damage done or occasioned by any defect in, or the bursting, running or leaking of, any plumbing, air conditioning, heating, water, or other systems, piping, equipment or fixtures located in the Premises or on the Marina City Complex.

7. PROVISION FOR USE OF ALTERNATE MEETING ROOM

In the event that at any time, or from time to time, the Premises are not of sufficient size to accommodate a general membership meeting of LESSEE, upon reasonable written notice from LESSEE to LESSOR requesting a larger room for a specifically designated general membership meeting, LESSOR shall provide, for no additional compensation, an adequate room for such meeting; provided, however, that LESSOR shall not under any circumstances be obligated to provide such other room on the requested date if LESSOR determines, in its sole discretion, that by doing so the regular or scheduled activities of the General Members of the Marina City Health & Tennis Club or other activities of LESSOR would be unreasonably interfered with or disrupted thereby, or that the size of LESSOR's facilities will not accommodate the general membership meeting.

8. DISPLAY OF SIGN: WEST GATE SIGN

LESSOR shall permit LESSEE, at its sole cost, to display LESSEE's burgee or logo and erect a flagpole on the Marina City Complex in reasonable locations as may be agreed upon from time to time by LESSOR and LESSEE. In addition, LESSEE may maintain, at its sole cost, LESSEE's sign at the West Gate to the Marina City Complex so long as such sign complies with any applicable laws or government regulations and is maintained in good condition and of the same size and specifications (including lettering) existing as of the date of this Agreement.

the Premises, and LESSEE shall be responsible for making arrangements with the appropriate utility company or companies to have such service or services placed in LESSEE'S name.

4. USE OF PREMISES

LESSEE shall utilize the Premises solely for the purpose of conducting the business of LESSEE as a yacht club, including, but not limited to, holding meetings of the membership of LESSEE. LESSEE shall not sell or dispense food, liquor or other beverages in or from the Premises without the prior written consent of LESSOR, except that LESSEE may sell or dispense food, liquor or other beverages in the area known as "Slipside" and the "Living Room" at such times as LESSEE shall have access to Slipside and the Living Room as provided herein. LESSOR shall provide LESSEE with a storage unit for liquor in the bar area and a refrigerator for LESSEE'S food in the kitchen at all times. Any use and consumption of alcoholic beverages in or from the Premises shall be in strict accordance with all laws, rules and regulations of the State of California pertaining to alcoholic beverages. LESSEE'S use of the Premises shall be subject to compliance with and observance of each and every rule and regulation pertaining thereto as promulgated by LESSOR for the Marina City Complex from time to time, including, but not limited to, rules for the discipline and expulsion from LESSOR'S facilities of persons for violation of such rules.

UNCLAS

5. TAXES

During the term of this Agreement, LESSEE shall pay promptly all personal property taxes, excise taxes, license fees, permit fees and assessments of any kind or nature whatsoever levied or assessed against personal property owned by or placed in, upon or about the Premises or the Marina City Complex by LESSEE, or used in connection with LESSEE'S operations at the Premises or Marina City Complex.

6. MAINTENANCE, REPAIRS, ALTERATION AND IMPROVEMENTS

a. LESSOR shall provide at LESSOR'S expense reasonable maintenance for the Premises together with repairs or replacement required in consequence of normal wear and tear. LESSOR shall not be obligated to make any improvements or alterations to the Premises during the term of this lease. LESSOR shall, at its own expense, keep the Premises, the building in which it is located, improvements, heating, ventilating and air conditioning, furniture, fixtures, equipment, those items of personal property referred to in paragraph 3b herein, and all leased personal property in the Premises in good condition and repair; provided, however, LESSEE shall be responsible for and shall pay to LESSOR the cost of any repair or replacement of any of the foregoing enumerated items, or otherwise, located in the Premises which are required in consequence of ~~any~~ <sup>any</sup> use or conduct of LESSEE, or any of its members or guests, and which are not the result of ordinary wear and tear.

UNCLAS

'Marina City Complex' shall mean the entire property leased by MDP, LTD from the County of Los Angeles (including the Premises hereby leased to LESSEE) together with the improvements now or hereafter located thereon. LESSOR manages and operates the Marina City Complex for MDP, LTD, on which complex there is located, among other things, a private club known as the 'Marina City Health & Tennis Club'. Hereinafter said lease between the County of Los Angeles and MDP, LTD, including all amendments thereto, is referred to as the 'Master Lease.'

b. The Premises are furnished and equipped for LESSEE'S intended use with the furnishings and equipment described in Exhibit "B" hereto and forming a part thereof. In addition, there is a kitchen, a storage area, an office area, and mens and ladies restrooms. The kitchen is furnished with two Westinghouse 14.5 cubic foot residential-type refrigerators, a General Electric 4-burner range with ovens above and below, and an ice maker.

## 2. TERM

The term of this Agreement shall commence on the date first set forth above and shall expire on December 31, 2014. If LESSEE, with LESSOR'S consent, remains in possession of the Premises after the expiration of the term hereof, such holding over shall not operate as a renewal of this Agreement but shall create a month-to-month tenancy terminable by either party upon thirty (30) days notice to the other party, on the same terms and conditions as contained herein.

## 3. RENT AND PAYMENT FOR OTHER SERVICES RENDERED

a. LESSEE shall pay to LESSOR as rent for the term for LESSEE'S possessory interest the sum of \$100 per calendar year, payable on January 1 of each year, commencing January 1, 1993.

b. LESSEE agrees to pay LESSOR such amounts owing to LESSOR to the County of Los Angeles under the terms of the Master Lease which arise from LESSEE'S activities or payments to LESSOR and such amounts shall be due and payable as specified in the Master Lease.

c. Except as otherwise provided herein, in the event that LESSEE from time to time requests LESSOR to furnish any facilities, services, equipment or supplies for or in connection with the functions mentioned in paragraph 10 hereinbelow or LESSOR does so furnish such facilities, services, equipment or supplies, LESSEE shall reimburse LESSOR therefor in such amount determined by LESSOR in its sole, but reasonable discretion.

d. Water and electrical services to the Premises are not metered separately from said services as used elsewhere on the Marina City Complex. Therefore, except as otherwise provided in this subparagraph (d), LESSOR shall pay for such services to the Premises. However, LESSEE shall exercise reasonable care to conserve water and electricity used on the Premises and to assure that it is not unreasonably used or wasted. If water or electricity subsequently is separately metered to the Premises, then thereafter LESSEE shall pay for all charges allocable to LESSEE'S use for such separately metered service or services for

**EXHIBIT G**

**AMENDED AND RESTATED LEASE AGREEMENT**

THIS AMENDED AND RESTATED LEASE AGREEMENT ("Agreement") is entered into effective the \_\_\_\_ day of \_\_\_\_\_, 1993, by and between MARINA CITY CLUB L.P., a California limited partnership (hereinafter referred to as "LESSOR"), and MARINA YACHT CLUB, a California corporation (hereinafter referred to as "LESSEE"). California corporation (hereinafter referred to as "LESSEE"). With respect to the premises described on Exhibit 'A' attached hereto and incorporated herein ("Premises").

**PREAMBLES**

WHEREAS, the predecessor-in-interest to LESSOR and LESSEE have previously entered into a certain lease effective the 1st day of October, 1985 ("Lease"); and

WHEREAS, LESSOR and LESSEE desire to amend and rescind the Lease to alter the arrangement between them with respect to the Premises, and desire that this Agreement supersede the Lease and replace the Lease in its entirety.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. PREMISES**

a. LESSOR leases to LESSEE and LESSEE leases from LESSOR pursuant to this Agreement the Premises. The Premises form a part of that certain property currently leased by MDP, LTD from the County of Los Angeles. Whichever used hereinafter the term



provided, however, that increases to Life Members shall not exceed \$1 per year for the first five years following confirmation of the Plan.

5. Life Members will be subject to the Bylaws and Rules and Regulations of the Club ("Bylaws") substantially in the form attached hereto, including any provision which provides that the club may be closed at any time upon the terms and conditions stated in the Bylaws, as well as applicable provisions allowing termination of outside memberships; provided, however, that termination of Lifetime and Sterling memberships may only occur upon closure of the Club under the terms and conditions stated in the Bylaws. The Bylaws shall be revised as appropriate to conform to this paragraph, as well as this entire settlement agreement.

6. This settlement shall be expressly conditioned upon the certification of a non-opt out class pursuant to F.R.C.P. 23(b)(1) and/or (b)(2). The settlement shall be binding upon all Lifetime and Sterling Members; no member of the class may opt out for any reason.

7. In order to effectuate the settlement, the process of designating a class of Lifetime and Sterling Members will be continued. In this regard, notice will be given to all such members of the proposed designation of the class. Further notice of the proposed settlement will be given to the class as required under applicable rules.

8. Life Members will be entitled to recover, as part of the settlement, attorneys' fees and costs actually incurred in connection with the Chapter 11 case in an amount not to exceed \$15,000.

9. The pending Motion to Reject the Executory Contracts, Motion to Dismiss Complaint, Complaint, Proof of Claims and any other pending actions involving Life Members shall be taken off calendar pending court approval of the settlement.

10. All Proofs of Claims filed by the Life Members, whether individually, as a class, as a committee, or in any other manner shall be withdrawn with prejudice.

11. The settlement shall be expressly conditioned upon approval by the Executive Council.

12. Lifetime and Sterling memberships shall be non-transferable, whether by will, bequest, sale, gift, or encumbrance, or any other transfer, either voluntary or involuntary.

13. The adversary proceeding filed by Lifetime and Sterling Members shall be amended to include the principals of the partnership Debtor as party defendants, and the final resolution of this matter must include the settlement of claims, if any, by Lifetime and Sterling Members against the general partners.

THE FOREGOING IS APPROVED AND AGREED TO:

Dated: October 6, 1993

LAW OFFICES OF MICHAEL E. WHITE

By: *Michael E. White*  
MICHAEL E. WHITE,  
Attorney for Plaintiffs

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-3-

MARINA CITY CLUB, L.P.  
TERM SHEET

Term sheet for settlement between Marina City Club, L.P.  
("MCC" or "Dadtor") and Lifetime and Sterling members of the  
Marina City Club ("Life Members").

1. Life Members will be referred to as "Lifetime" and  
"Sterling" members and will receive a membership card with such  
designation. Members who choose to join the Marina City Health  
and Tennis Club ("Club") will be assessed monthly dues in the  
amount of \$100 per month, whether the membership is an individual  
or family membership. There will be no initiation fees charged  
to such Life Members and no other fees other than those  
customarily charged to all members. Life Members who do not  
choose to become members of the Club will not receive any  
compensation.

2. Of the dues paid, one-half, or 50%, of such dues will  
be credited against purchases made at the Club by the Life  
Members during the month in which dues are paid. The credit  
shall be applied against food and beverage purchases only. The  
credit will not be cumulative, nor shall it carry over from month  
to month. Such purchases must be charged to the Life Member's  
account or credit card; purchases by cash or check shall not be  
credited against dues.

3. Access to the Club, as well as the duty to pay dues,  
shall commence upon confirmation of the plan.

4. Monthly dues payable by Life Members shall be subject  
to increases in the same manner as provided for other members,

LIST OF EXECUTORY CONTRACTS TO BE ASSUMED

1. Millar Elevator Services Co. (Elevator Maintenance)  
1230 Air Way  
Glendale, CA 91201  
(818) 246-7441  
Expires 4/18/96  
\$9,360.00 per month
2. Web Service Co., Inc. (Coin Operated Dry Machines)  
3690 Freeman Boulevard  
Redondo Beach, CA 90278  
(213) 772-5131  
Expires 1/30/94
3. Pitney Bowes Credit Corp. (Postage Machine)  
201 Merrett Seven  
Norwalk, CT 06856-5151  
(203) 846-5895  
\$458.98 per month
4. Western Waste Industries (Disposal Service)  
P.O. Box 6225  
Carson, CA 90749-6225  
(310) 830-7100  
Expires 5/14/94  
\$2,460.00 per month
5. County of Los Angeles (Hotel Parcel Ground Lease)  
500 West Temple Street  
Suite 648  
Los Angeles, CA 90012  
Attn: Robert W. Rodolf, Esq.
6. Marina Hotel Limited (Ritz-Carlton Sublease)  
Partnership  
c/o Ritz-Carlton Hotel Company  
Suite 300  
3414 Peachtree Road, N.E.  
Atlanta, GA 30326
7. Master Condominium Sublease between J.H. Snyder Co.,  
a California limited partnership now known as  
Marina City Club, L.P. (Debtor) and Marina City  
Condominiums, a California limited partnership
8. Individual Boat Slip Subleases
9. Individual Apartment Subleases
10. Individual Commercial Subleases

EXHIBIT B

EXHIBIT B

**MCHC ORGANIZATIONAL MATTERS**  
**(PREPARED FOR MEETING OF BOARDOWNERS AND MCC, L.P. -**  
**SEPTEMBER 11, 1992)**

In accordance with the formation of the new permanent Meridian City Health Club, the responsibility and authority for the following administrative and operational matters will remain with MCC, L.P., in accordance with the Master Lease.

**RESPONSIBILITIES RESTRICTED TO MCC, L.P. IN ACCORDANCE WITH THE MASTER LEASE.**

- **TENNIS AND PADDLE TENNIS COURTS:**
  - Repair and maintenance
  - Deferred maintenance
  - Security
- **Swimming Pools and Decks**
  - Usage affecting homeowners (i.e., nighttime hours)
  - Repair and maintenance
  - Deferred maintenance
  - Security
  - Usage affecting homeowners (i.e., nighttime hours)
- **COURT CLUB AND SECOND/THIRD FLOOR OF THE MCHC**
  - Repair and maintenance
    - Aerobics floor
    - Steamroom
    - ~~Shower~~
    - ~~Locker~~ and valves
    - ~~Hand/foot~~
  - All kitchen equipment and fixtures
  - Structural (i.e., windows, walls, HVAC, plumbing and electrical)
  - Deferred maintenance

Exhibit "F" - 5

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**MATTERS CONCERNING POLICY AND GENERAL OPERATIONS:**

- Security
- Usage affecting homeowners (i.e., access to meeting room, large events, nighttime hours)
- Discrimination or matters affecting MCC L.P. as employer (i.e., illegal termination)
- Matters concerning employee benefits such as vacation, health insurance, etc.
- Matters concerning liquor license owned by MCC, L.P.
- Liability and extent of insurance coverage.
- Use of the name of MCC in advertising, marketing and other communications but only to insure no improper use.
- Policy regarding membership of owners and tenants of owners (i.e., investors and franchisee residents)
- Financing or leasing of equipment vehicles liability risks with MCC, L.P.

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Exhibit "F" - 6

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Raymond S. Kaplan  
September 15, 1992  
Page 3

those penalties shall be reimbursed to MCC, L.P. from the MCHC budget. The Approved Budget shall be approved with an adequate contingency or reserve fund to cover reasonable unanticipated obligations.

4. Member Committees

The Executive Council shall establish member committees to advise the Executive Director and the Executive Council regarding of club operations as deemed appropriate by the Executive Council and by the Executive Director. The member committees shall include at minimum a Membership Development and Relations Committee; a Food and Beverage Committee; a Racquet Sports Committee; a Fitness Committee, and an Executive Management Committee. The Executive Management Committee shall consist of seven (7) members, four (4) of whom shall be appointed by the Board of Directors of MCC COA, and three (3) of whom shall be appointed by MCC, L.P., at least one (1) of whom shall be an Outside Member. The powers and duties of the member committees shall be to advise the Executive Director and Executive Council on matters which affect club operations. Any recommendation of a member committee which affects the Approved Budget must be approved by the Executive Council to be implemented.

5. Club Closures

If the final actual operating costs of the MCHC on account of any calendar year (beginning with calendar year 1993) net of dues paid by Outside Members exceed 150% of the Minimum Costs (as hereinafter defined), then a majority vote of the owners of the 701 residential units at the project (with one (1) vote per residential unit) may elect to terminate the rights of all Outside Members on no less than thirty (30) days prior written notice. As used herein the term "Minimum Costs" shall mean the aggregate of the annual costs of the MCHC exclusive of any costs of operating the third and second floor facilities in the central tower of the project. MCC, L.P. also hereby agrees that in the event that the MCHC is "scaled back," then MCC, L.P. will assume responsibility for the payment for all property taxes allocated to the second and third floor of the MCHC facilities (currently assessed together with the pools, tennis courts, and paddle tennis courts in the amount of approximately \$60,000).

This letter summarizes our understanding of the agreement reached at our meetings of September 11, 1992 and September 15, 1992. Pursuant to this letter agreement, the Board of Directors of MCC COA has agreed to support MCC, L.P.'s request for reallocation of costs for the MCHC and a reduction of percentage

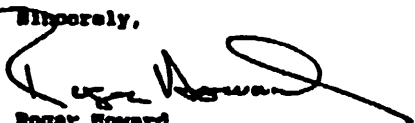
Exhibit F-3

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Raymond S. Kaplan  
September 15, 1992  
Page 4

rent on club dues and initiation fees pending before the Los Angeles County Board of Supervisors. We have further agreed that the details of this financial and organizational structure for the new MCHC to commence on or before November 1, 1992 will be detailed in revised By-Laws, which By-Laws shall be presented to the Executive Council for approval prior to adoption and implementation.

If the terms of our agreement as outlined in this letter are acceptable to MCC, L.P., please sign and date a copy of this letter as indicated and return it to me immediately.

Sincerely,  


Roger Howard  
of CHRISTENSEN, WHITE, MILLER, FINK & JACOBS

RSH/rv

The foregoing is hereby approved and accepted subject to the approval of the County of Los Angeles and the Bankruptcy Court:

MARINA CITY CLUB, L.P.  
Debtor-in-Possession

By:   
Raymond S. Kaplan  
Authorized Agent

MARINA CITY CLUB CONDOMINIUM OWNERS ASSOCIATION,  
a California non-profit corporation


By:   
President  
(Title)

Exhibit "F" - 4

LAW OFFICES  
CHRISTENSEN, WHITE, MILLER, FINN & JACOBS

2811 AVENUE OF THE STARS  
EIGHTEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90007  
(213) 552-3000  
FAX (213) 552-0220

SHREVE DEAL NUMBER  
(310) 556-7822

September 15, 1992

Raymond S. Kaplan  
September 15, 1992  
Page 2

2. Powers and Duties of the Executive Council

The Executive Council will have sole authority for budget review and approval. The Executive Council will have authority to set dues, promulgate membership rules and regulations, event rules, oversee the management of MCHC, and to establish the policies of MCHC. Notwithstanding the foregoing, if the Executive Council acts or fails to act with respect to any of the matters set forth in Exhibit "A" attached hereto and such act or failure to act would constitute then or with the passage of time a default under the Master Lease, then MCC, L.P. shall have the right to exercise final control over the matter in question to avoid and/or cure a default under the Master Lease.

The Executive Council and the MCC COA shall have the authority to review monthly budget reports and shall have audit rights at all times with respect to the books and records of MCC, L.P. as they relate to the allocations, expenditures, etc. for the health club facilities.

The Executive Council shall act upon a majority vote of the three (3) members at a meeting duly noticed and held pursuant to procedures established by the Executive Council.

3. Financial Operations

MCC, L.P. will maintain separate records and bank accounts for all MCHC related income expenses, and operations. Initiation fees and dues for outside members, as well as all dues paid by the 600 members of the MCC COA and by MCC, L.P. (as owner of the 101 Promenade apartment units) shall be segregated in separate bank accounts. MCHC expenses (including allocations on MCC, L.P. obligations) will be paid from a separate bank account. The Executive Council and/or the Director may authorize payments and transfers as necessary in accordance with the Approved Budget. Except as provided below, no payments or transfers shall be made except as authorized by the Executive Council and/or the Executive Director; provided, however, if any penalty for late payment would be incurred for a late payment under the Master Lease relating to an obligation of the MCHC, then MCC, L.P. shall have the right, but not the obligation, to effect such payment from the bank account(s) of the MCHC. Payments which require modifications to the Approved Budget must be authorized by the Executive Council. In the event that MCC, L.P. is liable for any penalties for late payments under the Master Lease with the County of Los Angeles caused by the failure of the MCHC to pay such required payments from available funds of the Approved Budget in a timely manner, the amount of

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Exhibit "F" - 2

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Marina City Club, L.P.  
Debtor In Possession  
4333 Admiralty Way  
Marina del Rey, California 90292  
Attention: Raymond S. Kaplan

Re: Marina City Health Club

Dear Raymond:

This letter will set forth the terms under which the Board of Directors of the Marina City Club Condominium Owners Association ("MCC COA") and Marina City Club, L.P. ("MCC, L.P.") have agreed to proceed with the management and operation of the Marina City Health Club ("MCHC"), pursuant to our meetings of September 11, 1992 and September 15, 1992.

1. Organizational Structure

The MCHC will continue to be operated in accordance with the Master Lease (as presently constituted or hereafter amended) between MCC, L.P. and the County of Los Angeles. This letter is in all respects subject to the terms and provisions of the Master Lease. The MCHC will be managed and operated in accordance with budget approved ("Approved Budget") by the MCHC Executive Council ("Executive Council"). The Executive Council shall be composed of one (1) representative appointed by the Board of Directors of the MCC COA, one representative appointed by MCC, L.P., and one (1) representative appointed by the "Outside Members" of the MCHC (i.e., members of MCHC who are not members of MCC COA or who do not reside in the Promenade Apartments).

The Executive Director of the MCHC will report to the Executive Council and/or its designees. The Executive Director will have authority to make all payments and allocations authorized by the Approved Budget. Any payments or allocations which require an alteration to the Approved Budget must be approved by the Executive Council. The Executive Director will report at least on a monthly basis to the Executive Council on all budget items and on all operations of the MCHC.

Exhibit "F" - 1

**EXHIBIT 2**

**SECRET**



MARINA CITY CLUB, L.P., A CALIFORNIA LIMITED PARTNERSHIP  
 DEBTOR IN POSSESSION-CASE NO. 92-29484-SB  
 SUMMARY OF ESTIMATED CASH REQUIREMENTS AND SOURCE OF FUNDS  
 (UNAUDITED)  
 (EXHIBIT 2 TO DISCLOSURE STATEMENT FOR PLAN OF REORGANIZATION)

**ESTIMATED PLAN CASH REQUIREMENTS**

	ASSUME 29 CLOSINGS	ASSUME 52 CLOSINGS
<b>ADMINISTRATIVE CLAIMS; INCLUDES SETTLEMENTS FOR THIRD PARTY LITIGATION</b>	\$225,000	\$225,000
<b>ADMINISTRATIVE LEGAL FEES FOR DEBTOR BANKRUPTCY COUNCIL AND CREDITOR COMMITTEE ATTORNEY'S</b>	\$750,000	\$750,000
<b>RESERVE MAINTENANCE ACCOUNT REQUIRED BY LOS ANGELES COUNTY LEASE</b>	\$170,000	\$170,000
<b>LOS ANGELES COUNTY REAL AND PERSONAL TAXES</b>	\$300,000	\$1,123,000
<b>GENERAL UNSECURED CREDITORS</b>		
1) UNSECURED TRADE CREDITORS	\$600,000	\$600,000
2) SECURITY DEPOSITS	\$73,000	\$73,000
3) LEASEBACK ACCRUALS	\$25,000	\$25,000
4) BUYERS CREDITS	\$17,000	\$17,000
5) REFUND OF SALES PRICES	\$85,000	\$85,000
6) INTEREST	\$50,000	\$50,000
<b>SUBTOTAL</b>	\$850,000	\$850,000
<b>OPERATING RESERVE ACCOUNT</b>	\$100,000	\$100,000
<b>AETNA LEGAL ALLOWANCE</b>	\$100,000	\$100,000
<b>REQUIRED PAYMENT TO AETNA INSURANCE CO.</b>	\$1,150,000	\$1,150,000
<b>TOTAL PLAN CASH REQUIREMENTS</b>	\$3,645,000	\$4,468,000
<b>ESTIMATED SOURCES OF PLAN CASH</b>		
<b>CASH ON HAND- JANUARY 1, 1993</b>	\$557,785	\$557,785
<b>NET CONDOMINIUM SALES PROCEEDS</b>		
PREPETITION SALES PROCEEDS	\$109,700	\$109,700
SALE OF 28 PREPAID CONDO. SUBLEASES	\$1,486,189	
SALE OF 52 PREPAID CONDO. SUBLEASES		\$2,504,774
<b>CASH FLOW FROM OPER. - FROM JAN. 1, 1993 THROUGH THE EFFECT. DATE JULY 31, 1994</b>	\$1,087,873	\$1,048,500
<b>LITIGATION PROCEEDS (ASBESTOS SETTLEMENT)</b>	\$216,000	\$216,000
<b>CONTRIBUTION FROM GENERAL PARTNER</b>	\$200,000	\$200,000
<b>TOTAL SOURCES OF FUNDS</b>	\$3,658,213	\$4,657,491
<b>ESTIMATED EXCESS PLAN CASH</b>	\$13,213	\$189,491



**EXHIBIT 3**

MARINA CITY CLUB, L.P., A CALIFORNIA LIMITED PARTNERSHIP  
 DEBTOR IN POSSESSION, CASE NO. LA 92 29484 SB  
 UNAUDITED PRO FORMA BALANCE SHEET AS OF EFFECTIVE DATE

ASSETS

CASH IN BANK AND ON HAND

CASH FUNDS	\$	2,000	\$	
CASH IN BANK		2,708,000		2,710,000

RESTRICTED CASH IN BANK SECURING PRE PETITION LIABILITY TO AFFILIATE				125,000
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ACCOUNTS RECEIVABLE

RENT RECEIVABLE, NET OF RESERVES FOR BAD DEBTS		28,000		
ACCRUED INCOME		19,000		
OTHER RECEIVABLES		24,000		69,000

DEFERRED ASSETS AND PREPAID EXPENSES

PREPAID INSURANCE		43,000		
PREPAID WORKMEN'S COMPENSATION AND GROUP HEALTH LOAN FEES AND COSTS, NET OF AMORTIZATION OF \$ 405,000		39,000		
		214,000		296,000

SECURITY DEPOSITS

DEPOSIT TO COUNTY OF LOS ANGELES UNDER TERMS OF MASTER LEASE		138,000		
OTHER DEPOSITS		13,000		148,000

FIXED ASSETS AT ESTIMATED FAIR MARKET VALUE

LEASEHOLD COMPLEX INCLUDING FURNITURE, FIXTURES AND EQUIPMENT, AT COST, NET OF \$ 10,720,000 OF ACCUMULATED DEPRECIATION		7,859,000		
TO STATE AT DEBTOR'S ESTIMATED FAIR MARKET VALUE		12,141,000		20,000,000

CONTINGENT ASSETS (SEE NOTE)

TOTAL ASSETS			\$	23,348,000
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MARINA CITY CLUB, L.P., A CALIFORNIA LIMITED PARTNERSHIP  
 DESTOR IN POSSESSION, CASE NO. LA 92 29484 98  
 UNAUDITED PRO FORMA BALANCE SHEET AS OF EFFECTIVE DATE

LIABILITIES AND PARTNERS' DEFICIT

UNSECURED PRE PETITION LIABILITIES	\$	850,000
ESTIMATED LEGAL AND ADMINISTRATIVE COSTS		750,000
ESTIMATED DEFERRED MAINTENANCE OBLIGATION		170,000
ESTIMATED PRE PETITION PROPERTY TAXES		1,123,000

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

TRADE PAYABLES	\$	228,000	
ACCRUED GROUND RENT		50,000	
ACCRUED PAYROLL COSTS		43,000	
OTHER LIABILITIES		31,000	
			350,000

DEFERRED LIABILITIES

LAST MONTH RENT FROM TENANTS		32,000	
SECURITY DEPOSITS OF TENANTS		347,000	
			379,000

SECURED PORTION OF LIABILITY TO PRINCIPAL SECURED CREDITOR			25,550,000
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UNSECURED PORTION OF LIABILITY TO PRINCIPAL SECURED CREDITOR			1,522,000
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AMOUNTS DUE AFFILIATES AND PARTNERS' OF DESTOR (SEE NOTE)			1,112,000
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TOTAL LIABILITIES

PARTNERS' DEFICIT, BEFORE INFUSION OF NEW CAPITAL	\$	(8,857,000)	
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NEW CAPITAL PER REORGANIZATIONAL PLAN (SEE NOTE)		200,000	
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TOTAL PARTNERS' DEFICIT			(8,457,000)
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TOTAL LIABILITIES AND PARTNERS' DEFICIT	\$		23,348,000
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**EXHIBIT 3**

**MARINA CITY CLUB, L.P., A CALIFORNIA LIMITED PARTNERSHIP  
DEBTOR IN POSSESSION, CASE NO. LA 92 29484 SB  
NOTE TO UNAUDITED PRO FORMA BALANCE SHEET AS OF EFFECTIVE DATE**

**CONTINGENT ASSETS**

- (A) DEBTOR HAS CLAIMS OF APPROXIMATELY \$536,000 AGAINST A FORMER RESTAURANT TENANT THAT IS IN CHAPTER 7 BANKRUPTCY PROCEEDINGS. AMOUNTS REALIZABLE, IF ANY, ARE NOT DETERMINABLE AT THIS TIME AND NO VALUE HAS BEEN ASSIGNED TO THIS ASSET IN THE ACCOMPANYING STATEMENT.
- (B) DEBTOR ALLEGES CLAIMS AGAINST CITY CORP MORTGAGE COMPANY FOR FAILURE TO HONOR COMMITMENT TO MAKE CONDOMINIUM LOANS; CLAIMS AGAINST THE COUNTY OF LOS ANGELES FOR DAMAGES CAUSED TO CERTAIN DOCKS LEASED BY DEBTOR WHICH ARE CONSIDERED UNSAFE FOR BOAT SLIP RENTALS; AND, CLAIMS AGAINST KENNEDY-WILSON FOR FAILURE TO PROVIDE FINANCING FOR THE SALE OF CONDOMINIUM UNITS.

