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8 Debtor-In-Possession

9 **IN THE UNITED STATES BANKRUPTCY COURT**
10 **FOR THE DISTRICT OF ARIZONA**

11 In re:	Chapter 11
12 GATEWAY HOTEL LLC, an Arizona limited 13 liability company,	Case No. 2:11-bk-08302-JMM
14 Debtor.	

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16 **PLAN OF REORGANIZATION DATED MAY 12, 2011**
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Exhibit "A" – Defined Terms
Exhibit "B" – Executory Contracts To Be Assumed (To be supplemented)

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1 Gateway Hotel, LLC, the debtor and debtor-in-possession in the above-captioned
2 Chapter 11 bankruptcy case ("Debtor"), hereby proposes this Plan Of Reorganization dated May
3 12, 2011 for the reorganization of the Debtor and the resolution of the Debtor's outstanding
4 Claims and Interests.¹ Reference is made to the Disclosure Statement for a discussion of the
5 Debtor's history, risk factors relating to the Plan, and certain other related matters. The Debtor is
6 a proponent of this Plan within the meaning of