**CONTINGENT LIABILITIES:**

- (A) THE ACCOMPANYING UNAUDITED PRO FORMA BALANCE SHEET AS OF THE EFFECTIVE DATE EXCLUDES ASSETS AND LIABILITIES RELATED TO THE PRESERVATION, MAINTENANCE AND OPERATIONS OF THE SHARED PROPERTY AND HEALTH CLUB OF THE MARINA CITY PROJECT. USERS OF THE SHARED PROPERTY (COMMONLY REFERRED TO AS LEASEHOLD PROPERTY) ARE CHARGED MAINTENANCE FEES BASED UPON AN ANNUAL BUDGET TO PROVIDE FOR THE COSTS OF OPERATIONS AND CONTRIBUTIONS TO REPLACEMENT RESERVES FOR THE LEASEHOLD PROPERTY. IF REVENUES EXCEED ACTUAL COSTS OF OPERATIONS INCLUDING CONTRIBUTIONS TO REPLACEMENT RESERVES DURING A GIVEN YEAR, THE SURPLUS IS REFUNDED TO CONTRIBUTORS ON A PRO RATA BASIS. SIMILARLY, ANNUAL DEFICITS RESULT IN ADDITIONAL PRO RATA ASSESSMENTS TO THE USERS OF THE LEASEHOLD PROPERTY.

DEBTOR IS CURRENTLY NEGOTIATING WITH REPRESENTATIVES OF THE CONDOMINIUM OWNERS GROUP REGARDING TRANSFER OF CONTROL AND MANAGEMENT OF THE LEASEHOLD PROPERTY OPERATIONS TO THAT GROUP. IT IS ANTICIPATED THAT THE TRANSFER WILL BE ACCOMPLISHED PRIOR TO THE EFFECTIVE DATE OF THE PLAN OF REORGANIZATION PROPOSED BY DEBTOR. SHOULD THE PLAN REORGANIZATION BE REJECTED, SUCH TRANSFER WILL BE NULLIFIED. AT THE DATE OF TRANSFER, DEBTOR'S OBLIGATIONS OR THE OBLIGATIONS OF THE HOMEOWNERS GROUP TO DEBTOR, WILL BE COMPUTED AND SETTLEMENT WILL BE MADE BETWEEN THE PARTIES.

- (B) THE MASTER LEASE BETWEEN THE COUNTY OF LOS ANGELES (LESSOR) AND DEBTOR (MASTER LESSEE), REQUIRES THAT THE MASTER LESSEE COLLECT GROUND RENT FROM CONDOMINIUM OWNERS AND REMIT THESE COLLECTIONS TO THE LESSOR. THE MASTER LESSEE IS RESPONSIBLE FOR PAYMENT TO THE COUNTY OF ALL GROUND RENTS DUE ALTHOUGH THE CONDOMINIUM OWNER OR OWNERS HAVE NOT MADE PAYMENT. IT IS THE MASTER LESSEE'S OBLIGATION TO PURSUE COLLECTION ACTIVITIES AGAINST THE DELINQUENT OWNERS.

**AMOUNTS DUE AFFILIATES AND PARTNERS' OF DEBTOR/NEW CAPITAL PER REORGANIZATION**

AT THE EFFECTIVE DATE OF REORGANIZATION, THE PARTNERS WILL WAIVE \$1,010,000 OF AMOUNTS DUE AFFILIATES AND PARTNERS' AS ADDITIONAL CONTRIBUTED CAPITAL TO THE REORGANIZED ENTITY.

**EXHIBIT 4**



MARINA CITY CLUB L.P. A CALIFORNIA LIMITED PARTNERSHIP  
 DATED IN LOS ANGELES CASE NO. LA 52-25460-SB  
 ESTIMATED SIX MONTH CASH FLOW STATEMENT  
 FOR THE PERIOD FROM AUGUST 1955 THROUGH JULY 1956

	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	TWELVE MONTHS
Beginning Cash Flow Effect Balance/Reserve Balance/Income Producing Operations	\$50,645	\$59,370	\$66,367	\$74,555	\$59,360	\$66,567	\$74,555	\$83,750	\$75,726	\$87,693	\$83,750	\$75,726	\$80,645
<b>REVENUES</b>													
Operating Rental Revenue (Premiums) (1)	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$204,072	\$2,448,153
Operating Rental Revenue (2)	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$139,360	\$1,672,320
Commercial Rent - Old Best (1)	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$13,500	\$162,000
Commercial Rent - Other Leases	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$168,000
Other Income - License Rentals	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$4,160	\$49,920
Other Income - Misc	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
<b>TOTAL REVENUES (Income Producing Assets)</b>	<b>\$377,092</b>	<b>\$377,092</b>	<b>\$377,092</b>	<b>\$377,092</b>	<b>\$377,092</b>	<b>\$377,092</b>	<b>\$377,092</b>	<b>\$383,014</b>	<b>\$383,014</b>	<b>\$383,014</b>	<b>\$383,014</b>	<b>\$383,014</b>	<b>\$4,545,433</b>
<b>EXPENDITURES - INCOME PRODUCING ASSETS</b>													
Payroll (Employees/Project)	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$12,272	\$147,264
Payroll (Employees/Marina)	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$7,304	\$87,648
Management Fees (1)	\$15,116	\$15,116	\$15,116	\$15,116	\$15,116	\$15,116	\$15,321	\$15,321	\$15,321	\$15,321	\$15,321	\$15,321	\$182,017
Leasing Commissions - Premiums	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$48,000
Construction Maintenance - (From and Towards) (1)	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$52,161	\$625,532
Office/Plant Operating Costs	(\$1,500)	(\$1,500)	(\$1,700)	(\$1,700)	(\$1,700)	(\$1,700)	(\$1,700)	(\$1,700)	(\$1,700)	(\$1,700)	(\$1,700)	(\$1,700)	(\$20,400)
General and Detail	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$4,011	\$48,132
General and Detail	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$4,595	\$55,141
Other Maintenance	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$108,000
Operating Expenses	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$96,000
Utilities	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$7,010	\$84,120
Legal	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Administration	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Advertising	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$30,000
Local Rentals	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Real Estate Tax Reserve - Income (1)	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$29,120	\$349,440
Construction (1)	\$56,590	\$56,590	\$56,590	\$56,590	\$56,590	\$56,590	\$57,136	\$57,136	\$57,136	\$57,136	\$57,136	\$57,136	\$682,402
Other	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Deferred Maintenance Obligation	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
<b>TOTAL EXPENDITURES</b>	<b>\$230,304</b>	<b>\$230,304</b>	<b>\$230,304</b>	<b>\$230,304</b>	<b>\$230,304</b>	<b>\$230,304</b>	<b>\$231,047</b>	<b>\$231,047</b>	<b>\$231,047</b>	<b>\$231,047</b>	<b>\$231,047</b>	<b>\$231,047</b>	<b>\$2,740,104</b>
<b>Net Cash Flow from Income-Producing Assets</b>	<b>\$146,788</b>	<b>\$146,788</b>	<b>\$146,788</b>	<b>\$146,788</b>	<b>\$146,788</b>	<b>\$146,788</b>	<b>\$152,967</b>	<b>\$152,967</b>	<b>\$152,967</b>	<b>\$152,967</b>	<b>\$152,967</b>	<b>\$152,967</b>	<b>\$1,805,329</b>
Net Change Actual - (1) (1)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$14,000)	(\$168,000)
Accrued Interest - (1)	(\$14,000)	\$0	\$0	(\$22,763)	\$0	\$0	(\$22,764)	\$0	\$0	(\$35,561)	\$0	\$0	(\$426,201)
<b>Net Cash Flow (1)</b>	<b>(\$14,212)</b>	<b>\$132,788</b>	<b>\$132,788</b>	<b>\$132,788</b>	<b>\$132,788</b>	<b>\$132,788</b>	<b>\$138,967</b>	<b>\$138,967</b>	<b>\$138,967</b>	<b>\$138,967</b>	<b>\$138,967</b>	<b>\$138,967</b>	<b>\$1,639,128</b>
<b>Net Cash Balance</b>	<b>\$59,370</b>	<b>\$66,367</b>	<b>\$74,555</b>	<b>\$59,360</b>	<b>\$66,567</b>	<b>\$74,555</b>	<b>\$83,750</b>	<b>\$75,726</b>	<b>\$87,693</b>	<b>\$83,750</b>	<b>\$75,726</b>	<b>\$87,693</b>	<b>\$80,645</b>
<b>Acc. Interest Accrual</b>	<b>\$310,098</b>	<b>\$321,242</b>	<b>\$331,242</b>	<b>\$338,242</b>	<b>\$350,479</b>	<b>\$370,479</b>	<b>\$390,479</b>	<b>\$395,715</b>	<b>\$415,715</b>	<b>\$435,715</b>	<b>\$419,014</b>	<b>\$435,014</b>	<b>\$310,098</b>
Accrued Interest	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$240,000
Accrued Payments	(\$10,000)	\$0	\$0	(\$22,763)	\$0	\$0	(\$22,764)	\$0	\$0	(\$35,561)	\$0	\$0	(\$426,201)
<b>Ending Interest Accrual</b>	<b>\$321,242</b>	<b>\$331,242</b>	<b>\$338,242</b>	<b>\$350,479</b>	<b>\$370,479</b>	<b>\$390,479</b>	<b>\$395,715</b>	<b>\$415,715</b>	<b>\$435,715</b>	<b>\$419,014</b>	<b>\$435,014</b>	<b>\$435,014</b>	<b>\$310,098</b>





MARINA CITY CLUB L.P., A CALIFORNIA LIMITED PARTNERSHIP  
 DEBTED IN POSSESSION CASE NO. LA 02-2404-S0  
 ESTIMATED SIX MONTH CASH FLOW STATEMENT  
 FOR THE PERIOD FROM AUGUST 1991 THROUGH JULY 1992

	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	TWELVE MONTHS
<b>BEGINNING CASH FROM EFFECT DATE/RESTART BALANCE/</b>	827,140	835,217	843,294	851,372	859,217	867,295	875,372	883,930	892,736	901,531	910,930	920,736	827,140
<b>INCOME PRODUCING OPERATIONS</b>													
<b>REVENUES</b>													
APARTMENT RENTAL REVENUE (PROMISSORY IO)	8226,140	8226,140	8226,140	8226,140	8226,140	8226,140	8231,750	8231,750	8231,750	8231,750	8231,750	8231,750	82,747,640
MARINA SLIP RENTAL REVENUE (IO)	8150,732	8150,732	8150,732	8150,732	8150,732	8150,732	8150,732	8150,732	8150,732	8150,732	8150,732	8150,732	81,600,761
COMMERCIAL RENT - NEW RENT (IO)	813,500	813,500	813,500	813,500	813,500	813,500	813,500	813,500	813,500	813,500	813,500	813,500	8,162,000
COMMERCIAL RENT - OTHER LEASES	815,600	815,600	815,600	815,600	815,600	815,600	815,600	815,600	815,600	815,600	815,600	815,600	8,187,200
OTHER INCOME - LOCAL RENTALS	80,450	80,450	80,450	80,450	80,450	80,450	80,450	80,450	80,450	80,450	80,450	80,450	804,950
OTHER INCOME - MISC.	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	824,000
<b>TOTAL REVENUES - INCOME PRODUCING ASSETS</b>	8412,471	8412,471	8412,471	8412,471	8412,471	8412,471	8418,125	8418,125	8418,125	8418,125	8418,125	8418,125	84,903,570
<b>EXPENDITURES - INCOME PRODUCING ASSETS</b>													
PAYROLL EXPENDITURES (PROJECT)	813,273	813,273	813,273	813,273	813,273	813,273	813,273	813,273	813,273	813,273	813,273	813,273	8,156,261
PAYROLL EXPENDITURES (MARINA)	87,907	87,907	87,907	87,907	87,907	87,907	87,907	87,907	87,907	87,907	87,907	87,907	855,030
MANAGEMENT FEES (IO)	816,455	816,455	816,455	816,455	816,455	816,455	816,725	816,725	816,725	816,725	816,725	816,725	8,199,343
LEASING COMMISSIONS - PROMISSORY	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	800,000
COMMON AREA MAINTENANCE - IPSCM. AND TOWERS (IO)	852,181	852,181	852,181	852,181	852,181	852,181	852,181	852,181	852,181	852,181	852,181	852,181	8,625,532
REPLACEMENT RESERVE CREDIT	803,200	803,200	803,200	803,200	803,200	803,200	803,200	803,200	803,200	803,200	803,200	803,200	8,030,400
COMMON AREA RETAIL	88,011	88,011	88,011	88,011	88,011	88,011	88,011	88,011	88,011	88,011	88,011	88,011	875,120
COMMON AREA - MARINA	80,555	80,555	80,555	80,555	80,555	80,555	80,555	80,555	80,555	80,555	80,555	80,555	8103,139
OTHER MAINTENANCE	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	89,000	8168,000
APARTMENT OPERATIONS	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	896,000
UTILITIES	80,162	80,162	80,162	80,162	80,162	80,162	80,162	80,162	80,162	80,162	80,162	80,162	819,944
LOCAL	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	826,000
ADMINISTRATION	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	836,000
ADVERTISING	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	836,000
BOAT REPAIRS	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	860,000
INSURANCE	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900	83,900	846,000
REAL ESTATE TAX RESERVE - INCOME (IO)	830,295	830,295	830,295	830,295	830,295	830,295	830,295	830,295	830,295	830,295	830,295	830,295	8,363,555
COUNTY DEBT (IO)	866,210	866,210	866,210	866,210	866,210	866,210	866,210	866,210	866,210	866,210	866,210	866,210	8,756,766
OTHER	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	824,000
DEFERRED MAINTENANCE OBLIGATION	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	836,000
<b>TOTAL EXPENDITURES</b>	8244,394	8244,394	8244,394	8244,394	8244,394	8244,394	8245,327	8245,327	8245,327	8245,327	8245,327	8245,327	82,830,326
<b>NET CASH FLOW FROM INCOME-PROD. ASSETS</b>	8168,077	8168,077	8168,077	8168,077	8168,077	8168,077	8172,750	8172,750	8172,750	8172,750	8172,750	8172,750	82,045,233
DEBT SERVICE COSTS: RATE AT 0% (IO)	8100,000	8100,000	8100,000	8100,000	8100,000	8100,000	8100,000	8100,000	8100,000	8100,000	8100,000	8100,000	8,100,000
ACCUMULATED INTEREST - OTHER				8024,232			8024,232			8030,304			
<b>NET CASH FLOW</b>	88,077	88,077	88,077	8168,154	88,077	88,077	8011,030	812,750	812,750	8025,556	812,750	812,750	812,253
<b>NET CASH BALANCE (IO)</b>	835,217	843,294	851,372	859,217	867,295	875,372	883,930	892,736	901,531	909,930	918,736	927,531	835,217
<b>6% INTEREST ACCRUAL</b>	8423,913	8423,913	8423,913	8423,913	8399,602	8399,602	8399,602	8375,449	8375,449	8375,449	8337,055	8337,055	8423,913
ACCUMULATED INTEREST	80	80	80	80	80	80	80	80	80	80	80	80	80
ACCUMULATED PAYMENTS	80	80	80	8024,232	80	80	8024,232	80	80	8030,304	80	80	8086,050
<b>6% INTEREST ACCRUAL</b>	8423,913	8423,913	8423,913	8399,602	8399,602	8399,602	8375,449	8375,449	8375,449	8337,055	8337,055	8337,055	8423,913



MARINA CITY CLUB, L.P., A CALIFORNIA LIMITED PARTNERSHIP  
DEBTOR IN POSSESSION, CASE NO. LA 92-39484-SB  
NOTES TO ESTIMATED FIVE YEAR CASH FLOW STATEMENT  
(EXHIBIT 4 TO THE DISCLOSURE STATEMENT FOR THE PLAN OF  
REORGANIZATION)

**SHARED FACILITIES MAINTENANCE**

- A) PURSUANT TO THE AGREEMENT WITH THE HOMEOWNERS, (ATTACHED AS EXHIBIT B) ALL ACCOUNTS RELATED TO THE OPERATION OF THE SHARED FACILITIES AND THE CLUB OPERATIONS WILL BE HANDLED INDEPENDENT MANAGEMENT ENTITY.

**INCOME PRODUCING OPERATIONS**

**REVENUES**

- B) APARTMENT RENTAL REVENUES ARE BASED ON A VACANCY FACTOR OF APPROXIMATELY SIX PERCENT (6%) AND A REDUCTION OF RENTAL DISCOUNT FACTORS PREVIOUSLY OFFERED. THE RENTS ARE ASSUMED TO SEMI-INCREASE ANNUALLY AT THE RATE OF TWO AND ONE-HALF PERCENT (2.5%).
- C) MARINA SLIP RENTAL REVENUES ARE BASED ON A VACANCY FACTOR OF EIGHT PERCENT (8%) AND INCREASES IN JULY, 1994. REFLECT RESOLUTION OF LOST RENTS IN CERTAIN BOAT DOCKS THAT ARE EMPTY BECAUSE OF SLIP STABILIZATION CONCERNS. THE RENTS ARE ASSUMED TO INCREASE ANNUALLY AT THE RATE OF FOUR PERCENT (4%).
- D) COMMERCIAL RENT FOR THE NEW RESTAURANT ASSUMES NEGOTIATION OF A NEW LEASE ON THE RED ONION SITE WHICH WILL COMMENCE RENT IN OCTOBER, 1994.

**EXPENDITURES**

- E) IT IS ASSUMED THAT A NUMBER OF APPROXIMATELY 16 UNITS WILL REMAIN UNSOLD ON THE EFFECTIVE DATE AND THE COST TO CARRY THE UNITS WILL CONTINUE THROUGH 1994 UNTIL ALL UNITS ARE SOLD.
- F) MANAGEMENT FEES ARE BASED ON FOUR PERCENT (4%) OF GROSS RECEIPTS.
- G) SHARED FACILITY MAINTENANCE INCLUDING FEES FOR RETAIL AND THE BOAT SLIP MARINA ARE AN ESTIMATE OF MONTHLY CHARGES PAYABLE TO LEASEHOLD MANAGEMENT FOR THE SHARED FACILITY AREAS.
- H) THE REAL ESTATE RESERVE IS AN ESTIMATE OF MONTHLY AMOUNT SET ASIDE IN ORDER TO FUND THE FULL OBLIGATION FOR REAL ESTATE TAXES IN DECEMBER AND APRIL OF EACH YEAR.
- I) THE COUNTY RENT IS THE AMOUNT PAYABLE AS RENT TO THE

COUNTY OF LOS ANGELES. THE AMOUNTS ARE BASED ON PROVISIONS IN THE MASTER LEASE. IT IS ASSUMED THAT INCREASES IN THE RENT WILL OCCUR IN 1995 AND 1996.

**RESERVE ACCOUNT**

J) SUBJECT TO THE SALE OF CONDOMINIUMS IN EXCESS OF APPROXIMATELY 29 UNITS. THE DEBTOR WILL SET ASIDE DEBTOR CONDOMINIUM PROCEEDS IN AN AMOUNT UP TO \$100,000 FOR A RESERVE AGAINST OPERATING LOSSES. THERE IS NO ASSURANCE THAT SUFFICIENT FUNDS WILL BE GENERATED FROM THE SALE OF CONDOMINIUM UNITS TO GENERATE THE RESERVE.

**DEBT SERVICE**

K) DEBT SERVICE PAYMENTS TO AETNA WILL BE BASED ON THE CONTRACT RATE DISCUSSED IN THE DISCLOSURE STATEMENT. THE PAY RATE WILL BE AS FOLLOWS:

YEAR 1 (FIRST SIX MONTHS)	SIX PERCENT (6%)
YEAR 1 (LAST SIX MONTHS)	SEVEN PERCENT (7%)
YEAR 2	SEVEN PERCENT (7%)
YEAR 3	EIGHT PERCENT (8%)
YEAR 4	EIGHT PERCENT (8%)
YEAR 5	EIGHT PERCENT (8%)

**EXHIBIT 5**

**SECRET**

EXHIBIT 5

MARINA CITY CLUB, L.P., A CALIFORNIA LIMITED PARTNERSHIP  
DEBTOR IN POSSESSION, CASE NO. LA 92 29484 SB  
NOTES TO UNAUDITED HISTORICAL FINANCIAL STATEMENTS

- 1) HISTORICAL OPERATING STATEMENTS REFLECT OPERATIONS PERTAINING TO AETNA'S COLLATERAL AS WELL AS THE REMAINING ASSETS OF THE PROPERTY, INCLUDING SHARED AREAS WITH THE HOMEOWNERS. THE FINANCIAL STATEMENTS, INCLUDING THE SHARED AREAS AND THE HEALTH CLUB, RELATE TO HOMEOWNER ACCOUNTS WHICH DO NOT REFLECT A LOSS TO THE DEBTOR. THE DEBTOR CONTRIBUTES TO THE SHARED AREAS BASED ON AN ANNUAL BUDGET AND THAT COST IS REFLECTED IN THE FINANCIAL STATEMENTS FOR THE PROMENADE APARTMENTS, SLIPS AND OTHER COMMERCIAL ASSETS.
- 2) THE COMBINED OPERATING STATEMENT FOR MARINA CITY CLUB D.I.P.-APARTMENTS (200) AND MARINA CITY CLUB D.I.P.-MARINA (210) FOR THE YEAR ENDING DECEMBER 31, 1994 REFLECTS PRELIMINARY YEAR END RESULTS OF A \$999,819 SURPLUS. THESE RESULTS INCLUDE ALL EXPENSES, INCLUDING REAL ESTATE TAXES, RELATED TO THE UNSOLD INVENTORY. ADDITIONALLY, THE COMMERCIAL PROPERTY RELATED TO THE RESTAURANT SITE GENERATED NO INCOME FOR THE YEAR AND THE DEBTOR WAS REQUIRED TO PAY GROUND RENT FOR THE RED ONION RESTAURANT WHILE IN OPERATION.
- 3) EXPENSES RELATED TO THE INCOME PRODUCING OPERATIONS ARE ALLOCABLE BETWEEN THE PROMENADE APARTMENTS AND THE REMAINING UNSOLD INVENTORY. ADJUSTING FOR COSTS RELATED TO THE UNSOLD INVENTORY THE PROMENADE APARTMENTS, SLIPS AND COMMERCIAL PROPERTIES WOULD HAVE GENERATED A SURPLUS OF APPROXIMATELY \$1,450,000.

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB & I.P. APARTMENTS  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPMB55C/F  
SQUARE FEET  
KEY  
1167000200  
ACQUISITION DATE

12/31/89  
PAGE 9  
SIC NO. 311

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	188,330.87	.00	188,330.87	SCHEDULED RENT	2460,308.63	.00	2460,308.63
	6,651.50	.00	6,651.50	APARTMENT RENT	31,723.91	.00	31,723.91
				RETAIL SPACE			
	202,882.37	.00	202,882.37	TOTAL SCHEDULED RENT	2428,885.72	.00	2428,885.72
				SALES INCOME			
	.00	.00	.00	TOTAL SALES INCOME	.00	.00	.00
	3,232.80	.00	3,232.80	ADDITIONAL INCOME	38,855.00	.00	38,855.00
	12,370.00	.00	12,370.00	LOCKER RENTALS	160,732.21	.00	160,732.21
	3,807.81	.00	3,807.81	MAID SERVICE	87,853.72	.00	87,853.72
	77.19	.00	77.19	UNIT MAINTENANCE	809.11	.00	809.11
	304.00	.00	304.00	TELEPHONE COMMISSION	2,882.00	.00	2,882.00
	485.00	.00	485.00	LATE FEE	54,613.90	.00	54,613.90
				OTHER INCOME			
	30,178.20	.00	30,178.20	TOTAL ADDITIONAL INCOME	318,288.84	.00	318,288.84
				HEALTH CLUB REVENUES			
	.00	.00	.00	TOTAL HEALTH CLUB REVENUES	.00	.00	.00
	223,058.57	.00	223,058.57	TOTAL INCOME	2743,881.66	.00	2743,881.66
				EXPENSES			
	11,812.13	.00	11,812.13	PAYROLL EXPENSE	153,036.65	.00	153,036.65
	3,352.88	.00	3,352.88	EXECUTIVE OFFICE	89,481.70	.00	89,481.70
	355.59	.00	355.59	ACCOUNTING	8,881.02	.00	8,881.02
	633.37	.00	633.37	RESIDENT SERVICES	7,012.08	.00	7,012.08
	1,088.20	.00	1,088.20	COMMUNICATIONS	15,659.22	.00	15,659.22
	170.72	.00	170.72	SHIPPING & RECEIVING	3,880.50	.00	3,880.50
	2,010.39	.00	2,010.39	KEY CONTROL	36,558.31	.00	36,558.31
	68.88	.00	68.88	CUSTODIAL	3,877.87	.00	3,877.87
	7,632.39	.00	7,632.39	APARTMENT PREP	130,860.43	.00	130,860.43
	8,355.87	.00	8,355.87	HOUSEKEEPING	88,348.17	.00	88,348.17
	402.50	.00	402.50	REPAIRS & MAINTENANCE	7,874.90	.00	7,874.90
	.00	.00	.00	PAINTERS	89.31	.00	89.31
	15,143.44	.00	15,143.44	TEMPORARY PERSONNEL	209,315.50	.00	209,315.50
	108.84	.00	108.84	EMPLOYER PAYROLL TAXES	842.21	.00	842.21
	12,240.32	.00	12,240.32	EMPLOYEE RELATIONS	174,156.35	.00	174,156.35
				WORKMANS COMPENSATION			

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB B.T.P. APARTMENTS  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
COMMISSION  
SQUARE FEET  
RY  
1187000200  
ACQUISITION DATE

18781783  
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DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
24,913.41	00	24,913.41	GROUP INSURANCE	291,829.94	00	291,829.94
1,894.80	00	1,894.80	PENSION	21,307.80	00	21,307.80
4,754.93	00	4,754.93	P/R RELATED COST ALLOC	703,309.29	00	703,309.29
81,788.02	00	81,788.02	TOTAL PAYROLL EXPENSE	823,408.97	.00	823,408.97
00	.00	.00	OPERATING EXPENSES	.00	.00	.00
00	.00	.00	OTHER CONTRACTS	.00	.00	.00
00	00	.00	TOTAL OPERATING EXPENSE	.00	.00	.00
84,824.66	00	84,824.66	GENERAL AND MAINTENANCE	1095,246.08	00	1095,246.08
427.11	00	427.11	COMMON AREA MAINTENANCE	1,208.88	.00	1,208.88
115.00	00	115.00	BUILDING SUPPLIES	580.00	.00	580.00
.00	00	.00	MAINTENANCE & REPAIRS	150.00	.00	150.00
310.00	00	310.00	CLEANING	4,061.09	.00	4,061.09
1,008.18	00	1,008.18	CARPET CLEANING & REPAIR	8,919.47	.00	8,919.47
.00	00	.00	HOUSEKEEPING SUPPLIES	381.66	.00	381.66
452.89	.00	452.89	CUSTODIAL SUPPLIES	9,964.11	.00	9,964.11
1,344.86	00	1,344.86	GLASS & SCREENS	15,064.62	.00	15,064.62
302.84	00	302.84	PLUMBING	1,488.02	.00	1,488.02
.00	00	.00	LIGHT FIXES & FIXTURES	2,311.99	.00	2,311.99
.00	00	.00	ELECTRICAL	321.19	.00	321.19
1,235.61	.00	1,235.61	A/C AND HEATING	3,118.93	.00	3,118.93
.00	.00	.00	BOILERS	607.83	.00	607.83
.00	.00	.00	MAINTENANCE-BOILERS & WATER MHS	1,552.12	.00	1,552.12
.00	.00	.00	LOCKS & KEYS	889.82	.00	889.82
.00	.00	.00	UNIFORMS	1,889.15	.00	1,889.15
652.27	.00	652.27	PAINT SUPPLIES	24,489.00	.00	24,489.00
3,408.00	00	3,408.00	PAINTING	4,113.00	.00	4,113.00
1,652.27	.00	1,652.27	APPLIANCES	387.40	.00	387.40
72.48	.00	72.48	EQUIPMENT REPAIR	3,428.86	.00	3,428.86
84.50	.00	84.50	TELEPHONE EQUIP REPAIR	388.91	.00	388.91
.00	.00	.00	SPECIAL MAINTENANCE	84,837.68	.00	84,837.68
6,706.84	.00	6,706.84	CARPETS & DRAPES	38,461.73	.00	38,461.73
2,638.81	.00	2,638.81	PROM UPGRADE	312.34	.00	312.34
34.64	.00	34.64	BATHROOM REFURBISHMENT			
105,175.56	00	105,175.56	TOTAL GENERAL AND MAINTENANCE	1292,318.81	00	1292,318.81
744.07	00	744.07	UTILITIES	7,745.84	.00	7,745.84
1,008.43	00	1,008.43	TELEPHONE	1,894.10	00	1,894.10
1,752.80	00	1,752.80	ELECTRICITY	15,618.64	.00	15,618.64
			TOTAL UTILITIES			

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NO. 13

MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB D I P APARTMENTS  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPMBBAC/I  
SQUARE FEET  
KEY  
1187000700  
ACQUISITION DATE

11231783  
REV. NO. 111

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
164 40	00	164.40-	OTHER EXPENSES	3,802.18	.00	3,802.18-
00	00	00	OFFICE EXPENSE	640 99	00	640 99-
89.69	00	89.69-	BOTTLED WATER	3,801.21	.00	3,801.21-
289 38	00	289 38-	POSTAGE & SHIPPING	2,476 72	.00	2,476 72-
43.30	00	43.30-	DATA PROCESSING	128.14	.00	128 14-
242 78	00	242 78-	PRINTING	2,564 85	.00	2,564 85-
100 00	.00	100.00-	EQUIPMENT LEASE	119.99	.00	119 99-
50 00	.00	50.00-	MAINT AGREEMENT - EQUIP	364 80	.00	364 80-
00	.00	.00	EQUIPMENT MAINT - EXTRAS	450.08	.00	450 08-
62 72	00	62 72-	AUTO REPAIR	146.23	.00	146 23-
00	00	.00	AUTO ALLOWANCE	432.08	.00	432 08-
1,711 50	00	1,711 50-	CREDIT CHECKS	10,080 00	.00	10,080 00-
3,200.00	.00	3,200.00-	LEGAL - UNLAWFUL DETAINERS	27,881.90	.00	27,881.90-
00	00	.00	COMMISSIONS	30 25	.00	30 25-
2,018.20	00	2,018.20-	LICENSES, FEES & BOND	33,804.20	.00	33,804.20-
00	00	.00	ADVERTISING	774.41	.00	774 41-
83.33	00	83.33-	EMPLOYEE ADDS	718.17	.00	718 17-
00	00	.00	INSURANCE	350 00	.00	350 00-
25,611.08	.00	25,611.08-	NON-ALLOWABLE INS CLAIMS	269,478.87	.00	269,478.87-
262 21	00	262 21-	REAL ESTATE TAXES	2,564 71	.00	2,564 71-
2,328.18	00	2,328.18-	PERSONAL PROPERTY TAX	3,018.86	.00	3,018 86-
46,187 08	00	46,187 08-	MISCELLANEOUS	577,146 49	.00	577,146 49-
890.88	00	890.88-	GROUND LEASE	8,288.80	.00	8,288.80-
			DEPRECIATION			
83,130.38	00	83,130.38-	TOTAL OTHER EXPENSE	843,032.88	.00	843,032.88-
281,857.47	.00	281,857.47-	TOTAL EXPENSES BEFORE DEBT SERVICE	2774,460.70	.00	2774,460.70-
88,788.80-	.00	88,788.80-	NET OPERATING SURPLUS	20,878.04-	.00	20,878 04-
.00	.00	.00	DEBT SERVICE	.00	.00	.0
3,008.21	00	3,008.21	NON OPERATING INCOME/EXPENSE			
			NON OPERATING INCOME/INTEREST	18,288.22	.00	18,288.22
			NON OPERATING EXPENSES			
3,008.21	00	3,008.21	NET NON OPERATING INCOME/EXPENSES	18,288.22	.00	18,288.22
55,790 69	00	55,790 69-	NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING	12,292 82	00	12,292 82

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB D.I.P. - MARINA  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM8858C77  
SQUARE FEET  
REV  
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ACQUISITION DATE

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PAGE  
9  
REV. NO.  
311

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	.00	00	.00	SCHEDULED RENT			
	127,857.50	00	127,857.50	APARTMENT RENT	4,139.00-	.00	4,139.00-
				SEEP RENT	1544,866.36	.00	1544,866.36
	127,857.50	.00	127,857.50	TOTAL SCHEDULED RENT	1540,731.36	.00	1540,731.36
				SALES INCOME			
	00	00	00	TOTAL SALES INCOME	.00	00	00
	15.00	00	15.00	ADDITIONAL INCOME			
				OTHER INCOME	455.17	.00	455.17
	15.00	00	15.00	TOTAL ADDITIONAL INCOME	455.17	.00	455.17
				HEALTH CLUB REVENUES			
	.00	00	.00	TOTAL HEALTH CLUB REVENUES	.00	.00	.00
	127,872.50	00	127,872.50	TOTAL INCOME	1541,186.53	.00	1541,186.53
				EXPENSES			
				PAYROLL EXPENSE			
	8.36	00	8.36-	KEY CONTROL	704.70	.00	704.70-
	7,886.54	00	7,886.54-	MARINA	122,287.63	.00	122,287.63-
	2,148.44	00	2,148.44-	CUSTODIAL	27,881.26	.00	27,881.26-
	662.27	00	662.27-	REPAIRS & MAINTENANCE	7,209.86	.00	7,209.86-
	82.80	00	82.80-	PAINTERS	82.80	.00	82.80-
	10,889.01	.00	10,889.01-	TOTAL PAYROLL EXPENSE	158,275.85	.00	158,275.85-
				OPERATING EXPENSES			
	.00	00	.00	TOTAL OPERATING EXPENSE	.00	.00	.00
	8,700.00	00	8,700.00-	GENERAL AND MAINTENANCE			
	384.70	00	384.70-	COMMON AREA MAINTENANCE	104,394.00	00	104,394.00
	00	00	00	BUILDING SUPPLIES	2,092.91	.00	2,092.91-
	183.36	00	183.36-	MAINTENANCE & REPAIRS	767.87	00	767.87-
	00	00	00	BOAT REPAIR & MAINTENANCE	183.36	.00	183.36-
				HOUSEKEEPING SUPPLIES	14.03	00	14.03

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REV. 2/76  
PAGE 13

MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB D.T.P. MARINA  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO. CPMB35C/F  
SQUARE FEET  
REV. 11870003 IO  
ACQUISITION DATE

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489 NO. 111

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
00	00	00	CUSTODIAL SUPPLIES	828 23	00	828 23
.00	00	.00	FIRE PREVENTION	525.00	.00	525 00
.00	00	.00	PLUMBING	60 81	.00	60 81
348.85	00	348.85-	LIGHT BULBS & FIXTURES	319.31	.00	319 31-
57 82	00	57 82-	ELECTRICAL	226 98	.00	226 98
105.54	00	105.54-	LOCKS & KEYS	892.26	.00	892 26-
129 47	00	129 47-	UNIFORMS	289 14	.00	289 14-
184.85	00	184.85-	PAINT SUPPLIES	836.86	.00	836 86-
00	00	00	EQUIPMENT REPAIR	1,087 42	.00	1,087 42-
15,878.20	00	15,878.20-	SPECIAL MAINTENANCE	39,838.20	.00	39,838 20-
.00	00	.00	PORCELAIN FIBERGLASS REV	800 00	.00	800 00
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25,840.89	00	25,840.89-	TOTAL GENERAL AND MAINTENANCE	153,110.08	.00	153,110 08-
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39 53	00	39 53	UTILITIES	344 97	.00	344 97
4,051.30	00	4,051.30-	TELEPHONE	28,850.80	.00	28,850 80-
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4,011 77	00	4,011 77-	TOTAL UTILITIES	30,295 57	.00	30,295 57-
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8.26	00	8.26-	OTHER EXPENSES	188.26	.00	188 26-
47 42	00	47 42-	OFFICE EXPENSE	380 01	.00	380 01-
.00	00	.00	BOTTLED WATER	838 18	.00	838 18-
.00	00	.00	POSTAGE & SHIPPING	240 00	.00	240 00-
54.12	00	54.12-	DATA PROCESSING	81 18	.00	81 18-
57 37	00	57 37-	PRINTING	229 48	.00	229 48-
.00	00	.00	EQUIPMENT LEASE	822.38	.00	822 38-
.00	00	.00	EQUIPMENT MAINT - EXTRAS	66 63	.00	66 63-
78.00	00	78.00-	AUTO ALLOWANCE	328.00	.00	328 00-
.00	00	.00	CREDIT CHECKS	1,200 00	.00	1,200 00-
.00	00	.00	LEGAL - OTHER	1,888.38	.00	1,888 38-
267.00	00	267.00-	LEGAL - UNLAWFUL DETAINERS	40 00	.00	40 00-
.00	00	.00	LICENSES, FEES & BOND	80 00	.00	80 00-
.00	00	.00	DUIS & SUBSCRIPTIONS	3,363 46	.00	3,363 46-
.00	00	.00	ADVERTISING	48,180 83	.00	48,180 83-
3,878.00	00	3,878.00-	INSURANCE	7,000 00	.00	7,000 00-
.00	00	.00	NON ALLOWABLE INS CLAIMS	112,888 21	.00	112,888 21-
8,812.00	00	8,812.00-	REAL ESTATE TAXES	10,302 66	.00	10,302 66-
.00	00	.00	PERSONAL PROPERTY TAX	172.77	.00	172 77-
882.81	00	882.81-	MISCELLANEOUS	<hr/>		
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14,590 88	00	14,590 88-	TOTAL OTHER EXPENSE	186,178 34	.00	186,178 34-
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55,428 45	00	55,428 45-	TOTAL EXPENSES BEFORE DEBT SERVICE	527,859 94	.00	527,859 94-
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72,444 05	00	72,444 05-	NET OPERATING SURPLUS	1013,326 59	.00	1013,326 59-

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB D.T.P. MARINA  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CPMBSSC/F  
 SQUARE FEET  
 REV  
 1187000210  
 ACQUISITION DATE

12/31/2011  
 FAX#  
 SEQ. NO. 311

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
138.03	.00	138.03	DEBT SERVICE	1,215.38	.00	1,215.38
00	.00	.00	NON OPERATING INCOME/EXPENSE			
			NON OPERATING INCOME/INTEREST	.00	.00	.00
			NON OPERATING EXPENSES			
72,306.03	.00	72,306.03	NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING	1012,111.21	.00	1012,111.21

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB L.P. LEASING  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. 1187000156  
 CFM035C/1  
 SQUARE FEET  
 ACQUISITION DATE

12/31/83  
 PAGE 3  
 1187  
 111

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	366,039.13	380,536.00	14,496.87	SCHEDULED RENT COMMON AREA MAINT INCOME	4392,471.32	4566,432.00	173,960.68
	366,039.13	380,536.00	14,496.87	TOTAL SCHEDULED RENT	4392,471.32	4566,432.00	173,960.68
				SALES INCOME			
	.00	.00	.00	TOTAL SALES INCOME	.00	.00	.00
	.00	.00	.00	ADDITIONAL INCOME			
	.00	.00	.00	UNIT MAINTENANCE	.80	.00	.80
	.00	.00	.00	PARKING FEE	1,350.00	.00	1,350.00
	894.50	1,000.00	105.50	LAUNDRY FEE	14,301.89	12,000.00	2,301.89
	4,694.18	.00	4,694.18	LATE FEE	18,184.33	.00	18,184.33
	.00	.00	.00	OTHER INCOME	257.28	.00	257.28
	5,588.65	1,000.00	4,588.65	TOTAL ADDITIONAL INCOME	30,894.30	12,000.00	18,894.30
				HEALTH CLUB REVENUES			
	.00	.00	.00	TOTAL HEALTH CLUB REVENUES	.00	.00	.00
	371,627.78	381,536.00	9,908.22	TOTAL INCOME	4423,465.62	4578,432.00	154,966.38
				EXPENSES			
				PAYROLL EXPENSE			
	10,254.63	13,340.00	3,085.37	EXECUTIVE OFFICE	160,868.73	160,080.00	788.73
	2,688.07	4,115.00	1,426.93	RESIDENT SERVICES	48,117.31	49,380.00	1,262.69
	641.71	2,835.00	2,193.29	COMMUNICATIONS	12,016.44	35,220.00	23,203.56
	28,380.34	35,108.00	6,727.66	SECURITY	212,748.89	248,842.00	36,093.11
	2,092.21	2,428.00	335.79	SHIPPING & RECEIVING	30,802.38	28,128.00	2,674.38
	1,322.89	2,061.00	738.11	KEY CONTROL	18,183.18	24,752.00	6,568.82
	3,805.46	4,878.00	1,072.54	LANDSCAPERS	57,469.68	59,748.00	2,278.32
	8,760.59	8,247.00	513.59	GROUNDS MAINTENANCE	84,792.73	98,864.00	14,071.27
	32,848.35	39,380.00	6,531.65	CUSTODIAL	425,176.05	352,560.00	72,616.05
	74.87	.00	74.87	APARTMENT PREP	2,188.66	.00	2,188.66
	28,234.05	26,510.00	1,724.05	REPAIRS & MAINTENANCE	418,782.77	428,120.00	9,337.23
	2,898.47	5,665.00	2,766.53	PAINTERS	87,838.26	67,880.00	19,958.26
	.00	.00	.00	TEMPORARY PERSONNEL	129.94	.00	129.94
	337.85	333.00	4.85	EMPLOYEE RELATIONS	4,181.73	2,898.00	1,283.73
	121,188.55	145,688.00	24,500.45	TOTAL PAYROLL EXPENSE	1633,055.82	1569,858.00	63,197.82

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB L.P. LEASING  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM885EC77  
SQUARE FEET  
REV  
1187000350  
ACQUISITION DATE

18731781  
PAGE  
8  
800 NO  
311

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
1,361.13	1,000.00	361.13-	OPERATING EXPENSES	7,588.33	12,000.00	4,411.67
6,871.00	9,075.00	2,098.00	LANDSCAPE - EXTRAS	90,872.80	108,900.00	18,027.20
.00	.00	.00	ELEVATOR EXPENSE	152,794.84	176,830.00	24,035.16
.00	.00	.00	SECURITY	2,913.02	.00	2,913.02
6,677.00	1,637.00	8,090.00-	CLOSED CIRCUIT T.V.	18,838.00	18,934.00	96.00
2,246.41	930.00	1,316.41-	WINDOW CLEANING	12,031.83	11,160.00	871.83
3,030.00	1,760.00	1,270.00-	PEST CONTROL	21,840.00	21,130.00	710.00
40.56	316.00	275.44	TRASH SERVICE	2,290.34	3,192.00	1,501.66
437.88	.00	437.88-	WATER TREATMENT	8,432.89	.00	8,432.89
.00	.00	.00	POOL EXPENSE	2,185.50	.00	2,185.50
.00	.00	.00	OTHER CONTRACTS	48.33	.00	48.33
.00	.00	.00	CLUB FACILITY SUPPLIES			
18,749.89	14,708.00	5,041.89-	TOTAL OPERATING EXPENSE	317,583.77	355,026.00	37,442.23
1,069.34	2,100.00	1,030.66	GENERAL AND MAINTENANCE	20,858.20	25,200.00	4,341.80
1,518.38	678.00	841.38-	BUILDING SUPPLIES	10,494.09	8,138.00	2,356.09
.00	.00	.00	MAINTENANCE & REPAIRS	2,259.18	.00	2,259.18
2,181.11	300.00	1,881.11-	CLEANING	11,317.10	3,800.00	7,517.10
.00	.00	.00	CARPET CLEANING & REPAIR	223.75	.00	223.75
486.10	2,800.00	2,013.90	HOUSEKEEPING SUPPLIES	20,380.37	30,000.00	9,619.63
413.27	178.00	235.27-	CUSTODIAL SUPPLIES	1,248.82	2,136.00	887.18
522.83	1,000.00	477.17-	GLASS & SCREENS	11,069.72	12,000.00	930.28
152.00	600.00	448.00	ELEVATOR-EXTRAS	11,316.80	1,200.00	10,116.80
170.81	880.00	709.19	FIRE PREVENTION	8,021.18	8,860.00	838.82
1,382.00	800.00	582.00-	SECURITY SUPPLIES	8,813.14	9,600.00	786.86
1,433.18	1,100.00	333.18-	PLUMBING	18,818.09	12,300.00	6,518.09
2,315.18	750.00	1,565.18-	LIGHT BULBS & FIXTURES	15,084.73	8,000.00	7,084.73
2,282.07	1,780.00	502.07-	ELECTRICAL	10,587.89	21,000.00	10,412.11
25.00	331.00	306.00	A/C AND HEATING	4,718.55	2,872.00	1,846.55
.00	.00	.00	A/C CHILLERS SERVICE	893.98	.00	893.98
133.70	430.00	296.30	BOILERS	2,435.38	5,160.00	2,724.62
480.88	34.00	446.88-	MAINTENANCE BOILERS & WATER HEAT	1,118.43	408.00	710.43
49.35	285.00	235.65	GATE MAINTENANCE	2,551.67	3,420.00	868.33
1,371.88	800.00	571.88-	LOCKS & KEYS	12,378.19	7,200.00	5,178.19
2,090.82	850.00	1,240.82-	UNIFORMS	17,745.83	10,200.00	7,545.83
.00	.00	.00	PAINT SUPPLIES	4,835.00	.00	4,835.00
.00	.00	.00	PAINTING	270.35	.00	270.35
367.89	850.00	482.11	APPLIANCES	4,307.48	10,200.00	5,892.52
4,095.81	1,200.00	2,895.81-	EQUIPMENT REPAIR	10,788.39	15,600.00	4,811.61
2,178.84	2,816.00	637.16-	TELEPHONE EQUIP REPAIR	38,717.78	34,882.00	3,835.78
.00	.00	.00	SPECIAL MAINTENANCE	399.72	.00	399.72
1,228.28	1,200.00	28.28-	ROOFING	7,168.80	14,400.00	7,231.20
			CARPETS & DRAPES			
27,907.78	21,132.00	6,775.78-	TOTAL GENERAL AND MAINTENANCE	261,599.63	253,584.00	8,015.63

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PROJECT NAME  
MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB D.I.P. LEASEHOLD  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPMB/SEC/7  
SQUARE FEET  
KEY  
1107000750  
ACQUISITION DATE

13/31/83  
PAGE  
8  
810 NO  
311

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	VID ACTUAL	VID BUDGET	VID VARIANCE
3,274.66	1,833.00	441.66-	UTILITIES	14,480.12	21,898.00	7,919.88
16,627.51	47,965.00	31,337.49	TELEPHONE	421,287.41	575,580.00	154,292.59
23,221.83	3,181.00	20,040.83-	ELECTRICITY	44,321.08	38,173.00	6,148.08
8,459.18	6,771.00	1,688.18	GAS	68,187.63	81,252.00	13,064.37
.00	.00	.00	WATER	138.48-	.00	138.48
			SEWER			
90,583.18	88,750.00	8,168.82	TOTAL UTILITIES	548,139.77	717,000.00	188,860.23
			OTHER EXPENSES			
561.34	1,833.00	1,271.66	OFFICE EXPENSE	15,360.02	21,996.00	6,635.98
241.16	42.00	199.16-	BOTTLED WATER	2,771.88	804.00	2,267.88
105.00	250.00	145.00	POSTAGE & SHIPPING	5,820.32	3,000.00	2,820.32
868.19	1,083.00	214.89	DATA PROCESSING	1,291.88	12,898.00	8,704.19
136.38	167.00	30.61	PRINTING	1,380.65	2,004.00	623.35
818.33	833.00	13.67	EQUIPMENT LEASE	8,828.44	8,898.00	1,087.98
400.00	333.00	67.00	MAINT AGREEMENT - EQUIP	1,616.64	3,998.00	2,379.36
1,708.29	.00	1,708.29-	EQUIPMENT MAINT - EXTRAS	8,328.72	.00	8,328.72
17.22	125.00	107.78	AUTO REPAIR	1,367.46	1,500.00	122.54
411.22	308.00	203.22-	AUTO ALLOWANCE	3,708.30	3,488.00	1,209.20
.00	.00	.00	PROFESSIONAL FEES	2,640.00	.00	2,640.00
3,407.88	1,250.00	4,657.88	LEGAL - OTHER	23,428.89	18,000.00	6,428.89
3,850.00	500.00	3,350.00-	LICENSES, FEES & BOND	7,487.75	6,000.00	1,487.75
.00	417.00	417.00	DUES & SUBSCRIPTIONS	.00	8,004.00	8,004.00
.00	50.00	50.00	EMPLOYEE AIDS	186.28	600.00	786.28
21,836.78	23,198.00	1,310.29	INSURANCE	278,871.01	277,872.00	489.01
.00	3,333.00	3,333.00	NON-ALLOWABLE INS CLAIMS	5,280.81	38,886.00	34,705.19
788.63	.00	788.63-	PERSONAL PROPERTY TAX	8,812.89	.00	8,812.89
12,606.21	1,425.00	11,181.21-	MISCELLANEOUS	16,893.83	17,100.00	105.17
10,818.00	10,818.00	.00	MANAGEMENT FEE	128,180.00	128,180.00	.00
156.72	308.00	151.28	GROUND LEASE	3,261.52	3,696.00	434.48
.00	82,000.00	82,000.00	HEALTH CLUB OFFSET A/C	.00	814,000.00	814,000.00
34,857.07	34,817.00	59.83	REPLACEMENT RESERVES	417,406.94	419,004.00	1,597.06
.00	10,417.00	10,417.00	CONINGENCY	.00	128,004.00	128,004.00
97.08	.00	97.08-	DEPRECIATION	684.72	.00	684.72
86,523.85	143,162.00	56,638.05	TOTAL OTHER EXPENSE	943,830.81	1717,946.00	774,013.08
305,854.15	384,451.00	78,486.85	TOTAL EXPENSES BEFORE DEBT SERVICE	3704,309.91	4613,412.00	809,102.09
68,673.63	2,815.00	68,588.63	NET OPERATING SURPLUS	719,155.71	34,980.00	754,135.71
816.63	.00	816.63-	DEBT SERVICE	7,886.62	.00	7,886.62
			NON OPERATING INCOME/EXPENSE			

1187  
PAGE 150  
PAGE 151

MAJORITY UNIT  
MADISON CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MADISON CITY CLUB D.I.P. LEASING  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CONTRACT  
SQUARE FEET  
ACQUISITION DATE

11/31/83  
PAGE 150  
PAGE 151

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
10,675.16	2,917.00	7,758.16	NON OPERATING INCOME/INTEREST	51,472.33	35,004.00	16,468.33
			NON OPERATING EXPENSES			
10,675.16	2,917.00	7,758.16	NET NON OPERATING INCOME/EXPENSES	51,472.33	35,004.00	16,468.33
75,932.16	2.00	75,930.16	NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING	762,740.42	24.00	762,716.42

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB - NEW HEALTH CLUB  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO. REV. 1187000280  
CPM/SEC/F ACQUISITION DATE

12/31/83  
PAGE 3  
JOB NO. 311

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
14,010.00	00	14,010.00	SCHEDULED RENT COMMON AREA MAINT INCOME	160,239.76	.00	160,239.76
14,010.00	00	14,010.00	TOTAL SCHEDULED RENT	160,239.76	00	160,239.76
.00	00	.00	SALES INCOME	.00	.00	00
154.23	00	154.23	TOTAL SALES INCOME	1,432.46	.00	1,432.46
154.23	00	154.23	ADDITIONAL INCOME OTHER INCOME	1,432.46	.00	1,432.46
1,400.00	.00	1,400.00	HEALTH CLUB REVENUES	70,400.00	.00	70,400.00
40,097.71	.00	40,097.71	INITIATION FEES	450,680.39	.00	450,680.39
35,461.41	.00	35,461.41	MEMBERSHIP DUES	210,410.50	.00	210,410.50
			OTHER HEALTH CLUB REVENUES			
76,910.12	.00	76,910.12	TOTAL HEALTH CLUB REVENUES	739,490.79	.00	739,490.79
91,093.33	00	91,093.33	TOTAL INCOME	909,172.01	00	909,172.01
			EXPENSES			
14,216.65	.00	14,216.65	PAYROLL EXPENSE	194,801.41	.00	194,801.41
10,884.81	.00	10,884.81	CLUB MANAGEMENT	184,748.79	.00	184,748.79
2,655.88	.00	2,655.88	CLUB FITNESS STAFF	43,857.06	.00	43,857.06
160.37	.00	160.37	CLUB TENNIS STAFF	4,801.48	.00	4,801.48
4,020.49	.00	4,020.49	CLUB POOL STAFF	46,625.49	.00	46,625.49
1,971.03	.00	1,971.03	CLUB OTHER PROFESSIONAL STAFF	10,820.78	.00	10,820.78
9,878.68	.00	9,878.68	CLUB STEWARD	5,878.68	.00	5,878.68
119.42	.00	119.42	SALARIES - CLUB WAITRESS	119.42	.00	119.42
456.48	.00	456.48	SECURITY	2,845.33	.00	2,845.33
30.80	.00	30.80	KEY CONTROL	877.00	.00	877.00
6,822.06	.00	6,822.06	GROUND MAINTENANCE	99,642.80	.00	99,642.80
87.01	.00	87.01	CUSTODIAL	33,008.77	.00	33,008.77
413.50	.00	413.50	REPAIRS & MAINTENANCE	413.50	.00	413.50
1,452.00	.00	1,452.00	PAINTERS	10,056.81	.00	10,056.81
.00	.00	.00	TEMPORARY PERSONNEL	486.54	.00	486.54
			EMPLOYEE RELATIONS			
48,854.89	.00	48,854.89	TOTAL PAYROLL EXPENSE	647,330.69	.00	647,330.69

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB - NEW REALITY CLUB  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM#367  
EQUARE FEET  
1187000280  
ACQUISITION DATE

11/31/83  
PAGE  
110 NO.

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	.00	00	.00	OPERATING EXPENSES			
	.00	.00	.00	SECURITY	159.30	.00	159.30
	2,135.00	00	2,135.00	WINDOW CLEANING	270.00	.00	270.00
	.00	.00	.00	MASSAGE SERVICES	25,311.25	.00	25,311.25
	.00	.00	.00	PUMP EXPENSE	450.00	.00	450.00
	.00	.00	.00	OTHER CONTRACTS	445.00	.00	445.00
	5,923.74	.00	5,923.74	CLUB FACILITY SUPPLIES	28,413.81	.00	28,413.81
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	8,058.74	.00	8,058.74	TOTAL OPERATING EXPENSE	65,049.36	.00	65,049.36
-----							
	38,748.00	00	38,748.00	GENERAL AND MAINTENANCE			
	23.82	00	23.82	COMMON AREA MAINTENANCE	476,881.00	.00	476,881.00
	582.00	00	582.00	BUILDING SUPPLIES	1,720.56	.00	1,720.56
	60.00	00	60.00	MAINTENANCE & REPAIRS	3,787.39	.00	3,787.39
	.00	.00	.00	CARPET CLEANING & REPAIR	60.00	.00	60.00
	.00	.00	.00	HOUSEKEEPING SUPPLIES	24.50	.00	24.50
	423.23	00	423.23	CUSTODIAL SUPPLIES	886.64	.00	886.64
	.00	.00	.00	GLASS & SCREENS	438.20	.00	438.20
	117.50	00	117.50	FIRE PREVENTION	936.66	.00	936.66
	2,400.42	00	2,400.42	PLUMBING	788.08	.00	788.08
	38.81	00	38.81	LIGHT BLINDS & FIXTURES	1,439.26	.00	1,439.26
	121.80	00	121.80	ELECTRICAL	4,878.08	.00	4,878.08
	.00	.00	.00	A/C AND HEATING	1,053.47	.00	1,053.47
	.00	.00	.00	LOCKS & KEYS	878.89	.00	878.89
	842.73	00	842.73	UNIFORMS	1,546.75	.00	1,546.75
	3,350.00	00	3,350.00	PAINT SUPPLIES	.00	.00	.00
	164.23	00	164.23	PAINTING	.00	.00	.00
	168.00	.00	168.00	EQUIPMENT REPAIR	3,703.70	.00	3,703.70
	3,878.18	.00	3,878.18	TELEPHONE EQUIP REPAIR	2,387.25	.00	2,387.25
	583.44	.00	583.44	CARPETS & DRAPES	328.80	.00	328.80
	.00	.00	.00	FURNITURE RENTAL	4,074.22	.00	4,074.22
		.00	.00	FURNITURE REPLACEMENT	287.68	.00	287.68
-----							
	28,837.87	00	28,837.87	TOTAL GENERAL AND MAINTENANCE	505,600.86	.00	505,600.86
-----							
	872.87	.00	872.87	UTILITIES			
		.00		TELEPHONE	5,743.82	.00	5,743.82
-----							
	572.57	.00	572.57	TOTAL UTILITIES	5,743.82	.00	5,743.82
-----							
	863.71	.00	863.71	OTHER EXPENSES			
	171.02	.00	171.02	OFFICE EXPENSE	7,401.08	.00	7,401.08
	130.18	.00	130.18	BOTTLED WATER	1,819.55	.00	1,819.55
	1.85	.00	1.85	POSTAGE & SHIPPING	8,892.18	.00	8,892.18
		.00		PRINTING	2,860.42	.00	2,860.42

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11/31/83  
 1107  
 286  
 12

1187  
REV. 360  
PAGE 12

MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB - NEW HEALTH CLUB  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO. REV. 1187000360  
CPM#136C/E ACQUISITION DATE  
SQUARE FEET

12/31/63  
PAGE 1  
REP. NO. 111

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	284 99	00	284 99	EQUIPMENT LEASE	6,138 23	00	6,138 23
	.00	00	.00	MAINT AGREEMENT - EQUIP	2,182 00	.00	2,182 00
	112 50	00	112 50	EQUIPMENT MAINT EXTRAS	1,709 67	00	1,709 67
	13,311 81	00	13,311 81	SOCIAL EVENTS	116,072 45	.00	116,072 45
	7,668 00	00	7,668 00	PROFESSIONAL FEES	10,490 00	00	10,490 00
	1,020 25	00	1,020 25	LICENSES, FEES & BOND	9,357 88	.00	9,357 88
	323 46	00	323 46	PROMOTIONS	8,921 00	00	8,921 00
	.00	00	.00	ADVERTISING	10,720 16	.00	10,720 16
	.00	00	.00	EMPLOYEE AIDS	575 23	00	575 23
	1,107 29	00	1,107 29	INSURANCE	13,359 16	.00	13,359 16
	.00	00	.00	NON-ALLOWABLE INS CLAIMS	396 18	00	396 18
	8,411 00	00	8,411 00	REAL ESTATE TAXES	76,298 00	.00	76,298 00
	1,417 63	00	1,417 63	MISCELLANEOUS	2,003 29	.00	2,003 29
	62 80	00	62 80	CHARITABLE CONTRIBUTIONS	470 71	.00	470 71
	4,188 78	00	4,188 78	GROUND LEASE	44,883 63	00	44,883 63
	15 28	00	15 28	DEPRECIATION	183 36	.00	183 36
-----					-----		
	36,889 32	00	36,889 32	TOTAL OTHER EXPENSE	328,840 78	.00	328,840 78
	123,813 08	00	123,813 08	TOTAL EXPENSES BEFORE DEBT SERVICE	1849,866 82	.00	1849,866 82
	32,818 76	00	32,818 76	NET OPERATING SURPLUS	640,393 81	.00	640,393 81
	28 81	.00	28 81	DEBT SERVICE	288 21	.00	288 21
	.00	.00	.00	NON OPERATING INCOME/EXPENSE			
	.00	.00	.00	NON OPERATING INCOME/INTEREST	.00	.00	.00
	.00	.00	.00	NON OPERATING EXPENSES			
-----					-----		
	32,848 27	.00	32,848 27	NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING	640,661 72	.00	640,661 72

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REV.  
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13

MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB O.T.P. CONSOL.  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM555C/V  
SQUARE FEET  
REV.  
1187000185  
ACQUISITION DATE

12/31/83  
PAGE  
9  
SHEET NO.  
311

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	198,230.87	00	198,230.87	SCHEDULED RENT	2456,174.63	.00	2456,174.63
	127,857.50	00	127,857.50	APARTMENT RENT	1544,866.36	00	1544,866.36
	6,651.80	00	6,651.80	SLIP RENT	31,723.91	00	31,723.91
	380,058.11	380,536.00	476.89	RETAIL SPACE	4560,711.08	4566,432.00	5,720.92
				COMMON AREA MAINT INCOME			
	710,798.88	380,536.00	330,262.88	TOTAL SCHEDULED RENT	8530,018.16	4566,432.00	3963,586.16
	668,000.00	.00	668,000.00	SALES INCOME	1939,000.00	.00	1939,000.00
	678,418.80	.00	678,418.80	INCOME FROM SALES	2058,318.80	.00	2058,318.80
				COSTS OF SALES			
	8,418.80	00	8,418.80	TOTAL SALES INCOME	118,318.80	.00	118,318.80
	3,232.50	00	3,232.50	ADDITIONAL INCOME	38,955.00	.00	38,955.00
	12,370.00	00	12,370.00	LOCKER RENTALS	180,732.21	.00	180,732.21
	3,807.51	00	3,807.51	MAID SERVICE	57,534.52	.00	57,534.52
	.00	00	.00	UNIT MAINTENANCE	1,380.00	.00	1,380.00
	894.50	1,000.00	105.50	PARKING FEE	14,201.88	12,000.00	2,201.88
	77.18	.00	77.18	LAUNDRY FEE	809.11	.00	809.11
	4,898.15	00	4,898.15	TELEPHONE COMMISSION	17,836.33	.00	17,836.33
	14,854.33	00	14,854.33	LAKE FEE	104,207.18	.00	104,207.18
				OTHER INCOME			
	40,134.08	1,000.00	39,134.08	TOTAL ADDITIONAL INCOME	385,626.21	12,000.00	373,626.21
	1,400.00	00	1,400.00	HEALTH CLUB REVENUES	70,400.00	.00	70,400.00
	40,057.71	.00	40,057.71	INITIATION FEES	450,680.39	.00	450,680.39
	35,461.41	00	35,461.41	MEMBERSHIP DUES	218,418.50	.00	218,418.50
				OTHER HEALTH CLUB REVENUES			
	76,918.12	.00	76,918.12	TOTAL HEALTH CLUB REVENUES	738,488.78	.00	738,488.78
	818,438.38	381,536.00	437,898.38	TOTAL INCOME	8545,818.38	4578,432.00	3967,406.38
				EXPENSES			
	22,066.76	13,340.00	8,726.76	PAYROLL EXPENSE	312,803.38	160,080.00	152,823.38
	3,352.98	00	3,352.98	RECIPIENT OFFICE	69,481.70	00	69,481.70
	14,218.65	00	14,218.65	ACCOUNTING	184,801.41	.00	184,801.41
	10,684.51	00	10,684.51	CLUB MANAGEMENT	194,746.75	00	194,746.75
				CLUB FITNESS STAFF			

CONTINUED ON NEXT PAGE

1157  
REV  
305  
178  
13

MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB D.I.P. CONSOL.  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO. CPN0858C/1  
KEY 1187000205  
ACQUISITION DATE

12/31/83  
PAGE 4  
100 NO. 111

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
2,655.00	00	2,655.00	CLUB TENNIS STAFF	43,857.06	00	43,857.06
160.37	00	160.37	CLUB POOL STAFF	4,801.40	.00	4,801.40
4,020.40	00	4,020.40	CLUB OTHER PROFESSIONAL STAFF	46,625.40	.00	46,625.40
1,871.03	00	1,871.03	CLUB STEWARD	10,820.75	.00	10,820.75
3,043.66	4,115.00	1,071.34	RESIDENT SERVICES	51,990.23	49,380.00	2,610.23
9,870.88	00	9,870.88	SALARIES - CLUB WAITRESS	8,870.80	.00	8,870.80
1,277.00	2,935.00	1,657.00	COMMUNICATIONS	10,020.52	35,220.00	16,191.48
20,493.86	39,708.00	6,310.34	SECURITY	273,869.37	240,842.00	33,027.37
3,101.41	2,420.00	753.41	SHIPPING & RECEIVING	46,461.61	29,136.00	17,325.61
1,850.16	2,081.00	201.04	KEY CONTROL	20,433.72	24,732.00	1,701.72
7,986.54	00	7,986.54	MARINA	122,297.63	.00	122,297.63
3,805.46	4,870.00	1,075.04	LANDSCAPERS	57,460.00	50,740.00	6,720.00
6,781.19	8,247.00	1,465.81	GROUNDS MAINTENANCE	93,875.73	98,864.00	5,088.27
43,827.34	29,380.00	14,447.34	CUSTODIAL	580,350.92	352,860.00	226,780.92
144.83	00	144.83	APARTMENT PREP	6,164.53	.00	6,164.53
7,632.39	00	7,632.39	HOUSEKEEPING	130,860.43	.00	130,860.43
34,330.80	36,510.00	2,171.10	REPAIRS & MAINTENANCE	540,247.57	430,120.00	110,227.57
3,893.87	5,665.00	1,771.03	PAINTERS	95,889.26	67,880.00	28,009.26
1,452.00	00	1,452.00	TEMPORARY PERSONNEL	12,611.86	.00	12,611.86
19,143.44	00	19,143.44	EMPLOYER PAYROLL TAXES	209,319.90	.00	209,319.90
444.48	333.00	111.48	EMPLOYEE RELATIONS	5,610.40	3,986.00	1,614.40
12,240.32	00	12,240.32	WORKMANS COMPENSATION	174,190.38	.00	174,190.38
24,913.41	00	24,913.41	GROUP INSURANCE	291,829.94	.00	291,829.94
1,894.80	00	1,894.80	PENSION	27,307.80	.00	27,307.80
4,754.93	00	4,754.93	P/R RELATED COST ALLOC	703,309.28	.00	703,309.28
<b>273,428.17</b>	<b>148,688.00</b>	<b>126,728.17</b>	<b>TOTAL PAYROLL EXPENSE</b>	<b>2864,410.84</b>	<b>1869,858.00</b>	<b>1384,552.84</b>
1,361.13	1,000.00	361.13	OPERATING EXPENSES	7,588.23	12,000.00	4,411.77
8,871.00	9,078.00	2,088.00	LANDSCAPE - EXTRAS	30,873.40	108,000.00	10,027.10
00	00	00	ELEVATOR EXPENSE	152,814.14	178,520.00	25,615.86
00	00	00	SECURITY	2,813.02	.00	2,813.02
6,677.00	1,627.00	5,050.00	CLOSED CIRCUIT T.V.	19,196.00	19,524.00	328.00
2,246.41	930.00	1,316.41	WINDOW CLEANING	12,031.89	11,160.00	871.89
2,030.00	1,760.00	260.00	PEST CONTROL	20,540.00	21,120.00	420.00
40.86	318.00	275.44	TRASH SERVICE	2,390.34	3,782.00	1,401.70
2,135.00	00	2,135.00	WATER TREATMENT	25,311.25	.00	25,311.25
427.89	00	427.89	MASSAGE SERVICES	6,882.89	.00	6,882.89
00	00	00	POOL EXPENSE	12,055.90	.00	12,055.90
8,823.74	00	8,823.74	OTHER CONTRACTS	28,462.13	.00	28,462.13
<b>27,808.43</b>	<b>14,708.00</b>	<b>13,100.43</b>	<b>TOTAL OPERATING EXPENSE</b>	<b>393,058.13</b>	<b>358,026.00</b>	<b>37,032.13</b>
<b>133,272.66</b>	<b>00</b>	<b>133,272.66</b>	<b>GENERAL AND MAINTENANCE COMMON AREA MAINTENANCE</b>	<b>1666,621.08</b>	<b>00</b>	<b>1666,621.08</b>

1137  
REV.  
369  
NO. OF UNITS

MARINA CITY CLUB L.P. OIP  
DEVELOPMENT NAME  
MARINA CITY CLUB D.I.P. CONSOL.  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM8136C/F  
SQUARE FEET  
REV  
1197000185  
ACQUISITION DATE

11371783  
PAGE  
111

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	1,804.97	2,100.00	195.03	BUILDING SUPPLIES	25,946.92	25,200.00	746.92
	1,052.38	678.00	374.38	MAINTENANCE & REPAIRS	15,608.35	8,138.00	7,470.35
	183.36	.00	183.36	BOAT REPAIR & MAINTENANCE	183.36	.00	183.36
	.00	.00	.00	CLEANING	2,408.18	.00	2,408.18
	2,551.11	300.00	2,251.11	CARPET CLEANING & REPAIR	15,438.18	3,600.00	11,838.18
	1,008.15	.00	1,008.15	HOUSEKEEPING SUPPLIES	10,178.75	.00	10,178.75
	486.10	2,500.00	2,013.90	CUSTODIAL SUPPLIES	22,376.90	30,000.00	7,623.10
	442.88	178.00	264.88	GLASS & SCREENS	11,650.22	2,138.00	9,512.22
	522.63	1,000.00	477.37	ELEVATOR ENTRAS	11,862.72	12,000.00	136.28
	152.00	600.00	448.00	FIRE PREVENTION	12,778.46	1,200.00	11,578.46
	170.81	580.00	409.19	SECURITY SUPPLIES	5,021.18	6,950.00	1,928.82
	2,854.36	800.00	2,054.36	PLUMBING	25,827.88	8,600.00	17,227.88
	515.64	1,100.00	1,615.64	LIGHT BULBS & FIXTURES	19,059.62	13,200.00	5,859.62
	3,411.82	780.00	2,631.82	ELECTRICAL	22,112.35	8,000.00	14,112.35
	2,403.87	1,750.00	1,653.87	A/C AND HEATING	17,962.56	21,000.00	3,037.44
	35.00	331.00	296.00	A/C CHILLERS SERVICE	4,718.88	2,872.00	1,846.88
	1,235.61	.00	1,235.61	BOILERS	4,072.53	.00	4,072.53
	132.70	430.00	297.30	MAINTENANCE-BOILERS & WATER HIRS	3,044.22	8,160.00	5,115.78
	480.88	34.00	446.88	GATE MAINTENANCE	1,118.83	408.00	710.83
	154.38	288.00	133.62	LOCKS & KEYS	6,378.03	2,420.00	3,958.03
	1,501.32	600.00	901.32	UNIFORMS	16,200.86	7,200.00	9,000.86
	2,388.11	880.00	1,508.11	PAINT SUPPLIES	20,881.84	10,200.00	10,681.84
	55.00	.00	55.00	PAINTING	28,035.00	.00	28,035.00
	1,652.27	.00	1,652.27	APPLIANCES	4,382.28	.00	4,382.28
	594.67	850.00	255.33	EQUIPMENT REPAIR	8,456.01	10,200.00	1,743.99
	4,258.41	1,300.00	2,958.41	TELEPHONE EQUIP REPAIR	18,818.82	18,800.00	18.82
	18,155.04	2,816.00	15,339.04	SPECIAL MAINTENANCE	78,888.28	24,992.00	53,896.28
	.00	.00	.00	ROOFING	388.72	.00	388.72
	.00	.00	.00	PORCELAIN-FIBERGLASS REF	800.00	.00	800.00
	4,054.04	1,200.00	2,854.04	CARPETS & DRAPES	82,292.09	14,400.00	67,892.09
	583.44	.00	583.44	FURNITURE RENTAL	4,074.22	.00	4,074.22
	.00	.00	.00	FURNITURE REPLACEMENT	287.45	.00	287.45
	2,639.81	.00	2,639.81	PROM UPGRADE	25,661.73	.00	25,661.73
	34.64	.00	34.64	BATHROOM REFURBISHMENT	212.24	.00	212.24
	188,861.80	21,132.00	167,729.80	TOTAL GENERAL AND MAINTENANCE	2212,880.28	252,884.00	1,960,000.28
	3,551.77	1,833.00	1,718.77	UTILITIES	28,214.45	21,896.00	6,318.45
	21,887.24	47,885.00	26,000.00	TELEPHONE	488,122.11	975,800.00	487,677.89
	23,221.83	3,181.00	20,040.83	ELECTRICITY	44,221.09	28,172.00	16,049.09
	8,458.18	6,771.00	1,687.18	GAS	68,187.83	81,252.00	13,064.17
	.00	.00	.00	WATER	136.48	.00	136.48
	.00	.00	.00	SEWER			
	56,920.02	89,750.00	32,829.98	TOTAL UTILITIES	599,818.80	717,000.00	117,181.20

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB D.I.P. -CONSOL.  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM05SEC/7  
EQUARE FEET  
REV  
1187000285  
ACQUISITION DATE

11731789  
PAGE  
1  
SEQ NO  
111

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
1,386.71	1,833.00	436.29	OTHER EXPENSES	26,629.55	21,096.00	4,633.55
459.60	47.00	412.60	OFFICE EXPENSE	5,612.41	504.00	5,108.41
324.83	350.00	74.83	BOTTLED WATER	19,249.87	3,000.00	16,249.87
1,157.53	1,083.00	74.53	POSTAGE & SHIPPING	10,168.57	12,996.00	2,827.43
239.76	167.00	68.76	DATA PROCESSING	5,450.39	2,004.00	3,446.39
1,404.47	833.00	571.47	PRINTING	17,841.00	9,996.00	7,845.00
800.00	333.00	467.00	EQUIPMENT LEASE	2,812.18	3,898.00	885.81
1,868.75	00	1,868.75	MAINT AGREEMENT - EQUIP	7,945.54	00	7,945.54
13,311.81	00	13,311.81	EQUIPMENT MAINT - EXTRAS	116,372.49	.00	116,372.49
17.22	125.00	107.78	SOCIAL EVENTS	1,817.54	1,500.00	317.54
473.84	308.00	165.84	AUTO REPAIR	3,818.16	2,488.00	1,330.16
75.00	00	75.00	AUTO ALLOWANCE	657.06	00	657.06
7,668.00	00	7,668.00	CREDIT CHECKS	13,130.00	.00	13,130.00
3,407.55	1,250.00	2,157.55	PROFESSIONAL FEES	24,636.53	15,000.00	9,636.53
1,978.80	00	1,978.80	LEGAL - OTHER	11,768.39	.00	11,768.39
3,200.00	00	3,200.00	LEGAL - UNLAWFUL DETAINERS	27,981.50	00	27,981.50
4,870.25	500.00	4,370.25	COMMISSIONS	18,724.13	8,000.00	10,724.13
00	417.00	417.00	LICENSES, FEES & BOND	50.00	5,004.00	4,954.00
323.46	00	323.46	DUES & SUBSCRIPTIONS	8,827.00	.00	8,827.00
2,016.20	00	2,016.20	PROMOTIONS	47,888.42	00	47,888.42
.00	50.00	50.00	ADVERTISING	1,153.36	600.00	553.36
37,003.37	23,156.00	13,847.37	EMPLOYEE ADDS	338,837.17	277,872.00	60,965.17
.00	3,333.00	3,333.00	INSURANCE	13,038.89	28,888.00	15,849.11
41,535.08	00	41,535.08	NON-ALLOWABLE INS CLAIMS	452,773.08	00	452,773.08
1,048.84	00	1,048.84	REAL ESTATE TAXES	21,480.19	.00	21,480.19
17,193.83	1,425.00	15,768.83	PERSONAL PROPERTY TAX	23,838.75	17,100.00	6,738.75
63.80	00	63.80	MISCELLANEOUS	470.71	.00	470.71
10,515.00	10,515.00	00	CHARITABLE CONTRIBUTIONS	126,180.00	126,180.00	00
8,050.13	00	8,050.13	MANAGEMENT FEE	108,601.56	.00	108,601.56
13,498.94	00	13,498.94	LOAN FEE	135,999.78	00	135,999.78
50,832.88	308.00	50,524.88	CAN & GROUND RENT - P/H'S	629,381.84	3,698.00	625,683.84
00	52,000.00	52,000.00	GROUND LEASE	00	624,000.00	624,000.00
34,867.07	34,817.00	50.07	HEALTH CLUB OFFSET A/C	417,408.84	418,004.00	595.16
00	10,417.00	10,417.00	REPLACEMENT RESERVES	00	129,004.00	129,004.00
88,434.17	00	88,434.17	CONTINGENCY	1028,090.04	.00	1028,090.04
			DEPRECIATION			
328,584.88	143,162.00	185,422.88	TOTAL OTHER EXPENSE	3862,807.87	1717,844.00	2144,963.87
874,813.51	384,481.00	490,332.51	TOTAL EXPENSES BEFORE DEBT SERVICE	8831,888.03	4813,412.00	4018,476.03
88,178.13	3,815.00	84,363.13	NET OPERATING SURPLUS	288,047.76	34,880.00	253,167.76
300,312.89	00	300,312.89	DEBT SERVICE	3801,308.17	.00	3801,308.17
			NON OPERATING INCOME/EXPENSE			
14,481.74	3,817.00	10,664.74	NON OPERATING INCOME/INTEREST	81,526.84	35,004.00	46,522.84

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB O I P. CONSOL.  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CPMB/SBC/F  
 SQUARE FEET  
 REG  
 1167000285  
 ACQUISITION DATE

1123  
 PAGE 9  
 1123

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	3,750 00	00	3,750 00	NON OPERATING EXPENSES			
	34,867.13	00	34,867.13	TRUSTEE FEES	15,000 00	00	15,000 00
				PROFESSIONAL FEES	367,128.33	.00	367,128.33
	38,617.13	00	38,617.13	TOTAL NON OPERATING EXPENSES	382,128.33	00	382,128.33
	24,135.38	2,817 00	27,052.38	NET NON OPERATING INCOME/EXPENSES	300,601.48	35,004 00	335,605.48
	378,626.17	2 00	378,628.17	NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING	4187,887.42	24.00	4187,881.4

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1187  
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PAGE  
13

MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB L.P. APARTMENTS  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM858C77  
SQUARE FEET  
REV  
1187000200  
ACQUISITION DATE

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PAGE  
3  
119 119

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
228,232.80	.00	228,232.80	SCHEDULED RENT	1751,812.22	.00	1751,812.22
22,245.07	.00	22,245.07	APARTMENT RENT	122,865.80	.00	122,865.80
			RETAIL SPACE			
205,987.43	.00	205,987.43	TOTAL SCHEDULED RENT	1874,678.02	.00	1874,678.02
			SALES INCOME			
.00	.00	.00	TOTAL SALES INCOME	.00	.00	.00
40.00	.00	40.00	ADDITIONAL INCOME	40.00	.00	40.00
13,648.85	.00	13,648.85	LOCKER RENTALS	105,334.85	.00	105,334.85
7,880.28	.00	7,880.28	MAINT SERVICE	88,888.78	.00	88,888.78
.00	.00	.00	UNIT MAINTENANCE	588.43	.00	588.43
.00	.00	.00	PARKING FEE	3,280.00	.00	3,280.00
68.41	.00	68.41	VALET SERVICE	848.33	.00	848.33
204.00	.00	204.00	TELEPHONE COMMISSION	1,848.01	.00	1,848.01
391.50	.00	391.50	LATE FEE	32,883.02	.00	32,883.02
12,781.22	.00	12,781.22	OTHER INCOME	18,124.08	.00	18,124.08
			BAD DEBTS			
8,181.58	.00	8,181.58	TOTAL ADDITIONAL INCOME	185,781.40	.00	185,781.40
			HEALTH CLUB REVENUES			
.00	.00	.00	TOTAL HEALTH CLUB REVENUES	.00	.00	.00
218,168.01	.00	218,168.01	TOTAL INCOME	2060,459.42	.00	2060,459.42
			EXPENSES			
12,210.88	.00	12,210.88	PAYROLL EXPENSE	82,281.71	.00	82,281.71
2,274.71	.00	2,274.71	EXECUTIVE OFFICE	40,283.07	.00	40,283.07
832.88	.00	832.88	ACCOUNTING	18,884.28	.00	18,884.28
778.28	.00	778.28	LEASING	6,178.01	.00	6,178.01
1,288.88	.00	1,288.88	SALARY-RESIDENT SERVICES	7,283.27	.00	7,283.27
1,524.74	.00	1,524.74	COMMUNICATIONS	10,710.12	.00	10,710.12
803.27	.00	803.27	SHIPPING & RECEIVING	2,721.85	.00	2,721.85
4,512.66	.00	4,512.66	KEY CONTROL	27,870.04	.00	27,870.04
1,728.21	.00	1,728.21	CUSTODIAL	8,028.11	.00	8,028.11
18,227.50	.00	18,227.50	SALARY-API PREP	85,812.50	.00	85,812.50
			HOUSEKEEPING			

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB B.T.P. APARTMENTS  
 NO OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. 118000100  
 CFM/BC//  
 SQUARE FEET  
 ACQUISITION DATE

11/31/01  
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 STD NO. 101

DEC - ACTUAL	DEC - BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
10,777.95	.00	10,777.95	REPAIRS & MAINTENANCE	51,063.35	.00	51,063.35
28.36	.00	28.36	PAYROLL - OTHER	827.83	.00	827.83
6,108.47	.00	6,108.47	PAINTERS	37,497.14	.00	37,497.14
.00	.00	.00	TEMPORARY PERSONNEL	120.19	.00	120.19
13,510.31	.00	13,510.31	EMPLOYER PAYROLL TAXES	114,155.00	.00	114,155.00
415.43	.00	415.43	EMPLOYEE RELATIONS	415.43	.00	415.43
13,400.00	.00	13,400.00	WORKMANS COMPENSATION	95,802.72	.00	95,802.72
21,504.83	.00	21,504.83	GRUP INSURANCE	182,740.83	.00	182,740.83
2,034.80	.00	2,034.80	PENSION	17,720.20	.00	17,720.20
112,702.88	.00	112,702.88	P/R RELATED COST ALLOC	350,418.33	.00	350,418.33
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4,124.53	.00	4,124.53	TOTAL PAYROLL EXPENSE	386,227.31	.00	386,227.31
67.68	.00	67.68	OPERATING EXPENSES	67.68	.00	67.68
			SECURITY			
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67.68	.00	67.68	TOTAL OPERATING EXPENSE	67.68	.00	67.68
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68,117.84	.00	68,117.84	GENERAL AND MAINTENANCE	876,482.44	.00	876,482.44
9.66	.00	9.66	COMMON AREA MAINTENANCE	620.91	.00	620.91
839.18	.00	839.18	BUILDING SUPPLIES	1,800.28	.00	1,800.28
806.07	.00	806.07	CARPET CLEANING & REPAIR	6,388.22	.00	6,388.22
.00	.00	.00	HOUSEKEEPING SUPPLIES	1,801.74	.00	1,801.74
2,431.23	.00	2,431.23	CUSTODIAL SUPPLIES	3,592.41	.00	3,592.41
.00	.00	.00	GLASS & SCREENS	180.40	.00	180.40
2,684.30	.00	2,684.30	SECURITY SUPPLIES	3,781.20	.00	3,781.20
.00	.00	.00	PLUMBING	1,087.41	.00	1,087.41
.00	.00	.00	(LIGHT BULBS & FIXTURES	668.31	.00	668.31
383.27	.00	383.27	ELECTRICAL	1,497.42	.00	1,497.42
.00	.00	.00	BOILERS	81.18	.00	81.18
138.31	.00	138.31	MAINTENANCE BOILERS & WATER HEAT	297.88	.00	297.88
83.00	.00	83.00	LOCKS & KEYS	688.84	.00	688.84
841.30	.00	841.30	UNIFORMS	8,154.88	.00	8,154.88
3,391.32	.00	3,391.32	PAINT SUPPLIES	3,391.32	.00	3,391.32
.00	.00	.00	APPLIANCES	120.37	.00	120.37
31.00	.00	31.00	EQUIPMENT REPAIR	651.00	.00	651.00
11,782.26	.00	11,782.26	TELEPHONE EQUIP REPAIR	20,889.89	.00	20,889.89
.00	.00	.00	CARPETS & DRAPES	2,351.21	.00	2,351.21
1,278.20	.00	1,278.20	FURNITURE RENTAL	14,480.02	.00	14,480.02
.00	.00	.00	PROM UPGRADE	45.00	.00	45.00
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82,323.38	.00	82,323.38	TOTAL GENERAL AND MAINTENANCE	755,865.42	.00	755,865.42
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394.86	.00	394.86	UTILITIES	3,626.15	.00	3,626.15
			TELEPHONE			

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB D.I.P. APARTMENTS  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CPW888C77  
 SQUARE FEET  
 REV  
 1187000100  
 ACQUISITION DATE

1187000100  
 PAGE  
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DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	652.25	.00	652.25	ELECTRICITY	3,516.83	.00	3,516.83
	1,047.21	.00	1,047.21	TOTAL UTILITIES	7,215.88	.00	7,215.88
	180.24	.00	180.24	OTHER EXPENSES	4,500.71	.00	4,500.71
	78.83	.00	78.83	OFFICE EXPENSE	888.88	.00	888.88
	13.53	.00	13.53	BOTTLED WATER	13.53	.00	13.53
	894.74	.00	894.74	GENERAL OFFICE EXPENSE	1,777.87	.00	1,777.87
	675.80	.00	675.80	POSTAGE & SHIPPING	3,098.06	.00	3,098.06
	101.75	.00	101.75	DATA PROCESSING	62.19	.00	62.19
	1,995.85	.00	1,995.85	PREMIUM	12,336.77	.00	12,336.77
	893.71	.00	893.71	EQUIPMENT LEASE	893.71	.00	893.71
	192.09	.00	192.09	MAINT. AGREEMENT - EQUIP	192.09	.00	192.09
	262.82	.00	262.82	EQUIPMENT MAINT. - EXTERNS	262.82	.00	262.82
	357.57	.00	357.57	AUTO REPAIR	478.27	.00	478.27
	.00	.00	.00	AUTO ALLOWANCE	398.30	.00	398.30
	.00	.00	.00	CREDIT CHRGES	1,073.84	.00	1,073.84
	418.00	.00	418.00	LEGAL - OTHER	2,324.31	.00	2,324.31
	800.00	.00	800.00	LEGAL - UNLAWFUL DISTAINERS	11,228.00	.00	11,228.00
	.00	.00	.00	COMMISSIONS	288.88	.00	288.88
	600.15	.00	600.15	LICENSES, FEES & BOND	200.09	.00	200.09
	.00	.00	.00	DUES & SUBSCRIPTIONS	2,482.88	.00	2,482.88
	419.58	.00	419.58	ADVERTISING	139.88	.00	139.88
	49.82	.00	49.82	EMPLOYEE AIDS	331.38	.00	331.38
	40,525.00	.00	40,525.00	INSURANCE	131,321.80	.00	131,321.80
	1,771.42	.00	1,771.42	REAL ESTATE TAXES	1,771.42	.00	1,771.42
	41.28	.00	41.28	PERSONAL PROPERTY TAX	600.09	.00	600.09
	82,788.88	.00	82,788.88	MISCELLANEOUS	418,814.88	.00	418,814.88
	1,753.08	.00	1,753.08	GROUND LEASE	4,322.88	.00	4,322.88
				DEPRECIATION			
	21,782.87	.00	21,782.87	TOTAL OTHER EXPENSE	887,818.81	.00	887,818.81
	111,488.82	.00	111,488.82	TOTAL EXPENSES BEFORE DEBT SERVICE	1728,848.80	.00	1728,848.80
	103,872.38	.00	103,872.38	NET OPERATING SURPLUS	328,708.83	.00	328,708.83
	.00	.00	.00	DEBT SERVICE	.00	.00	.00
	2,812.88	.00	2,812.88	NON OPERATING INCOME/EXPENSE	11,880.48	.00	11,880.48
				NON OPERATING INCOME/INTEREST			
				NON OPERATING EXPENSES			

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MARINA CITY CLUB C.P. DIP  
MARINA CITY CLUB  
MARINA CITY CLUB B.T.P. APARTMENTS  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
1187000100  
ACQUISITION DATE  
SQUARE FEET

1187  
166  
111

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	VID ACTUAL	VID BUDGET	VID VARIANCE
106,385.34	00	106,385.34	NET SURPLUS AFTER DEBT SERVICE AND NUM OPERATING	348,880.02	.00	348,880.02

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB L.P. - MARINA  
 NO OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. REV  
 1107000110  
 SQUARE FEET ACQUISITION DATE

11/21/78  
 523  
 103

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
380.00	.00	380.00	SCHEDULED RENT	194.39	.00	194.39
144,497.50	.00	144,497.50	APARTMENT RENT	1138,843.17	.00	1138,843.17
			SLIP RENT			
144,847.90	.00	144,847.80	TOTAL SCHEDULED RENT	1138,788.82	.00	1138,788.82
			SALES INCOME			
.00	.00	.00	TOTAL SALES INCOME	.00	.00	.00
			ADDITIONAL INCOME			
.00	.00	.00	ROAD MAINTENANCE INCOME	437.81	.00	437.81
75.00	.00	75.00	OTHER INCOME	735.48	.00	735.48
4,853.00	.00	4,853.00	BAD DEBTS	4,853.00	.00	4,853.00
4,778.00	.00	4,778.00	TOTAL ADDITIONAL INCOME	3,678.71	.00	3,678.71
			HEALTH CLUB REVENUES			
.00	.00	.00	TOTAL HEALTH CLUB REVENUES	.00	.00	.00
140,069.80	.00	140,069.80	TOTAL INCOME	1138,109.11	.00	1138,109.11
			EXPENSES			
			PAYROLL EXPENSE			
110.88	.00	110.88	KEY CONTROL	881.10	.00	881.10
13,824.80	.00	13,824.80	MARINA	73,984.01	.00	73,984.01
3,308.78	.00	3,308.78	CUSTODIAL	19,184.88	.00	19,184.88
838.72	.00	838.72	REPAIRS & MAINTENANCE	5,120.71	.00	5,120.71
23.11	.00	23.11	PAINTERS	872.21	.00	872.21
17,110.84	.00	17,110.84	TOTAL PAYROLL EXPENSE	89,052.71	.00	89,052.71
			OPERATING EXPENSES			
.00	.00	.00	OTHER CONTRACTS	6.66	.00	6.66
.00	.00	.00	TOTAL OPERATING EXPENSE	6.66	.00	6.66
			GENERAL AND MAINTENANCE			

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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB L.P. - MARINA  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO. CPW115EC/F  
SQUARE FEET  
REV 1107000215  
ACQUISITION DATE

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PAGE 2  
508 150  
183

BIC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	3,668.52	00	3,668.52	COMMON AREA MAINTENANCE	64,106.73	.00	64,106.73
	168.18	.00	168.18	BUILDING SUPPLIES	888.43	.00	888.43
	.00	.00	.00	MAINTENANCE & REPAIRS	1,509.35	.00	1,509.35
	.00	.00	.00	BOAT REPAIR & MAINTENANCE	314.25	.00	314.25
	.00	.00	.00	CLEANING	481.11	.00	481.11
	.00	.00	.00	HOUSEKEEPING SUPPLIES	30.27	.00	30.27
	107.17	00	107.17	CUSTODIAL SUPPLIES	883.86	.00	883.86
	.00	.00	.00	LEGIT BUNDS & FORTUNES	38.84	.00	38.84
	.00	.00	.00	ELECTRICAL	189.76	.00	189.76
	.00	.00	.00	UNIFORMS	374.08	.00	374.08
	.00	.00	.00	PAINT SUPPLIES	178.63	.00	178.63
	.00	.00	.00	EQUIPMENT REPAIR	24.88	.00	24.88
	42.00	00	42.00	TELEPHONE EQUIP REPAIR	63.00	.00	63.00
	12,163.80	00	12,163.80	SPECIAL MAINTENANCE	18,183.80	.00	18,183.80
	18,150.38	00	18,150.38	TOTAL GENERAL AND MAINTENANCE	84,870.48	.00	84,870.48
	14,467.88	00	14,467.88	UTILITIES	17,828.82	.00	17,828.82
	14,467.88	00	14,467.88	ELECTRICITY	17,828.82	.00	17,828.82
	.00	.00	.00	TOTAL UTILITIES	17,828.82	.00	17,828.82
	596.52	00	596.52	OTHER EXPENSES	11.30	.00	11.30
	40.00	.00	40.00	OFFICE EXPENSE	596.52	.00	596.52
	.00	.00	.00	POSTAGE & SHIPPING	280.00	.00	280.00
	.00	.00	.00	DATA PROCESSING	30.01	.00	30.01
	3,831.25	00	3,831.25	CREDIT CHECKS	33.47	.00	33.47
	.00	.00	.00	LICENSES, FEES & BOND	28,028.41	.00	28,028.41
	8,318.00	00	8,318.00	INSURANCE	300.80	.00	300.80
	19,789.77	00	19,789.77	NON-ALLOWABLE INS CLAIMS	89,808.00	.00	89,808.00
	63,814.88	00	63,814.88	REAL ESTATE TAXES	89,808.00	.00	89,808.00
	78,884.82	00	78,884.82	TOTAL OTHER EXPENSES	89,808.00	.00	89,808.00
	134.87	00	134.87	TOTAL EXPENSES BEFORE DEBT SERVICE	288,844.48	.00	288,844.48
	.00	.00	.00	NET OPERATING SURPLUS	848,188.88	.00	848,188.88
	.00	.00	.00	DEBT SERVICE	134.87	.00	134.87
	.00	.00	.00	NON OPERATING INCOME/EXPENSE	.00	.00	.00
	.00	.00	.00	NON OPERATING INCOME/INTEREST	.00	.00	.00
	.00	.00	.00	NON OPERATING EXPENSES	.00	.00	.00

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT MARK  
 MARINA CITY CLUB L.P. - MARINA  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. 116700116  
 ACQUISITION DATE

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DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
76,430.19	00	76,430.19	NET SURPLUS AFTER DEBT SERVICE AND NOW OPERATING	848,038.08	.00	848,038.08

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB L.P. - LEASING  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. 1107000256  
 SQUARE FEET  
 ACQUISITION DATE

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DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
398,815.83	.00	398,815.83	SCHEDULED RENT COMMON AREA MAINT INCOME	2648,802.01	.00	2648,802.01
398,815.83	.00	398,815.83	TOTAL SCHEDULED RENT	2648,802.01	.00	2648,802.01
.00	.00	.00	SALES INCOME	.00	.00	.00
.00	.00	.00	TOTAL SALES INCOME	.00	.00	.00
546.81	.00	546.81	ADDITIONAL INCOME	7,915.31	.00	7,915.31
3,761.88	.00	3,761.88	LAUNDRY FEE	8,128.08	.00	8,128.08
15.00	.00	15.00	LATE FEE	389.48	.00	389.48
3,823.78	.00	3,823.78	OTHER INCOME	15,836.88	.00	15,836.88
.00	.00	.00	TOTAL ADDITIONAL INCOME	15,836.88	.00	15,836.88
.00	.00	.00	HEALTH CLUB REVENUES	.00	.00	.00
.00	.00	.00	TOTAL HEALTH CLUB REVENUES	.00	.00	.00
302,738.62	.00	302,738.62	TOTAL INCOME	2863,740.89	.00	2863,740.89
			EXPENSES			
17,925.16	.00	17,925.16	PAYROLL EXPENSE	102,285.00	.00	102,285.00
8,340.84	.00	8,340.84	EXECUTIVE OFFICE	40,678.47	.00	40,678.47
2,800.28	.00	2,800.28	SALARY-RESIDENT SERVICES	15,097.05	.00	15,097.05
3,388.38	.00	3,388.38	COMMUNICATIONS	19,703.00	.00	19,703.00
2,386.72	.00	2,386.72	SHIPPING & RECEIVING	12,283.34	.00	12,283.34
8,387.31	.00	8,387.31	NEV CONTROL	38,811.87	.00	38,811.87
8,814.22	.00	8,814.22	SALARY - LANDSCAPE	46,880.12	.00	46,880.12
48,008.37	.00	48,008.37	GROUNDS MAINTENANCE	247,337.32	.00	247,337.32
899.13	.00	899.13	CUSTODIAL	1,789.33	.00	1,789.33
48,804.88	.00	48,804.88	SALARY-API PREP	272,288.47	.00	272,288.47
11,122.46	.00	11,122.46	REPAIRS & MAINTENANCE	46,821.81	.00	46,821.81
.00	.00	.00	PAINTERS	1,183.19	.00	1,183.19
1,160.53	.00	1,160.53	TEMPORARY PERSONNEL	1,248.27	.00	1,248.27
278.00	.00	278.00	EMPLOYEE RELATIONS	2,391.80	.00	2,391.80
			EMPLOYEE PARKING			
58,584.96	.00	58,584.96	TOTAL PAYROLL EXPENSE	840,051.71	.00	840,051.71



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MARINA CITY CLUB L.P. DIP  
DEVELOPMENT NAME  
MARINA CITY CLUB L.P. LEASING  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM005MC77  
SQUARE FEET  
KEY  
1117000195  
ACQUISITION DATE

11/25/89  
PAGE  
3  
350 No  
109

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
9.39	.00	9.39	OPERATING EXPENSES	9.39	.00	9.39
1,348.78	.00	1,348.78	LANDSCAPING	5,208.51	.00	5,208.51
8,304.30	.00	8,304.30	LANDSCAPE EXTRAS	68,409.06	.00	68,409.06
45,447.91	.00	45,447.91	ELEVATOR EXPENSE	379,487.08	.00	379,487.08
.00	.00	.00	SECURITY	894.93	.00	894.93
12,063.26	.00	12,063.26	CLOSED CIRCUIT T.V.	13,746.88	.00	13,746.88
.00	.00	.00	VASEL PARKERS	6,800.00	.00	6,800.00
400.00	.00	400.00	WINDOW CLEANING	3,020.00	.00	3,020.00
3,828.88	.00	3,828.88	PEST CONTROL	19,394.89	.00	19,394.89
1,012.14	.00	1,012.14	WASH SERVICE	3,371.11	.00	3,371.11
887.40	.00	887.40	WATER TREATMENT	848.80	.00	848.80
			OTHER CONTRACTS			
71,310.18	.00	71,310.18	TOTAL OPERATING EXPENSE	388,839.85	.00	388,839.85
4,268.34	.00	4,268.34	GENERAL AND MAINTENANCE	8,191.80	.00	8,191.80
3,369.71	.00	3,369.71	BUILDING SUPPLIES	9,880.08	.00	9,880.08
873.84	.00	873.84	MAINTENANCE & REPAIRS	822.09	.00	822.09
.00	.00	.00	CLEANING	1,326.81	.00	1,326.81
.00	.00	.00	CARPET CLEANING & REPAIR	189.38	.00	189.38
1,064.45	.00	1,064.45	HOUSEKEEPING SUPPLIES	10,467.70	.00	10,467.70
.00	.00	.00	CUSTODIAL SUPPLIES	384.00	.00	384.00
702.30	.00	702.30	GLASS & SCREENS	2,822.39	.00	2,822.39
8,812.03	.00	8,812.03	ELEVATOR-EXTRAS	11,823.88	.00	11,823.88
150.00	.00	150.00	FIRE PREVENTION	841.32	.00	841.32
788.18	.00	788.18	SECURITY SUPPLIES	4,813.00	.00	4,813.00
1,027.30	.00	1,027.30	PLUMBING	6,116.88	.00	6,116.88
824.08	.00	824.08	LIGHT BULBS & FIXTURES	3,739.88	.00	3,739.88
1,426.72	.00	1,426.72	ELECTRICAL	4,181.88	.00	4,181.88
3,874.89	.00	3,874.89	AIR-CONDITIONING & HEATING	3,123.48	.00	3,123.48
428.67	.00	428.67	AIR COND CHILLERS SERVICE	1,301.78	.00	1,301.78
1,832.15	.00	1,832.15	BOILERS	1,898.89	.00	1,898.89
.00	.00	.00	MAINTENANCE-BOILERS & WATER HEAT	28.88	.00	28.88
.00	.00	.00	GATE MAINTENANCE	1,881.39	.00	1,881.39
358.89	.00	358.89	LOCKS & KEYS	1,892.34	.00	1,892.34
843.84	.00	843.84	UNIFORMS	1,810.38	.00	1,810.38
10.84	.00	10.84	PAINT SUPPLIES	10.84	.00	10.84
424.18	.00	424.18	APPLIANCES	3,032.31	.00	3,032.31
1,039.80	.00	1,039.80	EQUIPMENT REPAIR	3,163.64	.00	3,163.64
3,800.00	.00	3,800.00	TELEPHONE EQUIP REPAIR	8,344.04	.00	8,344.04
.00	.00	.00	SPECIAL MAINTENANCE	60.88	.00	60.88
100.00	.00	100.00	ROOFING	3,424.48	.00	3,424.48
			CARPETS & DRAPES			
38,178.28	.00	38,178.28	TOTAL GENERAL AND MAINTENANCE	86,154.01	.00	86,154.01
			UTILITIES			

11/11/89

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 15

MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB D.F.P. LEASING CO  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CPMS/SEC//  
 SQUARE FEET  
 REV  
 1157000110  
 ACQUISITION DATE

11/31/01  
 PAGE  
 109

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
1,605.14	00	1,605.14	TELEPHONE	12,787.12	00	12,787.12
29,440.49	00	29,440.49	ELECTRICITY	319,832.80	00	319,832.80
40,798.81	00	40,798.81	GAS	22,594.88	00	22,594.88
12,341.79	00	12,341.79	WATER	28,841.02	00	28,841.02
00	00	00	SEWER	47.03	00	47.03
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84,266.15	00	84,266.15	TOTAL UTILITIES	449,108.58	00	449,108.58
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4,443.87	00	4,443.87	OTHER EXPENSES			
21.37	00	21.37	OFFICE EXPENSE	13,502.14	00	13,502.14
23.53	00	23.53	BOTTLED WATER	1,769.95	00	1,769.95
1,151.47	00	1,151.47	GENERAL OFFICE EXPENSE	40.00	00	40.00
1,258.83	00	1,258.83	POSTAGE & SHIPPING	9,323.60	00	9,323.60
498.25	00	498.25	DATA PROCESSING	8,988.18	00	8,988.18
1,741.40	00	1,741.40	PRINTING	188.35	00	188.35
433.71	00	433.71	EQUIPMENT LEASE	27,764.32	00	27,764.32
463.78	00	463.78	MAINT AGREEMENT - EQUIP	2,681.12	00	2,681.12
262.82	00	262.82	EQUIPMENT MAINT - OTHERS	876.28	00	876.28
116.07	00	116.07	AUTO REPAIR	809.75	00	809.75
00	00	00	AUTO ALLOWANCE	1,437.78	00	1,437.78
4,000.00	00	4,000.00	CREDIT CHKS	530.68	00	530.68
10,648.33	00	10,648.33	PROFESSIONAL FEES	4,000.00	00	4,000.00
00	00	00	LEGAL - OTHER	19,031.09	00	19,031.09
340.00	00	340.00	LEGAL - LEASING AGREEMENTS	294.84	00	294.84
800.18	00	800.18	LICENSES, FEES & BOND	4,203.28	00	4,203.28
418.58	00	418.58	CLUB & SUBSCRIPTIONS	800.19	00	800.19
28,743.85	00	28,743.85	EMPLOYEE ADDS	418.88	00	418.88
00	00	00	INSURANCE	180,131.22	00	180,131.22
1,424.00	00	1,424.00	NON-ALLOWABLE INS CLAIMS	1,490.03	00	1,490.03
1,411.14	00	1,411.14	REAL ESTATE TAXES	00	00	00
4,788.18	00	4,788.18	PERSONAL PROPERTY TAX	9,314.26	00	9,314.26
19,842.10	00	19,842.10	MISCELLANEOUS	8,181.20	00	8,181.20
13.78	00	13.78	MANAGEMENT FEE	70,032.10	00	70,032.10
88,741.76	00	88,741.76	GRAND LEASE	1,638.33	00	1,638.33
<hr/>			REPLACEMENT RESERVES	294,269.08	00	294,269.08
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129,728.44	00	129,728.44	TOTAL OTHER EXPENSE	872,001.38	00	872,001.38
468,868.01	00	468,868.01	TOTAL EXPENSES BEFORE DEBT SERVICE	2448,299.54	00	2448,299.54
167,228.39	00	167,228.39	NET OPERATING SURPLUS	217,485.35	00	217,485.35
883.75	00	883.75	DEBT SERVICE	883.75	00	883.75
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217,244.64	00	217,244.64	NON OPERATING INCOME/EXPENSE			
217,244.64	00	217,244.64	NON OPERATING INCOME/INTEREST			

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 110  
 110

MARINA CITY CLUB L.P. DIP  
 MARINA CITY CLUB  
 MARINA CITY CLUB D.I.P. LEASING  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. 1107000190  
 EPW/MS/VC/V  
 SQUARE FEET

1107  
 110  
 110

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	COMMITTED FROM PREVIOUS PAGE NON OPERATING EXPENSES	VID ACTUAL	VID BUDGET	VID VARIANCE
9,197.08	.00	9,197.08	NET NON OPERATING INCOME/EXPENSES	26,388.67	.00	26,388.67
198,819.06	.00	198,819.06	NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING	242,880.32	.00	242,880.32

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MARINA CITY CLUB L.P. DIP  
 DEVELOPING NAME  
 MARINA CITY CLUB - NEW HEALTH CLUB  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CPW038C/7  
 SQUARE FEET  
 REV  
 1107000380  
 ACQUISITION DATE

11731703  
 PAGE  
 3  
 103

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
88,078.82	.00	88,078.82	SCHEDULED RENT COMMON AREA MAINT INCOME	88,078.82	.00	88,078.82
86,078.82	.00	86,078.82	TOTAL SCHEDULED RENT	86,078.82	.00	86,078.82
.00	.00	.00	SALES INCOME	.00	.00	.00
10.00	.00	10.00	TOTAL SALES INCOME	10.00	.00	10.00
10.00	.00	10.00	ADDITIONAL INCOME OTHER INCOME	10.00	.00	10.00
.00	.00	.00	TOTAL ADDITIONAL INCOME	.00	.00	.00
37,798.88	.00	37,798.88	HEALTH CLUB REVENUES INITIATION FEES	198,024.73	.00	198,024.73
5,888.00	.00	5,888.00	MEMBERSHIP DUES	10,850.00	.00	10,850.00
.00	.00	.00	OTHER HEALTH CLUB REVENUES	.00	.00	.00
43,687.88	.00	43,687.88	TOTAL HEALTH CLUB REVENUES	188,874.73	.00	188,874.73
88,787.70	.00	88,787.70	TOTAL INCOME	325,864.68	.00	325,864.68
			EXPENSES			
21,650.88	.00	21,650.88	PAYROLL EXPENSE	88,578.37	.00	88,578.37
18,883.46	.00	18,883.46	CLUB MANAGEMENT	84,202.45	.00	84,202.45
15,884.84	.00	15,884.84	CLUB FITNESS STAFF	15,888.84	.00	15,888.84
808.28	.00	808.28	CLUB TENNIS STAFF	1,078.22	.00	1,078.22
8,174.78	.00	8,174.78	CLUB POOL STAFF	8,888.45	.00	8,888.45
49.48	.00	49.48	CLUB OTHER PROFESSIONAL STAFF	218.42	.00	218.42
1,333.47	.00	1,333.47	KEY CONTROL	8,481.91	.00	8,481.91
8,213.88	.00	8,213.88	GROUPS MAINTENANCE	37,283.82	.00	37,283.82
1.48	.00	1.48	CUSTODIAL	36.58	.00	36.58
2,816.88	.00	2,816.88	SALARY APT PROP	18,008.01	.00	18,008.01
18.68	.00	18.68	REPAIRS & MAINTENANCE	487.51	.00	487.51
2,172.00	.00	2,172.00	PAINTERS	5,848.00	.00	5,848.00
700.00	.00	700.00	TEMPORARY PERSONNEL	700.00	.00	700.00
			EMPLOYEE RELATIONS			
81,878.88	.00	81,878.88	TOTAL PAYROLL EXPENSE	318,158.43	.00	318,158.43

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB - NEW HEALTH CLUB  
 NO. OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CFMS/SEC/1  
 SQUARE FEET  
 REV  
 1107000785  
 ACQUISITION DATE

11/21/78  
 528  
 183

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	VID ACTUAL	VID BUDGET	VID VARIANCE
.00	.00	.00	OPERATING EXPENSES	100.00	.00	100.00-
.00	.00	.00	POOL EXPENSE	146.58	.00	146.58-
18,833.45	.00	18,833.45-	OTHER CONTRACTS	28,184.84	.00	28,184.84-
			CLUB FACILITY SUPPLIES			
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18,833.45	.00	18,833.45-	TOTAL OPERATING EXPENSE	27,001.22	.00	27,001.22-
			GENERAL AND MAINTENANCE			
14,593.00	.00	14,593.00-	COMMON AREA MAINTENANCE	144,234.00	.00	144,234.00-
31.17	.00	31.17-	BUILDING SUPPLIES	398.04	.00	398.04-
.00	.00	.00	MAINTENANCE & REPAIRS	850.00	.00	850.00-
.00	.00	.00	CUSTODIAL SUPPLIES	848.88	.00	848.88-
.00	.00	.00	GLASS & SCREENS	84.10	.00	84.10-
505.00	.00	505.00-	SECURITY SUPPLIES	879.00	.00	879.00-
150.00	.00	150.00-	PLUMBING	304.48	.00	304.48-
.00	.00	.00	LIGHT BULBS & FIXTURES	340.89	.00	340.89-
.00	.00	.00	UNIFORMS	613.25	.00	613.25-
480.34	.00	480.34-	EQUIPMENT REPAIR	480.34	.00	480.34-
1,360.50	.00	1,360.50-	TELEPHONE EQUIP REPAIR	1,180.50	.00	1,180.50-
.00	.00	.00	SPECIAL MAINTENANCE	120.00	.00	120.00-
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17,130.01	.00	17,130.01-	TOTAL GENERAL AND MAINTENANCE	151,450.88	.00	151,450.88-
			UTILITIES			
318.86	.00	318.86-	TELEPHONE	1,038.83	.00	1,038.83-
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318.86	.00	318.86-	TOTAL UTILITIES	1,038.83	.00	1,038.83-
			OTHER EXPENSES			
2,680.39	.00	2,680.39-	OFFICE EXPENSE	8,288.08	.00	8,288.08-
.00	.00	.00	GENERAL OFFICE EXPENSE	229.00	.00	229.00-
817.77	.00	817.77-	POSTAGE & SHIPPING	1,053.43	.00	1,053.43-
.00	.00	.00	DATA PROCESSING	1,315.88	.00	1,315.88-
177.83	.00	177.83-	PRINTING	860.13	.00	860.13-
2,150.03	.00	2,150.03-	EQUIPMENT LEASE	6,068.59	.00	6,068.59-
442.00	.00	442.00-	EQUIPMENT MAINT - EXTRAS	818.88	.00	818.88-
.00	.00	.00	AUTO ALLOWANCE	20.00	.00	20.00-
2,058.00	.00	2,058.00-	LICENSES, FEES & BOND	8,480.00	.00	8,480.00-
351.32	.00	351.32-	PUBLIC RELATIONS & PROMO	1,326.17	.00	1,326.17-
4,768.18	.00	4,768.18-	ADVERTISING	8,984.83	.00	8,984.83-
13.92	.00	13.92-	EMPLOYEE AIDS	293.64	.00	293.64-
848.84	.00	848.84-	INSURANCE	8,243.28	.00	8,243.28-
1,731.00	.00	1,731.00-	REAL ESTATE TAXES	26,850.00	.00	26,850.00-
378.80	.00	378.80-	MISCELLANEOUS	1,888.34	.00	1,888.34-
2,444.15	.00	2,444.15-	GROUND LEASE	1,503.26	.00	1,503.26-

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MARINA CITY CLUB L.P. DIP  
(DEVELOPMENT) NAME  
MARINA CITY CLUB - NEW REAL III CLUB  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
REV 118700180  
SQUARE FEET  
ACQUISITION DATE

DEC	ACTUAL	DEC	BUDGET	DEC.	VARIANCE	CONTINUED FROM PREVIOUS PAGE	VID	ACTUAL	VID	BUDGET	VID
	25,472 30		.00	25,472 30		TOTAL OTHER EXPENSE		11,229 83		.00	
	120,034 97		.00	120,034 97		TOTAL EXPENSES BEFORE DEBT SERVICE		468,929 88		.00	
	20,247 19		.00	20,247 19		NET OPERATING SURPLUS		242,861 34		.00	34
	29 84		.00	29 84		DEBT SERVICE		29 84		.00	
			.00			NON OPERATING INCOME/EXPENSE				.00	
			.00			NON OPERATING INCOME/INTEREST				.00	
						NON OPERATING EXPENSES					
	20,277.03		.00	20,277.03		NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING		242,891.18		.00	241

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB L.P. CONSOL.  
 NO OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. EP0858C71  
 SQUARE 1881  
 REV 1187000165  
 ACQUISITION DATE

DATE 12/31/83  
 PAGE 3  
 SIGN NO. 188

DEC ACTUAL	DEC BUDGET	DEC VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
328,622.50	.00	328,622.50	SCHEDULED RENT	1167,393.07	.00	1167,393.07
144,457.50	.00	144,457.50	APARTMENT RENT	1139,943.17	.00	1139,943.17
32,245.07	.00	32,245.07	SLIP RENT	125,869.00	.00	125,869.00
354,895.75	.00	354,895.75	RETAIL SPACE	2109,881.93	.00	2109,881.93
			COMMON AREA MAINT INCOME			
709,830.68	.00	709,830.68	TOTAL SCHEDULED RENT	5139,084.07	.00	5139,084.07
			SALES INCOME			
.00	.00	.00	TOTAL SALES INCOME	.00	.00	.00
			ADDITIONAL INCOME			
40.00	.00	40.00	LOCKER RENTALS	40.00	.00	40.00
13,648.65	.00	13,648.65	MAID SERVICE	105,334.85	.00	105,334.85
7,590.25	.00	7,590.25	UNIT MAINTENANCE	88,898.78	.00	88,898.78
.00	.00	.00	PARKING FEE	586.45	.00	586.45
.00	.00	.00	VALET SERVICE	3,380.08	.00	3,380.08
546.91	.00	546.91	LAUNDRY FEE	7,915.31	.00	7,915.31
.00	.00	.00	BOAT MAINTENANCE INCOME	437.01	.00	437.01
68.41	.00	68.41	TELEPHONE COMMISSION	548.33	.00	548.33
3,489.88	.00	3,489.88	LATE FEE	7,274.10	.00	7,274.10
4,441.50	.00	4,441.50	OTHER INCOME	46,188.98	.00	46,188.98
17,814.23	.00	17,814.23	BAD DEBTS	23,877.00	.00	23,877.00
12,187.37	.00	12,187.37	TOTAL ADDITIONAL INCOME	207,625.87	.00	207,625.87
			HEALTH CLUB REVENUES			
.00	.00	.00	INITIATION FEES	.00	.00	.00
37,799.88	.00	37,799.88	MEMBERSHIP DUES	159,024.73	.00	159,024.73
8,888.00	.00	8,888.00	OTHER HEALTH CLUB REVENUES	10,850.00	.00	10,850.00
43,897.88	.00	43,897.88	TOTAL HEALTH CLUB REVENUES	169,874.73	.00	169,874.73
781,718.81	.00	781,718.81	TOTAL INCOME	6118,984.87	.00	6118,984.87
			EXPENSES			
			PAYROLL EXPENSE	195,668.71	.00	195,668.71
30,142.15	.00	30,142.15	EXECUTIVE OFFICE	40,183.07	.00	40,183.07
3,274.71	.00	3,274.71	ACCOUNTING			

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB B.I.P. CONSOL.  
 NO OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CPMSSEC/V  
 SQUARE FEET  
 REV  
 1187000289  
 ACQUISITION DATE

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DEC ACTUAL	DEC BUDGET	DEC VARIANCE	CONTINUED FROM PREVIOUS PAGE	VID ACTUAL	VID BUDGET	VID VARIANCE
21,650.88	00	21,650.88	CLUB MANAGEMENT	59,978.37	.00	59,978.37
833.88	.00	833.88	LEASING	19,894.39	.00	19,894.39
19,893.46	.00	19,893.46	CLUB FITNESS STAFF	64,302.40	.00	64,302.40
18,698.84	.00	18,698.84	CLUB TRIMMIS STAFF	18,698.84	.00	18,698.84
506.26	.00	506.26	CLUB POOL STAFF	1,678.32	.00	1,678.32
8,174.76	.00	8,174.76	CLUB OTHER PROFESSIONAL STAFF	8,888.48	.00	8,888.48
6,120.22	.00	6,120.22	SALARY RESIDENT SERVICES	46,291.48	.00	46,291.48
4,188.83	.00	4,188.83	COMMUNICATIONS	22,300.32	.00	22,300.32
4,914.12	.00	4,914.12	SHIPPING & RECEIVING	26,413.72	.00	26,413.72
2,856.12	.00	2,856.12	PEST CONTROL	19,802.81	.00	19,802.81
12,824.80	.00	12,824.80	MARINA	73,984.01	.00	73,984.01
8,357.91	.00	8,357.91	SALARY - LANDSCAPE	33,911.81	.00	33,911.81
11,247.69	.00	11,247.69	GROUNDS MAINTENANCE	55,172.04	.00	55,172.04
68,040.37	.00	68,040.37	CUSTODIAL	331,888.84	.00	331,888.84
2,728.82	.00	2,728.82	SALARY-APT PREP	7,854.22	.00	7,854.22
19,327.80	.00	19,327.80	HOUSEKEEPING	89,812.80	.00	89,812.80
64,049.26	.00	64,049.26	REPAIRS & MAINTENANCE	345,737.84	.00	345,737.84
28.28	.00	28.28	PAYROLL-OTHER	627.83	.00	627.83
11,278.48	.00	11,278.48	PAINTERS	85,586.23	.00	85,586.23
2,172.00	.00	2,172.00	TEMPORARY PERSONNEL	7,238.24	.00	7,238.24
13,510.21	.00	13,510.21	EMPLOYER PAYROLL TAXES	114,155.88	.00	114,155.88
2,278.86	.00	2,278.86	EMPLOYEE RELATIONS	2,281.78	.00	2,281.78
278.00	.00	278.00	EMPLOYEE PARKING	2,351.80	.00	2,351.80
13,400.00	.00	13,400.00	WORKMANS COMPENSATION	88,602.72	.00	88,602.72
21,304.83	.00	21,304.83	GROUP INSURANCE	162,740.33	.00	162,740.33
2,024.80	.00	2,024.80	PENSION	17,720.20	.00	17,720.20
113,703.69	.00	113,703.69	P/R RELATED COST ALLOC	380,418.33	.00	380,418.33
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234,168.81	.00	234,168.81	TOTAL PAYROLL EXPENSE	1889,813.20	.00	1889,813.20
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5.28	.00	5.28	OPERATING EXPENSES	9.28	.00	9.28
1,248.78	.00	1,248.78	LANDSCAPING	8,208.81	.00	8,208.81
8,204.20	.00	8,204.20	LANDSCAPE - OTHERS	66,808.08	.00	66,808.08
48,818.88	.00	48,818.88	ELEVATOR EXPENSE	278,884.74	.00	278,884.74
.00	.00	.00	SECURITY	854.12	.00	854.12
12,063.28	.00	12,063.28	CLOSED CIRCUIT T.V.	12,748.88	.00	12,748.88
.00	.00	.00	VALET PARKERS	6,800.00	.00	6,800.00
400.00	.00	400.00	WINDOW CLEANING	9,020.00	.00	9,020.00
2,526.98	.00	2,526.98	PEST CONTROL	19,384.88	.00	19,384.88
1,012.14	.00	1,012.14	TRASH SERVICE	2,371.11	.00	2,371.11
.00	.00	.00	WATER TREATMENT	700.00	.00	700.00
687.40	.00	687.40	POOL EXPENSE	383.26	.00	383.26
15,533.45	.00	15,533.45	OTHER CONTRACTS	26,194.64	.00	26,194.64
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86,811.31	.00	86,811.31	TOTAL OPERATING EXPENSE	416,013.41	.00	416,013.41

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MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB & I.P. CONSOL.  
 NO OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. CPMS55277  
 SQUARE FEET  
 REV 1157000185  
 ACQUISITION DATE

DATE 11/28/85  
 FAX#  
 SEC NO. 182

DEC ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
165,373.03	00	165,373.03-	GENERAL AND MAINTENANCE	861,017.04	.00	861,017.04-
4,415.36	00	4,415.36	COMMON AREA MAINTENANCE	9,670.77	00	9,670.77-
3,369.71	00	3,369.71-	BUILDING SUPPLIES	8,238.43	.00	8,238.43-
00	00	00	MAINTENANCE & REPAIRS	314.25	.00	314.25-
873.54	00	873.54	QUARTER REPAIR & MAINTENANCE	1,308.30	.00	1,308.30-
839.15	00	839.15	CLEANING	2,817.04	.00	2,817.04-
808.07	00	808.07-	CARPET CLEANING & REPAIR	8,618.89	.00	8,618.89-
1,171.62	.00	1,171.62-	INDUSTRIAL SUPPLIES	14,192.28	00	14,192.28-
2,431.23	.00	2,431.23-	CUSTODIAL SUPPLIES	4,050.81	.00	4,050.81-
702.30	.00	702.30-	GLASS & SCREENS	2,822.35	.00	2,822.35-
8,812.03	00	8,812.03-	ELEVATOR ENTRAS	11,822.82	.00	11,822.82-
655.00	00	655.00-	FIRE PREVENTION	2,002.72	.00	2,002.72-
3,830.49	.00	3,830.49-	SECURITY SUPPLIES	8,007.68	.00	8,007.68-
1,027.30	00	1,027.30-	PLUMBING	7,550.80	.00	7,550.80-
824.05	00	824.05-	LIGHT BULBS & FIXTURES	4,882.83	.00	4,882.83-
1,426.72	00	1,426.72-	ELECTRICAL	4,161.55	.00	4,161.55-
2,874.85	00	2,874.85-	AIR-CONDITIONING & HEATING	3,122.48	.00	3,122.48-
821.84	00	821.84-	AIR COND CHILLERS SERVICE	2,199.21	.00	2,199.21-
1,822.19	00	1,822.19-	BOILERS	1,640.19	.00	1,640.19-
00	00	00	MAINTENANCE-BOILERS & WATER HEAT	28.89	00	28.89-
138.21	00	138.21-	GATE MAINTENANCE	2,178.08	.00	2,178.08-
452.88	00	452.88-	LOCKS & KEYS	3,369.61	.00	3,369.61-
1,184.84	00	1,184.84-	UNIFORMS	14,143.88	.00	14,143.88-
3,402.16	00	3,402.16-	PAINT SUPPLIES	3,402.16	.00	3,402.16-
814.83	00	814.83-	APPLIANCES	3,888.48	.00	3,888.48-
3,463.00	00	3,463.00-	EQUIPMENT REPAIR	7,658.14	.00	7,658.14-
14,763.80	00	14,763.80-	TELEPHONE EQUIP REPAIR	22,227.84	.00	22,227.84-
00	00	00	SPECIAL MAINTENANCE	80.88	00	80.88-
11,052.78	.00	11,052.78-	ROOFING	39,100.00	.00	39,100.00-
00	00	00	CARPETS & DRAPES	2,351.22	.00	2,351.22-
1,278.20	00	1,278.20-	FURNITURE RENTAL	14,480.01	.00	14,480.01-
00	00	00	PHON UPGRADE	49.00	.00	49.00-
00	00	00	BATHROOM REFURNISHMENT			
234,178.83	00	234,178.83-	TOTAL GENERAL AND MAINTENANCE	1169,238.04	.00	1169,238.04-
2,399.66	00	2,399.66-	UTILITIES	17,462.70	00	17,462.70-
44,860.28	00	44,860.28-	TELEPHONE	398,238.39	.00	398,238.39-
40,788.81	00	40,788.81-	ELECTRICITY	22,394.88	.00	22,394.88-
12,241.18	00	12,241.18-	GAS	28,841.01	.00	28,841.01-
00	00	00	WATER	47.03	.00	47.03-
00	00	00	SEWER			
100,100.51	00	100,100.51-	TOTAL UTILITIES	415,187.92	00	415,187.92-
			OTHER EXPENSES			

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DEVELOPMENT NAME  
 MARINA CITY CLUB L.P. DIP  
 MARINA CITY CLUB O.P.P. CONSOL.  
 NO. OF UNITS

PROPERTY NAME  
**FINANCIAL STATEMENT**  
 REPORT NO.  
 CPND55C77  
 SQUARE FEET  
 1187000285  
 ACQUISITION DATE

DATE  
 11/31/83  
 PAGE  
 8  
 1187  
 183

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	7,914.30	.00	7,914.30	OFFICE EXPENSE	24,313.21	.00	24,313.21
	87.00	.00	87.00	BOTTLED WATER	2,380.04	.00	2,380.04
	.00	.00	.00	GENERAL OFFICE EXPENSE	279.13	.00	279.13
	3,260.80	.00	3,260.80	POSTAGE & SHIPPING	6,761.43	.00	6,761.43
	2,011.73	.00	2,011.73	DATA PROCESSING	14,260.09	.00	14,260.09
	177.83	.00	177.83	PRINTING	1,211.27	.00	1,211.27
	2,404.48	.00	2,404.48	EQUIPMENT LEASE	21,498.14	.00	21,498.14
	460.00	.00	460.00	MAINT AGREEMENT - EQUIP	2,274.64	.00	2,274.64
	1,097.84	.00	1,097.84	EQUIPMENT MAINT - EXTRAS	1,286.89	.00	1,286.89
	.00	.00	.00	AUTO REPAIR	1,078.87	.00	1,078.87
	473.64	.00	473.64	AUTO ALLOWANCE	1,237.06	.00	1,237.06
	.00	.00	.00	CREDIT CHECKS	861.82	.00	861.82
	11,520.00	.00	11,520.00	PROFESSIONAL FEES	11,520.00	.00	11,520.00
	11,883.83	.00	11,883.83	LEGAL - OTHER	22,730.88	.00	22,730.88
	416.00	.00	416.00	LEGAL - UNLAWFUL DETAINERS	2,069.47	.00	2,069.47
	800.00	.00	800.00	COMMISSIONS	11,228.00	.00	11,228.00
	2,389.00	.00	2,389.00	LICENSES, FEES & BOND	11,112.22	.00	11,112.22
	.00	.00	.00	DUPL & SUBSCRIPTIONS	800.40	.00	800.40
	351.22	.00	351.22	PUBLIC RELATIONS & PROMO	1,226.17	.00	1,226.17
	4,768.18	.00	4,768.18	ADVERTISING	2,222.28	.00	2,222.28
	13.92	.00	13.92	EMPLOYEE ADDS	893.08	.00	893.08
	31,459.86	.00	31,459.86	INSURANCE	229,812.84	.00	229,812.84
	.00	.00	.00	NON-ALLOWABLE INS CLAIMS	1,650.03	.00	1,650.03
	26,833.80	.00	26,833.80	REAL ESTATE TAXES	211,448.89	.00	211,448.89
	3,182.56	.00	3,182.56	PERSONAL PROPERTY TAX	7,085.88	.00	7,085.88
	8,108.38	.00	8,108.38	MISCELLANEOUS	10,248.88	.00	10,248.88
	19,842.10	.00	19,842.10	MANAGEMENT FEE	78,022.10	.00	78,022.10
	8,088.12	.00	8,088.12	LOAN FEE	89,027.00	.00	89,027.00
	55,213.50	.00	55,213.50	GROUND LEASE	425,753.59	.00	425,753.59
	88,741.76	.00	88,741.76	REPLACEMENT RESERVES	284,288.08	.00	284,288.08
	94,787.61	.00	94,787.61	DEPRECIATION	703,697.70	.00	703,697.70
	287,107.04	.00	287,107.04	TOTAL OTHER EXPENSE	2175,268.18	.00	2175,268.18
	892,342.00	.00	892,342.00	TOTAL EXPENSES BEFORE DEBT SERVICE	8783,817.73	.00	8783,817.73
	180,848.09	.00	180,848.09	NET OPERATING SURPLUS	332,867.14	.00	332,867.14
	282,897.14	.00	282,897.14	DEBT SERVICE	2195,262.43	.00	2195,262.43
	12,143.26	.00	12,143.26	NON OPERATING INCOME/EXPENSE	40,494.81	.00	40,494.81
	.00	.00	.00	NON OPERATING INCOME/INTEREST	49,874.88	.00	49,874.88
	8,000.00	.00	8,000.00	NON OPERATING EXPENSES	12,500.00	.00	12,500.00
				RECEIVERS COSTS			
				TRUSTEE FEES			

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PROJECT NO. 1187  
 MARINA CITY CLUB L.P. DIP  
 DEVELOPMENT NAME  
 MARINA CITY CLUB D.I.P. CONSOL.  
 NO. OF UNITS

REPORT NAME  
 FINANCIAL STATEMENT  
 REPORT NO.  
 CPMB050C/7  
 SQUARE FEET  
 REV  
 1187000189  
 ACQUISITION DATE

DATE  
 11/21/89  
 PAGE  
 1  
 SHEET NO.  
 189

DEC. ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
150,471.70	.00	150,471.70	PROFESSIONAL FEES	150,471.70	.00	150,471.70
188,471.70	.00	188,471.70	TOTAL NON OPERATING EXPENSES	212,848.00	.00	212,848.00
143,328.34	.00	143,328.34	NET NON OPERATING INCOME/EXPENSES	172,091.17	.00	172,091.17
626,671.61	.00	626,671.61	NET SURPLUS AFTER DEBT SERVICE AND NON OPERATING	2034,447.06	.00	2034,447.06

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OWNER MANAGEMENT CO  
DEVELOPMENT NAME  
MARINA CITY CLUB - APARTMENTS  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
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SQUARE FEET  
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ACQUISITION DATE

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PAGE  
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DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	INCOME	VTD ACTUAL	VTD BUDGET	VTD VARIANCE
	268,409.22	00	268,409.22	SCHEDULED RENT	3333,348.21	.00	3333,348.21
	33,521.00	00	33,521.00	APARTMENT RENT	282,422.86	00	282,422.86
				RETAIL SPACE			
	291,930.22	00	291,930.22	TOTAL SCHEDULED RENT	3615,771.07	.00	3615,771.07
				SALES INCOME			
	00	00	00	TOTAL SALES INCOME	00	00	00
	12,296.70	00	12,296.70	ADDITIONAL INCOME	190,772.80	.00	190,772.80
	10,080.41	00	10,080.41	MAID SERVICE	73,125.33	00	73,125.33
	80.00	00	80.00	UNIT MAINTENANCE	1,883.00	.00	1,883.00
	6,034.85	00	6,034.85	PARKING FEE	83,391.80	00	83,391.80
	77.85	00	77.85	VALET SERVICE	1,128.03	.00	1,128.03
	1,041.07	00	1,041.07	TELEPHONE COMMISSION	12,045.49	00	12,045.49
	408.00	00	408.00	DISCOUNT VALET SERVICE	2,217.00	.00	2,217.00
	7,365.72	00	7,365.72	LATE FEE	122,338.42	00	122,338.42
	1,202.88	00	1,202.88	OTHER INCOME	2,842.88	.00	2,842.88
	11,428.88	00	11,428.88	BAD DEBTS	14,573.74	.00	14,573.74
				INTEREST INCOME			
	47,620.80	00	47,620.80	TOTAL ADDITIONAL INCOME	497,632.72	.00	497,632.72
				GRUIC SIMP INCOME			
	00	00	00	NET GRUO SIMP INCOME	00	00	00
	339,551.02	00	339,551.02	TOTAL INCOME	4113,404.80	.00	4113,404.80
				EXPENSES			
	2,860.15	00	2,860.15	PAYROLL EXPENSE	108,824.80	.00	108,824.80
	11,145.11	00	11,145.11	EXECUTIVE OFFICE	97,382.52	00	97,382.52
	312.81	00	312.81	LEASING	25,444.29	.00	25,444.29
	509.82	00	509.82	SALARY-RESIDENTIAL SERVICES	495.24	00	495.24
	239.18	00	239.18	COMMUNICATIONS	20,195.78	.00	20,195.78
	504.89	00	504.89	SECURITY	6,589.65	00	6,589.65
	841.85	00	841.85	PURCHASING	26,183.76	.00	26,183.76
	417.85	00	417.85	SHIPPING & RECEIVING	3,042.52	00	3,042.52
				REV CONTROL			

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SNYDER MANAGEMENT CO  
DEVELOPMENT NAME  
MARINA CITY CLUB - APARTMENTS  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPW8856C77  
SQUARE FEET  
KEY  
1187000400  
ACQUISITION DATE

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PAGE  
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DEC	ACTUAL	DEC	BIDGET	DEC.	VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	6,438 94		00		6,438 94	CUSTOMER	47,107 37		47,107 37
	9,013 81		00		9,013 81	SALARY-APT PREP	20,012 74	.00	20,012 74
	21,886 15		00		21,886 15	HOUSEKEEPING	178,267 31	.00	178,267 31
	10,060 53		00		10,060 53	REPAIRS & MAINTENANCE	108,052 80	.00	108,052 80
	14,207 22		00		14,207 22	PAINTERS	86,024 06	.00	86,024 06
	6,430 12		00		6,430 12	EMPLOYER PAYROLL TAXES	8,430 12	.00	8,430 12
	710 11		00		710 11	EMPLOYEE GRATUITIES	430 88	.00	430 88
	.00		00		.00	EMPLOYEE PARKING	1 79	.00	1 79
	6,940 16		00		6,940 16	TOTAL PAYROLL EXPENSE	230,225 86	.00	230,225 86
	.00		00		.00	OPERATING EXPENSES			
	.00		00		.00	SECURITY	209 44	.00	209 44
	.00		00		.00	PEST CONTROL	132 81	.00	132 81
	.00		00		.00	CABLE TELEVISION	438 38	.00	438 38
	6,940 16		00		6,940 16	VALET SERVICE-CLEANERS	82,460 84	.00	82,460 84
	6,940 16		00		6,940 16	TOTAL OPERATING EXPENSE	83,242 37	.00	83,242 37
	89,635 78		00		89,635 78	GENERAL AND MAINTENANCE			
	78 24		00		78 24	COMMON AREA MAINTENANCE	1141,691 22	.00	1141,691 22
	.00		00		.00	BUILDING SUPPLIES	2,838 38	.00	2,838 38
	.00		00		.00	MAINTENANCE & REPAIRS	462 83	.00	462 83
	.00		00		.00	CLEANING	218 00	.00	218 00
	710 00		00		710 00	CARPET CLEANING & REPAIR	7,856 33	.00	7,856 33
	1,432 30		00		1,432 30	HOUSEKEEPING SUPPLIES	14,820 37	.00	14,820 37
	8,643 83		00		8,643 83	LINEN SUPPLIES	16,642 83	.00	16,642 83
	458 42		00		458 42	GLASS & SCREENS	2,712 72	.00	2,712 72
	88 00		00		88 00	FIRE PREVENTION	277 30	.00	277 30
	.00		00		.00	SECURITY SUPPLIES	82 72	.00	82 72
	713 87		00		713 87	PLUMBING	7,517 23	.00	7,517 23
	194 88		00		194 88	LIGHT BULBS & FIXTURES	878 18	.00	878 18
	87 88		00		87 88	ELECTRICAL	561 67	.00	561 67
	.00		00		.00	AIR-CONDITIONING & HEATING	1 18	.00	1 18
	1,104 15		00		1,104 15	BOILERS	1,104 15	.00	1,104 15
	.00		00		.00	MAINTENANCE-BOILERS & WATER HIRS	187 88	.00	187 88
	.00		00		.00	LOCKS & KEYS	483 62	.00	483 62
	.00		00		.00	UNIFORMS	887 88	.00	887 88
	50 00		00		50 00	PAINT SUPPLIES	3,110 90	.00	3,110 90
	864 77		00		864 77	APPLIANCES	3,018 00	.00	3,018 00
	.00		00		.00	EQUIPMENT REPAIR	539 81	.00	539 81
	.00		00		.00	TELEPHONE EQUIP REPAIR	2,341 85	.00	2,341 85
	292 38		00		292 38	CARPETS & DRAPES	41,325 09	.00	41,325 09
	377 70		00		377 70	FURNITURE RENTAL	8,814 24	.00	8,814 24
	189 08		00		189 08	PRM UPGRADE	62,175 22	.00	62,175 22
	300		00		300	TOTAL GENERAL / MAINTENANCE	1320,317 97	.00	1320,317 97

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SNYDER MANAGEMENT CO  
DEVELOPMENT NAME  
RAVIRA CITY CLUB - APARTMENTS  
NO. OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPMB55C/F  
SQUARE FEET  
REV  
1107000100  
ACQUISITION DATE

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RIR NO  
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DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	1,018 24	00	1,018 24	UTILITIES	12,352.02	.00	12,352.02
	914 82	00	914 82	TELEPHONE	2,363 62	.00	2,363 62
	1,624 04	00	1,624 04	ELECTRICITY	95,000.00	.00	95,000 00
				SEWER			
	1,727 46	00	1,727 46	TOTAL UTILITIES	65,019.20	.00	65,019.20
				OTHER EXPENSES			
	3,901 07	00	3,901 07	OFFICE EXPENSE	11,753 16	.00	11,753
	1,662 65	00	1,662 65	BOTTLED WATER	1,662 65	.00	1,662 65
	6,297 95	00	6,297 95	POSTAGE & SHIPPING	12,343 97	.00	12,343 97
	200 40	00	200 40	DATA PROCESSING	6,881 49	.00	6,881 40
	1,212 97	00	1,212 97	PRINTING	1,096 56	.00	1,096 56
	.00	00	.00	AUTO ALLOWANCE	82 80	.00	82 80
	330 61	00	330 61	CREDIT CHRGNS	1,392 56	.00	1,392 56
	.00	00	.00	PROFESSIONAL FEES	3,000 00	.00	3,000 00
	500 00	00	500 00	LEGAL - OTHER	14,736 35	.00	14,736 35
	851 28	00	851 28	LEGAL - UNLAWFUL DETAINERS	11,828 78	.00	11,828 78
	477 00	00	477 00	COMMISSIONS	16,708 90	.00	16,708 90
	10 00	00	10 00	LICENSES, FEES & BOND	398 00	.00	398 00
	.00	00	.00	DUES & SUBSCRIPTIONS	2,708 90	.00	2,708 90
	4,869 36	00	4,869 36	ADVERTISING	80,394 88	.00	80,394 88
	151 75	00	151 75	INSURANCE	1,815 00	.00	1,815 00
	.00	00	.00	NON ALLOWABLE INS CLAIMS	1,122 25	.00	1,122 25
	62,742 55	00	62,742 55	REAL ESTATE TAXES	337,088 04	.00	337,088 04
	.00	00	.00	PERSONAL PROPERTY TAX	14,282 00	.00	14,282 00
	3,079 20	00	3,079 20	MISCELLANEOUS	2,445 40	.00	2,445 40
	.00	00	.00	CHARITABLE CONTRIBUTIONS	800 00	.00	800 00
	12,420 00	00	12,420 00	MANAGEMENT FEE	166,676 00	.00	166,676 00
	88,011 11	00	88,011 11	GROUND LEASE	740,463 37	.00	740,463 37
	1,968 21	00	1,968 21	DEPRECIATION	1,868 21	.00	1,868 21
	32,286 48	00	32,286 48	TOTAL OTHER EXPENSE	1467,712 11	.00	1467,712 11
	233,856 71	00	233,856 71	TOTAL EXPENSES BEFORE DEBT SERVICE	3867,876 78	.00	3867,876 78
	109,684 31	00	109,684 31	NET OPERATING SURPLUS	445,820 02	.00	445,820 02
	28,618 16	00	28,618 16	DEBT SERVICE	28,618 16	.00	28,618 16
	80,070 15	00	80,070 15	NET SURPLUS BEFORE TAXES	418,012 86	.00	418,012 86
	80,070 15	00	80,070 15	NET SURPLUS AFTER TAXES	418,012 86	.00	418,012 86

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SNIDER MANAGEMENT CO  
 DEVELOPMENT NAME  
 MARINA CITY BOAT SLIPS  
 NO OF UNITS

FINANCIAL STATEMENT  
 REPORT NO.  
 CPN1838C/7  
 SQUARE FEET  
 KEY  
 1187000410  
 ACQUISITION DATE

1187000410  
 PAGE  
 2  
 1187000410

DEC	ACTUAL	DEC BUDGET	DEC VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	.00	.00	.00	SCHEDULED RENT			
	157,473.70	.00	157,473.70	APARTMENT RENT	930.00-	.00	930.00-
				SLIP RENT	1924,506.61	.00	1924,506.61
	157,473.70	.00	157,473.70	TOTAL SCHEDULED RENT	1924,276.61	.00	1924,276.61
				SALES INCOME			
	.00	.00	.00	TOTAL SALES INCOME	.00	.00	.00
				ADDITIONAL INCOME			
	546.00	.00	546.00	BOAT MAINTENANCE INCOME	4,913.80	.00	4,913.80
	.00	.00	.00	PROCESSING FEE	350.00	.00	350.00
	.00	.00	.00	VENDING MACHINE INCOME	668.70	.00	668.70
	60.00	.00	60.00	OTHER INCOME	49,938.20	.00	49,938.20
	.00	.00	.00	BAD DEBTS	610.84-	.00	610.84-
				TOTAL ADDITIONAL INCOME	54,454.96	.00	54,454.96
	606.00	.00	606.00	GROG SLIP INCOME			
				NET GROG SLIP INCOME	.00	.00	.00
	.00	.00	.00	TOTAL INCOME	1978,731.57	.00	1978,731.57
	158,079.70	.00	158,079.70				
				EXPENSES			
				PAYROLL EXPENSE			
	101.33	.00	101.33-	KEY CONTROL	898.16	.00	898.16-
	14,753.72	.00	14,753.72-	MARINA	115,113.82	.00	115,113.82
	4,869.84	.00	4,869.84-	CUSTODIAL	31,164.26	.00	31,164.26-
	104.65	.00	104.65-	SALARY API PREP	137.40	.00	137.40-
	301.74	.00	301.74-	REPAIRS & MAINTENANCE	8,076.29	.00	8,076.29-
	360.00	.00	360.00	PAINTERS	3,447.61	.00	3,447.61-
	1,036.01	.00	1,036.01	EMPLOYER PAYROLL TAXES	1,036.01-	.00	1,036.01-
	84.69	.00	84.69-	EMPLOYEE RELATIONS	84.69	.00	84.69
				TOTAL PAYROLL EXPENSE	158,837.18	.00	158,837.18
	830.06	.00	830.06-	OPERATING EXPENSES			
				SECURITY	45.12	.00	45.12

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SMYDRA MANAGEMENT CO  
DEVELOPMENT NAME  
KARIRA CITY - BOAT SLIPS  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM015C/F  
SQUARE FEET  
REV  
1107000110  
ACQUISITION DATE

1107017011  
PAGE  
1107000110  
120

DEC ACTUAL	DEC BUDGET	DEC VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
(M)	(M)	(M)				
			TOTAL OPERATING EXPENSE	45 12	00	45 12
			GENERAL AND MAINTENANCE			
0.226 50	00	0.226 50	COMMON AREA MAINTENANCE	110,710.06	.00	110,710.06
20 74	00	20 74	BUILDING SUPPLIES	1,032.42	.00	1,032.42
00	00	.00	MAINTENANCE & REPAIRS	326.12	.00	326.12
622 00	00	622 00	BOAT REPAIR & MAINTENANCE	3,041.00	.00	3,041.00
00	00	.00	CARPET CLEANING & REPAIR	225.00	.00	225.00
2,021 70	00	2,021 70	CUSTODIAL SUPPLIES	5,015.55	.00	5,015.55
00	00	.00	FIRE PREVENTION	2,775.51	.00	2,775.51
00	00	.00	PLUMBING	342.16	.00	342.16
00	00	.00	LIGHT BULBS & FIXTURES	303.27	.00	303.27
00	00	.00	ELECTRICAL	394.80	.00	394.80
00	00	.00	AIR-CONDITIONING & HEATING	248.03	.00	248.03
00	00	.00	LOCKS & KEYS	339.28	.00	339.28
00	00	.00	UNIFORMS	177.42	.00	177.42
105 93	00	105 93	PAINT SUPPLIES	403.69	.00	403.69
260 06	00	260 06	EQUIPMENT REPAIR	763.07	.00	763.07
00	00	.00	TELEPHONE EQUIP REPAIR	173.00	.00	173.00
1,308 00	00	1,308 00	SPECIAL MAINTENANCE	18,048.00	.00	18,048.00
00	00	.00	BATHROOM REFURBISHMENT	3,750.00	.00	3,750.00
14,442.09	00	14,442.09	TOTAL GENERAL AND MAINTENANCE	148,072.28	.00	148,072.28
2,134 73	00	2,134 73	UTILITIES			
30.08	00	30.08	ELECTRICITY	30,347.07	.00	30,347.07
			SEWER	3,780.00	.00	3,780.00
2,172.01	00	2,172.01	TOTAL UTILITIES	34,127.07	.00	34,127.07
			OTHER EXPENSES			
00	00	00	OFFICE EXPENSE	294.05	.00	294.05
3,306.92	00	3,306.92	POSTAGE & SHIPPING	3,300.32	.00	3,300.32
40 00	00	40 00	DATA PROCESSING	400.00	.00	400.00
11 99	00	11 99	CREDIT CHECKS	60.30	.00	60.30
86 00	00	86 00	PROFESSIONAL FEES	86.00	.00	86.00
00	00	.00	LICENSES, FEES & BOND	64.00	.00	64.00
00	00	.00	DUES & SUBSCRIPTIONS	50.00	.00	50.00
056 30	00	056 30	INSURANCE	26,359.25	.00	26,359.25
106,303 36	00	106,303 36	REAL ESTATE TAXES	106,303.36	.00	106,303.36
00	00	.00	PERSONAL PROPERTY TAX	20.96	.00	20.96
75 00	00	75 00	MISCELLANEOUS	75.00	.00	75.00
7,038 00	00	7,038 00	MANAGEMENT FEE	96,240.00	.00	96,240.00

1107017011  
PAGE  
1107000110  
120

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13

SHYDER MANAGEMENT CO  
DEVELOPMENT NAME  
RCC PROPERTY CONSOLIDATION  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM15SEC/F  
SQUARE FEET  
REV  
1187000500  
ACQUISITION DATE

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SHEET NO. 138

DEC . ACTUAL	DEC . BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
11,195.78	7,916.68	3,879.12-	PAYROLL EXPENSE	304,098.31	94,888.82	109,098.20-
11,145.11	00	11,145.11-	EXECUTIVE OFFICE	97,382.52	00	97,382.52-
8,138.34	6,542.00	1,896.34-	LEASING	107,410.60	78,804.00	28,606.60-
3,691.91	3,308.16	383.75-	SALARY-RESIDENT SERVICES	31,972.18	29,697.82	2,274.36-
6,481.49	3,009.80	3,471.69-	COMMUNICATIONS	49,739.00	24,068.00	25,671.00-
3,049.85	1,929.16	1,120.69-	SECURITY	33,473.07	23,148.82	10,324.25-
8,690.42	3,800.81	4,889.61-	PURCHASING	59,044.83	23,810.82	35,234.01-
3,668.68	1,388.16	2,280.52-	SHIPPING & RECEIVING	24,500.67	16,561.82	7,938.85-
14,783.73	00	14,783.73-	NEW CONTROL	118,113.82	00	118,113.82-
7,338.47	4,521.00	2,817.47-	MARINA	51,285.22	34,252.00	17,033.22-
10,475.16	8,836.00	1,639.16-	SALARY - LANDSCAPE	71,812.89	70,032.00	1,780.89-
70,618.36	30,314.09	40,304.27-	GROUNDS MAINTENANCE	497,742.37	263,768.86	233,973.51-
8,248.56	00	8,248.56-	CUSTODIAL	39,147.08	00	39,147.08-
21,886.15	00	21,886.15-	SALARY-API PREP	178,267.31	00	178,267.31-
71,160.80	34,226.00	36,934.80-	HOUSEKEEPING	592,117.84	410,712.00	181,405.84-
32,530.88	8,203.41	24,327.47-	REPAIRS & MAINTENANCE	186,689.30	111,640.82	75,048.48-
00	00	00	PAINTERS	787.60	00	787.60-
18,445.75	00	18,445.75-	TEMPORARY PERSONNEL	18,445.75-	00	18,445.75-
1,808.86	416.66	1,392.20-	EMPLOYER PAYROLL TAXES	2,189.88	4,898.82	2,708.94-
448.55	00	448.55-	EMPLOYEE RELATIONS	4,501.65	00	4,501.65-
00	280.00	280.00	EMPLOYEE PARKING	100.88	3,000.00	2,899.12-
			CAFETERIA			
272,482.04	110,748.70	161,733.34-	TOTAL PAYROLL EXPENSE	2338,628.86	1328,888.40	1009,740.46-
2,103.28	1,618.33	484.95-	OPERATING EXPENSES	11,300.64	18,418.86	7,318.22-
8,740.28	8,618.78	121.50-	LANDSCAPE - EXTRAS	100,378.28	103,429.00	3,050.72-
38,582.41	38,382.66	200.75-	ELEVATOR EXPENSE	433,785.84	433,391.82	3,944.02-
477.06	342.78	134.28-	SECURITY	11,988.38	2,813.00	9,175.38-
5,249.68	7,125.78	1,876.10-	CLOSED CIRCUIT T.V.	19,120.84	69,309.00	50,188.16-
00	1,881.00	1,881.00	VALET PARKERS	20,400.00	18,872.00	1,528.00-
390.00	362.66	27.34-	WINDOW CLEANING	4,929.31	4,351.82	577.49-
3,864.72	3,468.68	396.04-	PEST CONTROL	27,848.78	28,888.82	1,040.04-
00	00	00	TRASH SERVICE	432.91	00	432.91-
00	00	00	CABLE TELEVISION	1,820.39	00	1,820.39-
6,840.16	00	6,840.16-	WATER TREATMENT	82,460.84	00	82,460.84-
			VALET SERVICE CLEANERS			
68,053.88	88,388.86	20,334.98-	TOTAL OPERATING EXPENSE	773,878.13	888,882.72	115,004.59-
126,820.27	00	126,820.27-	GENERAL AND MAINTENANCE	1674,806.64	00	1674,806.64-
422.33	2,039.08	1,616.75-	COMMON AREA MAINTENANCE	17,891.81	24,468.88	6,577.07-
356.70	744.41	387.71-	BUILDING SUPPLIES	12,975.75	8,833.82	4,141.93-
622.00	00	622.00-	MAINTENANCE & REPAIRS	3,041.00	00	3,041.00-
1,304.60	00	1,304.60-	BOAT REPAIR & MAINTENANCE	1,636.13	00	1,636.13-
			CLEANING			

131

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SNYDER MANAGEMENT CO  
DEVELOPMENT NAME  
MCC TOWERS LEASING CO  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM8156/1  
SQUARE FEET  
REV  
1187000156  
ACQUISITION DATE

DEC	ACTUAL	DEC BUDGET	DEC VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET
	360,958 54	314,094 00	16,864 54	SCHEDULED RENT CUMMUL AREA MAINT INCOME	4145,971 68	4129,128 00
	360,958 51	344,094 00	16,864 54	TOTAL SCHEDULED RENT	4145,971 68	4129,128 00
	00	00	00	SALES INCOME		
	00	00	00	TOTAL SALES INCOME	00	00
	1,128 84	1,250 00	121 16	ADDITIONAL INCOME		
	2,366 15	00	2,366 15	LAUNDRY FEE	12,852 19	15,000 00
	00	00	00	OTHER INCOME	8,811 03	00
	4,184 28	00	4,184 28	BAD DEBTS	8,508 81	00
				INTEREST INCOME	18,999 73	00
	7,679 27	1,250 00	6,429 27	TOTAL ADDITIONAL INCOME	32,856 13	15,000 00
	00	00	00	GROSS SHOP INCOME		
	00	00	00	NET GROSS SHOP INCOME	00	00
	368,637 81	315,344 00	23,293 81	TOTAL INCOME	4178,827 81	4144,128 00
				EXPENSES		
	8,835 63	7,916 66	918 97	PAYROLL EXPENSE	95,173 31	84,998 92
	8,448 85	6,847 00	2,601 85	EXECUTIVE OFFICE	81,066 31	78,804 00
	2,181 59	2,308 16	126 57	SALARY-RESIDENT SERVICES	21,416 94	29,697 92
	8,720 67	2,009 90	4,710 77	COMMUNICATIONS	28,938 31	24,068 00
	2,544 86	1,928 16	616 70	SECURITY	26,883 42	23,148 82
	2,148 87	2,800 91	347 66	PURCHASING	22,860 76	22,810 82
	2,104 60	1,380 16	1,724 44	SHIPPING & RECEIVING	19,868 21	16,261 82
	7,339 47	4,821 00	2,818 47	KEY CONTROL	91,285 22	94,292 00
	10,475 16	5,876 00	4,639 16	SALARY-LANDSCAPE	71,512 59	70,032 00
	88,867 48	30,314 08	28,653 41	GROUNDS MAINTENANCE	411,838 07	263,768 86
	61,001 86	34,226 08	26,775 86	CUSTODIAL	466,387 15	410,712 00
	18,038 31	8,303 41	9,735 90	REPAIRS & MAINTENANCE	82,676 24	111,640 82
	00	00	00	PAINTERS	787 60	00
	10,496 18	00	10,496 18	TEMPORARY PERSONNEL	10,496 18	00
	8,521 03	416 66	8,104 37	EMPLOYER PAYROLL TAXES	1,670 18	4,999 97
				EMPLOYEE RELATIONS		

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SNYDER MANAGEMENT CO  
DEVELOPMENT NAME  
MCC PROPERTY CONSOLIDATION  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPWBSSE/F  
SQUARE FEET  
REV  
1187000300  
ACQUISITION DATE

118701701  
PAGE  
1  
LIB NO  
118

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	00	137 50	137 50	MAINTN AGREEMENT - EQUIP	1,241 00	1,650 00	409 00
	00	00	.00	EQUIPMENT MAINTN - EXTRAS	783 00	.00	783 00
	800 00	391 66	508 34	AUTO REPAIR	3,130 01	3,499 92	369 91
	351 77	00	351 77	AUTO MAINTNANCE	2,780 80	.00	2,780 80
	351 67	00	351 67	CREDIT CHECKS	1,839 43	.00	1,839 43
	0,642 00	00	0,642 00	PROFESSIONAL FEES	13,418 00	.00	13,418 00
	0,671 86	1,350 00	0,921 86	LEGAL - OTHER	483,535 97	15,000 00	468,535 97
	851 25	00	851 25	LEGAL - UNLAWFUL DETAINERS	10,875 79	.00	10,875 79
	477 00	00	477 00	COMMISSIONS	17,179 50	.00	17,179 50
	10 00	83 33	73 33	LICENSES, FEES & BOND	4,847 00	899 88	3,947 12
	00	83 33	83 33	DUES & SUBSCRIPTIONS	8,193 60	899 86	7,293 74
	12,701 72	00	12,701 72	PROMOTION	68,128 76	.00	68,128 76
	5,563 50	00	5,563 50	ADVERTISING	134,195 38	.00	134,195 38
	00	29 18	29 18	EMPLOYEE ADDS	234 18	349 82	115 64
	27,410 45	28,688 75	1,278 30	INSURANCE	400,460 72	344,265 00	56,195 72
	1,668 68	1,825 00	156 32	NON-ALLOWABLE INS CLAIMS	8,828 88	18,420 00	9,591 12
	68,407 07	00	68,407 07	REAL ESTATE TAXES	687,185 88	.00	687,185 88
	00	00	.00	PERSONAL PROPERTY TAX	14,310 88	.00	14,310 88
	20,863 93	1,624 99	19,238 94	MISCELLANEOUS	34,746 97	18,499 88	16,247 09
	00	00	00	CHARITABLE CONTRIBUTIONS	800 00	.00	800 00
	32,538 00	10,515 00	22,023 00	MANAGEMENT FEE	438,541 00	126,180 00	312,361 00
	11,018 64	00	11,018 64	LOAN FEE	308,887 88	.00	308,887 88
	2,873 87	00	2,873 87	SHADOW RENT	168,253 81	.00	168,253 81
	58,341 66	00	58,341 66	GROUND LEASE	782,888 13	.00	782,888 13
	36,400 00	32,400 00	4,000 00	REPLACEMENT RESERVES	428,800 00	388,800 00	40,000 00
	00	6,483 78	6,483 78	CONTINGENCY	.00	77,828 00	77,828 00
	113,267 61	00	113,267 61	DEPRECIATION	1337,560 38	.00	1337,560 38
	11,184 82	00	11,184 82	MISJUD RETURN	852,863 14	.00	852,863 14
	17,047 64	00	17,047 64	LEASEBACK DEBT SERVICE	844,377 07	.00	844,377 07
	461,863 40	84,068 27	367,897 03	TOTAL OTHER EXPENSE	7083,777 18	1128,820 44	5954,956 74
	1068,775 07	345,393 81	723,381 26	TOTAL EXPENSES BEFORE DEBT SERVICE	13175,130 66	4144,738 72	9030,391 94
	310,819 09	49 81	310,769 28	NET OPERATING SURPLUS	1101,242 45	597 72	1100,644 73
	366,309 33	00	366,309 33	DEBT SERVICE	2832,762 72	.00	2832,762 72
	477,128 42	49 81	477,078 61	NET SURPLUS BEFORE TAXES	4034,105 17	597 72	4033,507 45
	477,128 42	49 81	477,078 61	NET SURPLUS AFTER TAXES	4034,105 17	597 72	4033,507 45

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SNYDER MANAGEMENT CO  
DEVELOPMENT NAME  
ACC TOWERS LEASING  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPMB15C/7  
SQUARE FEET  
KEY  
1187000450  
ACQUISITION DATE

1187000450  
PAGE  
249 NO.  
118

DEC	ACTUAL	DEC BIDDID	DEC VARIANCE	(CONTINUED FROM PREVIOUS PAGE)	VID ACTUAL	VID BIDDID	VID VARIANCE
	1,066 65	2,250 00	1,183 35	UTILITIES	11,720 72	31,000 00	19,279 28
	48,648 25	49,370 50	722 25	TELEPHONE	583,299 92	591,846 00	8,546 08
	8,177 40	3,604 18	4,568 24	ELECTRICITY	51,838 88	43,348 82	8,490 06
	8,298 64	5,632 00	2,666 64	GAS	51,402 07	61,588 00	10,186 93
				WATER			
	66,226 64	60,806 66	5,419 98	TOTAL UTILITIES	701,359 59	728,870 82	27,511 23
				OTHER EXPENSES			
	4,891 13	1,000 00	3,891 13	OFFICE EXPENSE	15,191 16	12,000 00	3,191 16
	2,693 87	200 00	2,493 87	BOTTLED WATER	3,893 87	3,400 00	493 87
	8,414 38	800 00	7,614 38	POSTAGE & SHIPPING	14,268 56	8,600 00	5,668 56
	265 34	500 00	234 66	DATA PROCESSING	6,670 36	8,000 00	1,329 64
	1,356 98	583 33	773 65	PRINTING	3,482 70	6,899 96	3,417 26
	1,146 73	7,852 87	6,706 14	EQUIPMENT LEASE	102,763 44	84,230 84	18,532 60
	00	137 50	137 50	MAINT AGREEMENT - EQUIP	1,241 00	1,650 00	409 00
	00	00	00	EQUIPMENT MAINT - EXTRAS	783 09	.00	783 09
	810 00	281 66	528 34	AUTO REPAIR	3,130 01	3,498 82	368 81
	251 77	00	251 77	AUTO ALLOWANCE	3,728 00	.00	3,728 00
	00	00	00	PROFESSIONAL FEES	776 00	.00	776 00
	8,171 86	1,250 00	6,921 86	LEGAL - OTHER	63,327 13	18,000 00	45,327 13
	00	83 33	83 33	LICENSES, FEES & BOND	4,588 00	898 88	3,689 12
	00	83 33	83 33	DUES & SUBSCRIPTIONS	817 88	898 88	81 00
	00	29 16	29 16	EMPLOYEE AIDS	234 19	348 82	114 63
	26,443 27	28,688 78	2,245 51	INSURANCE	344,188 84	344,268 00	79 16
	1,668 68	1,535 00	1,133 68	NON ALLOWABLE INS CLAIMS	8,504 64	18,420 00	9,915 36
	10,724 20	1,624 88	9,099 32	MISCELLANEOUS	18,868 88	18,488 88	3,800 00
	10,515 00	10,515 00	00	MANAGEMENT FEE	126,180 00	126,180 00	00
	330 85	00	330 85	GROUND LEASE	3,382 78	.00	3,382 78
	36,400 00	32,400 00	4,000 00	REPLACEMENT RESERVES	426,800 00	388,800 00	38,000 00
	00	6,483 78	6,483 78	CONTINGENCY	.00	77,828 00	77,828 00
	86,761 14	94,068 31	7,307 17	TOTAL OTHER EXPENSE	1151,606 81	1128,820 44	22,786 37
	433,654 86	346,383 81	87,271 05	TOTAL EXPENSES BEFORE DEBT SERVICE	4178,051 40	4144,725 72	33,325 68
	65,017 05	48 81	64,968 24	NET OPERATING SURPLUS	476 41	587 72	1,074 13
	476 41	00	476 41	DEBT SERVICE	476 41	.00	476 41
	65,493 46	48 81	65,444 65	NET SURPLUS BEFORE TAXES	00	587 72	587 72
	65,493 46	48 81	65,444 65	NET SURPLUS AFTER TAXES	00	587 72	587 72

1027  
REV.  
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13

SMITH MANAGING CO  
DEVELOPMENT NAME  
MAKINA CITY - ROAD SLIPS  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM15677  
SQUARE FEET  
REV  
1187000818  
ACQUISITION DATE

11/21/81  
PAGE  
NO. NO.  
128

DEC	ACTUAL	DEC. BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	VID ACTUAL	VID BUDGET	VID VARIANCE
	110,776 81	00	110,776 81	TOTAL UTILITY EXPENSE	243,520 84	00	243,520 84
	154,211 77	00	154,211 77	TOTAL EXPENSES BEFORE UTILITY SERVICE	982,503 28	00	982,503 28
	3,867 93	00	3,867 93	NET OPERATING SURPLUS	1396,227 88	00	1396,227 88
	64 58	00	64 58	UTILITY SERVICE	64 58	00	64 58
	3,803 35	00	3,803 35	NET SURPLUS BEFORE TAXES	1396,163 30	00	1396,163 30
	3,803 35	00	3,803 35	NET SURPLUS AFTER TAXES	1396,163 30	00	1396,163 30

1107  
REV  
318  
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SNYDER MANAGEMENT CO  
DEVELOPMENT NAME  
RCC LEASEBACK ENTERPRISES  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO. CPMB156C77  
KEY 1187000475  
ACQUISITION DATE  
SQUARE FEET

18781781  
PAGE 3  
REP NO 128

DEC.	ACTUAL	DEC.	BUDGET	DEC.	VARIANCE	(CONTINUED FROM PREVIOUS PAGE)	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	00		00		00	BUILDING SUPPLIES	34 30	00	34 30
	185 00		00		185 00	MAINTENANCE & REPAIRS	1,175 00	00	1,175 00
	00		00		00	CLEANING	116 53	00	116 53
	00		00		00	CARPET CLEANING & REPAIR	2,180 00	00	2,180 00
	51 66		00		51 66	GLASS & SCREENS	508 86	00	508 86
	00		00		00	ELECTRICAL	4 81	00	4 81
	00		00		00	PAINT SUPPLIES	3,043 72	00	3,043 72
	00		00		00	APPLIANCES	150 27	00	150 27
	00		00		00	RECEPTION EQUIP REPAIR	76 00	00	76 00
	00		00		00	CARPETS & DRAPES	6,611 85	00	6,611 85
	00		00		00	FURNITURE RENTAL	9,037 66	00	9,037 66
	8,263 71		00		8,263 71	TOTAL GENERAL AND MAINTENANCE	328,809 00	00	328,809 00
	49 78		00		49 78	UTILITIES	4,156 45	00	4,156 45
	2,570 74		00		2,570 74	ELECTRICITY	31,451 88	00	31,451 88
						SEWER			
	2,620 52		00		2,620 52	TOTAL UTILITIES	35,608 00	00	35,608 00
	00		00		00	OTHER EXPENSES	602 81	00	602 81
	2,257 68		00		2,257 68	OFFICE EXPENSE	2,257 68	00	2,257 68
	00		00		00	POSTAGE & SHIPPING	440 00	00	440 00
	0 81		00		0 81	DATA PROCESSING	377 87	00	377 87
	00		00		00	CREDIT CHGCS	850 00	00	850 00
	00		00		00	LEGAL - UNLAWFUL DETAINERS	471 00	00	471 00
	698 14		00		698 14	COMMISSIONS	33,258 89	00	33,258 89
	40 48		00		40 48	ADVERTISING	17,108 83	00	17,108 83
	24,766 26		00		24,766 26	INSURANCE	251,315 46	00	251,315 46
	00		00		00	REAL ESTATE TAXES	102 33	00	102 33
	665 00		00		665 00	MISCELLANEOUS	50,439 00	00	50,439 00
	2,873 87		00		2,873 87	MANAGEMENT FEE	169,253 81	00	169,253 81
	11,154 92		00		11,154 92	SHADOW RENT	652,863 14	00	652,863 14
	17,047 64		00		17,047 64	MITSUBI RENTR	844,377 07	00	844,377 07
						LEASEBACK DEBT SERVICE			
	88,432 67		00		88,432 67	TOTAL OTHER EXPENSE	2022,017 35	00	2022,017 35
	68,792 57		00		68,792 57	TOTAL EXPENSES BEFORE DEBT SERVICE	2437,293 65	00	2437,293 65
	87,578 28		00		87,578 28	NET OPERATING SURPLUS	1407,513 18	00	1407,513 18
	00		00		00	DEBT SERVICE	00	00	00
	87,578 28		00		87,578 28	NET SURPLUS BEFORE TAXES	1407,513 18	00	1407,513 18

11/1/78  
REV. 155  
PAGE 13

SNIDER MANAGEMENT CO  
DEVELOPING NAME  
MCC TOWERS TRASHBOLD  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO  
CPMSBCE/7  
SQUARE FEET  
KEY 1187000450  
ACQUISITION DATE

11/28/78  
PAGE 4  
NO 40  
118

DEC	ACTUAL	BUDGET	VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	418 55 (M)	250 00 (M)	168 55 (M)	EMPLOYEE PARKING FACILITIES	4,499 90 108 38	00 3,000 00	4,499 90 3,000 48
	182,282 14	110,719 70	71,562 44	TOTAL PAYROLL EXPENSE	1398,239 84	1328,898 40	69,341 44
	2,103 28	1,618 33	484 95	OPERATING EXPENSES	11,500 64	19,419 86	7,919 22
	8,140 28	8,618 78	478 50	LANDSCAPE - TREES	100,378 28	103,428 00	3,049 72
	38,592 41	36,282 66	2,309 75	ELEVATOR EXPENSE	432,331 28	435,391 82	3,060 54
	177 06	312 78	135 72	SECURITY	11,884 38	2,813 00	9,071 38
	5,245 68	7,125 75	1,880 07	CLOSED CIRCUIT T.V.	79,120 84	85,509 00	6,388 16
	00	1,981 00	1,981 00	VALLEY PARKERS	20,400 00	18,873 00	1,527 00
	390 00	362 66	27 34	WINDOW CLEANING	4,788 90	4,351 82	437 08
	2,864 72	2,466 66	398 06	PEST CONTROL	27,848 72	30,888 82	3,040 10
	00	00	00	BRUSH SERVICE	1,830 38	00	1,830 38
	58,112 43	58,288 56	176 13	TOTAL OPERATING EXPENSE	688,694 00	888,883 72	200,189 72
	323 35	2,039 08	1,715 73	GENERAL AND MAINTENANCE	14,189 82	24,468 86	10,279 04
	241 70	744 41	502 71	BUILDING SUPPLIES	11,011 70	8,832 82	2,178 88
	1,741 65	00	1,741 65	MAINTENANCE & REPAIRS	1,248 60	00	1,248 60
	176 00	291 33	115 33	CLEANING	2,640 00	3,488 88	848 88
	15,878 01	1,842 00	13,846 01	CARPET CLEANING & REPAIR	28,327 71	23,204 00	5,123 71
	00	202 33	202 33	RESIDENTIAL SUPPLIES	473 82	2,427 88	1,954 06
	72 82	1,256 50	1,183 68	GLASS & SCREENS	10,154 15	17,878 00	7,723 85
	248 40	582 58	334 18	ELEVATOR TREES	4,418 47	8,880 88	4,462 41
	574 18	611 81	37 63	FIRE PREVENTION	9,805 25	7,242 82	2,562 43
	378 51	1,711 78	1,333 27	SECURITY SUPPLIES	8,334 68	14,868 00	6,533 32
	1,746 72	1,456 50	290 22	PLUMBING	12,601 17	17,418 00	4,816 83
	811 88	489 80	322 08	LIGHT FIXES & FIXTURES	8,802 81	8,828 00	25 19
	2,888 37	2,427 50	460 87	ELECTRICAL	20,462 64	28,120 00	7,657 36
	273 38	213 41	60 97	AIR-CONDITIONING & HEATING	3,128 12	3,280 82	152 70
	00	00	00	AIR COND CHILLERS SERVICE	87 25	00	87 25
	00	436 81	436 81	BOILERS	1,492 31	9,242 82	7,750 51
	28 12	121 41	93 29	MAINTENANCE - BOILERS & WATER HEAT	381 74	1,436 82	1,055 08
	188 87	242 78	53 91	GATE MAINTENANCE	1,883 60	2,813 00	929 40
	614 51	582 58	31 93	LOCKS & KEYS	6,169 77	6,990 88	821 11
	131 88	828 33	696 45	UNIFORMS	7,663 48	8,803 88	1,140 40
	187 71	00	187 71	PAINT SUPPLIES	00	00	00
	1,183 48	776 83	406 65	APPLIANCES	9,629 01	8,321 88	1,307 13
	958 25	1,359 41	401 16	EQUIPMENT REPAIR	14,291 01	16,312 82	2,021 81
	1,624 80	2,427 80	803 00	TELEPHONE EQUIP REPAIR	48,308 32	28,120 00	20,188 32
	1,070 74	871 00	200 74	SPECIAL MAINTENANCE	6,789 14	11,632 00	4,842 86
	10,271 18	21,470 52	11,199 34	TOTAL GENERAL AND MAINTENANCE	221,151 26	297,848 24	76,697 00



1107  
REV.  
860  
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13

SMITH MANAGEMENT CO  
DEVELOPMENT NAME  
MCC PROPERTY CONSOLIDATION  
NO OF UNITS

FINANCIAL STATEMENT  
REPORT NO.  
CPM8058C/1  
SQUARE FEET  
REV  
1107000500  
ACQUISITION DATE

11/31/81  
PAGE  
3  
SER NO.  
128

DEC . ACTUAL	DEC . BUDGET	DEC . VARIANCE	INCOME	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
380,598.50	00	380,598.50	SCHEDULED RENT			
157,473.70	00	157,473.70	APARTMENT RENT	4340,775.28	.00	4340,775.28
23,521.00	00	23,521.00	SLIP RENT	1924,506.61	.00	1924,506.61
350,958.54	344,094.00	16,864.54	RETAIL SPACE	282,422.86	.00	282,422.86
			COMMON AREA MAINT INCOME	4145,971.68	4129,128.00	16,843.68
822,551.74	344,094.00	478,457.74	TOTAL SCHEDULED RENT	10693,676.43	4129,128.00	6564,548.43
205,000.00	00	205,000.00	SALES INCOME			
226,800.41	00	226,800.41	INCOME FROM SALES	6037,860.00	.00	6037,860.00
			COSTS OF SALES	5386,701.41	.00	5386,701.41
21,800.41	00	21,800.41	TOTAL SALES INCOME	681,258.59	.00	681,258.59
12,296.70	00	12,296.70	ADDITIONAL INCOME			
10,080.41	00	10,080.41	MAID SERVICE	190,772.80	.00	190,772.80
80.00	00	80.00	UNIT MAINTENANCE	72,128.33	.00	72,128.33
6,034.89	00	6,034.89	PARKING FEE	1,583.00	.00	1,583.00
1,128.84	1,250.00	121.16	VALET SERVICE	83,381.00	.00	83,381.00
846.00	00	846.00	LAUNDRY FEE	12,852.19	15,000.00	2,147.81
00	00	00	BOAT MAINTENANCE INCOME	4,812.80	.00	4,812.80
77.89	00	77.89	PROCESSING FEE	350.00	.00	350.00
00	00	00	TELEPHONE COMMISSION	1,128.89	.00	1,128.89
1,041.07	00	1,041.07	VENDING MACHINE INCOME	666.70	.00	666.70
408.00	00	408.00	DISCOUNT VALET SERVICE	12,048.48	.00	12,048.48
7,388.87	00	7,388.87	LATE FEE	2,800.00	.00	2,800.00
00	00	00	OTHER INCOME	242,771.00	.00	242,771.00
1,202.88	00	1,202.88	LOAN FEE INCOME	21,845.88	.00	21,845.88
18,316.74	00	18,316.74	BAD DEBTS	29,038.66	.00	29,038.66
			INTEREST INCOME	86,882.24	.00	86,882.24
57,204.65	1,250.00	55,954.65	TOTAL ADDITIONAL INCOME	688,852.18	15,000.00	683,852.18
			GROSS SIMP INCOME			
.00	00	.00	NET GROSS SIMP INCOME	.00	.00	.00
107,858.88	345,344.00	512,611.88	TOTAL INCOME	12072,788.21	4144,128.00	1820,660.21
			EXPENSES			

1187  
 12/31/81  
 12

SNIDER MANAGEMENT CO  
 LEVITOWITZ NAME  
 MCC LEASER/CK ENTERPRISES  
 NO OF UNITS

FINANCIAL STATEMENT  
 REPORT NO. CPW050C77  
 SQUARE FEET  
 REV 1187000478  
 ACQUISITION DATE

12/31/81  
 FAX#  
 1187

DEC	ACTUAL	DEC BUDGET	DEC VARIANCE	INCOME	VID ACTUAL	VID BUDGET	VID VARIANCE
	12,189 28	00	12,189.28	SCHEDULED RENT APARTMENT RENT	1007,657.07	.00	1007,657.07
	12,189 28	00	12,189 28	TOTAL SCHEDULED RENT	1007,657 07	00	1007,657 07
	00	00	.00	SALES INCOME			
	00	00	.00	TOTAL SALES INCOME	00	.00	.00
	00	00	00	ADDITIONAL INCOME			
	25 00	00	25.00	LATE FEE	683 00	.00	683 00
				OTHER INCOME	21,389.38	.00	21,389.38
	25 00	00	25 00	TOTAL ADDITIONAL INCOME	22,082.38	00	22,082.38
				GROSS SIMP INCOME			
	00	00	.00	NET GROSS SIMP INCOME	.00	.00	.00
	12,214 28	00	12,214.28	TOTAL INCOME	1029,739.46	.00	1029,739.46
				EXPENSES			
	44 80	00	44 80-	PAYROLL EXPENSE	830.78	.00	830
	341 89	00	341 89-	RENT CONTROL	7,531 67	00	7,531
	131 10	00	131 10-	CUSTODIAL	10,008 84	.00	10,008 84-
	103 23	00	103 23	SALARY-APT PREP	8,601 34	.00	8,601 34-
	2,844 38	00	2,844 38-	REPAIRS & MAINTENANCE	24,837 28	.00	24,837 28-
	483 44	00	483 44	PAINTERS	483 44	00	483.44
				EMPLOYER PAYROLL TAXES			
	2,478 67	00	2,478.67-	TOTAL PAYROLL EXPENSE	80,724.88	.00	80,724.88-
	00	00	00	OPERATING EXPENSES			
				CABLE TELEVISION	6 37-	00	6 37
	00	00	.00	TOTAL OPERATING EXPENSE	6 37-	.00	6 37
	8,397 05	00	8,397 05-	GENERAL AND MAINTENANCE COMMON AREA MAINTENANCE	305,969 89	00	305,969 89

866  
12

SMITH MAJALIKINI LU  
DEVELOPMENT NAME  
MCE PROPERTY CONSOLIDATION  
NO OF UNITS

FINANCIAL STATEMENT  
UNIT NO. CPW030C77  
SQUARE FEET  
BY 1187000500  
ACQUISITION DATE

11/25/78  
PAGE 8  
220 No. 128

DEC	ACTUAL	DEC BUDGET	DEC VARIANCE	CONTINUED FROM PREVIOUS PAGE	YTD ACTUAL	YTD BUDGET	YTD VARIANCE
	875 00	291 33	583 67	CARPET CLEANING & REPAIR	12,901 33	3,495 96	9,405 37
	1,432 30	00	1,432 30	HOUSEKEEPING SUPPLIES	14,820 37	00	14,820 37
	20,303 65	1,917 00	22,220 65	INDUSTRIAL SUPPLIES	50,997 09	23,304 00	27,693 09
	507 08	302 33	204 75	GLASS & SCREENS	3,698 30	3,427 88	270 42
	73 87	1,456 50	1,382 63	ELEVATOR EXTRAS	10,154 15	17,478 00	7,323 85
	190 40	982 88	792 48	FIRE PREVENTION	7,471 20	6,890 88	580 32
	574 18	611 91	162 73	SECURITY SUPPLIES	9,868 97	7,342 82	2,526 15
	1,088 48	1,213 78	125 30	PLUMBING	13,194 08	14,365 00	1,170 92
	1,901 27	1,456 50	444 77	LIGHT BULBS & FIXTURES	13,879 73	17,478 00	3,598 27
	608 56	488 50	120 06	ELECTRICAL	10,564 09	8,828 00	1,736 09
	2,988 37	2,427 50	560 87	AIR CONDITIONING & HEATING	20,708 51	29,120 00	8,411 49
	273 38	273 41	03	AIR COND CHILLERS SERVICE	3,128 12	3,280 83	152 71
	1,104 15	00	1,104 15	BOILERS	1,191 40	00	1,191 40
	00	436 91	436 91	MAINTENANCE BOILERS & WATER HEAT	1,680 27	8,242 82	6,562 55
	29 12	121 41	92 29	GATE MAINTENANCE	381 74	1,456 82	1,075 08
	198 87	242 75	43 88	LOCKS & KEYS	2,708 80	2,813 00	104 20
	614 51	582 58	31 93	UNIFORMS	7,035 07	6,890 98	144 09
	287 81	825 33	537 52	PAINT SUPPLIES	14,221 80	8,803 89	5,417 91
	777 06	00	777 06	APPLIANCES	3,168 27	00	3,168 27
	1,453 54	776 83	676 71	EQUIPMENT REPAIR	10,828 78	8,221 88	2,606 90
	958 25	1,359 41	401 16	TELEPHONE EQUIP REPAIR	16,881 86	16,212 82	669 04
	3,008 80	2,427 50	581 30	SPECIAL MAINTENANCE	64,193 32	29,120 00	35,073 32
	15,263 12	971 00	14,292 12	CARPETS & DRAPES	54,726 18	11,652 00	43,074 18
	277 70	00	277 70	FURNITURE RENTAL	17,881 80	00	17,881 80
	5,188 08	00	5,188 08	PRGM UPGRADE	62,175 23	00	62,175 23
	00	00	00	DATACOM REFUNDIMENT	3,780 00	00	3,780 00
	186,526 61	21,470 57	175,056 04	TOTAL GENERAL AND MAINTENANCE	2142,276 74	297,646 24	1885,120 50
	2,084 88	2,250 00	165 11	UTILITIES	27,072 84	27,000 00	72 84
	49,858 64	49,220 50	638 14	TELEPHONE	619,440 82	581,846 00	37,594 82
	8,172 40	3,401 18	4,771 22	ELECTRICITY	81,838 88	43,248 82	38,590 06
	8,298 64	5,632 00	2,666 64	GAS	51,402 07	67,984 00	16,581 93
	4,232 88	00	4,232 88	WATER	81,121 88	00	81,121 88
	72,747 43	60,826 68	11,920 75	SEWER			
	8,587 55	1,000 00	7,587 55	TOTAL UTILITIES	838,874 86	728,878 82	109,996 04
	4,236 82	200 00	4,036 82	OTHER EXPENSES	23,895 14	12,000 00	11,895 14
	1,067 48	00	1,067 48	OFFICE EXPENSE	9,958 82	2,400 00	7,558 82
	22,858 71	800 00	21,058 71	BOTTLED WATER	56,745 25	00	56,745 25
				GENERAL OFFICE EXPENSE	34,832 71	8,800 00	26,032 71
				POSTAGE & SHIPPING	14,271 85	6,000 00	8,271 85
				DATA PROCESSING			

1873121  
PAGE  
188

FINANCIAL STATEMENT  
REPORT NO. 1187000178  
CPM/SC/P ACQUISITION DATE  
SQUARE 111

SHIELD MANAGEMENT CO  
ACQUISITION NAME  
MCC LEASERBACK ENTERPRISES  
NO. OF UNITS

DEC  
ACTUAL  
97,576 29

DEC ACTUAL	DEC BUDGET	DEC. VARIANCE	CONTINUED FROM PREVIOUS PAGE	VID ACTUAL	VID BUDGET	VID VARIANCE
97,576 29	00	97,576 29	NET SURPLUS AFTER TAXES	1407,513 19	00	1407,513 19

# AUGUST 1994

Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday



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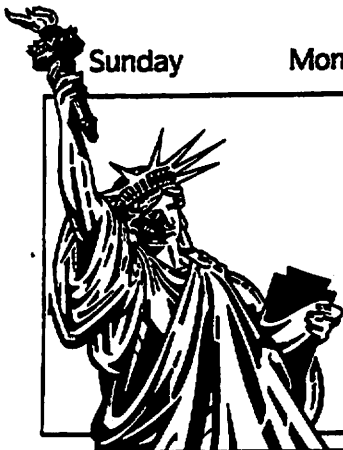
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31



2805 ABBOT KINNEY BLVD.  
MARINA DEL REY, CA 90291  
(310) 305-7848 FAX (310) 305-9229

# JULY 1994



Sunday

Monday

Tuesday

Wednesday

Thursday

Friday

Saturday



2805 ABBOT KINNEY BLVD.  
MARINA DEL REY, CA 90291  
(310) 305-7848 FAX (310) 305-9229

Sir Speedy The business printers®							1	2
3	4 <i>Independence Day</i>	5	6	7	8	9		
10	11	12	13	14	15	16		
17	18	19	20	21	22	23		
24/31	25	26	27	28	29	30		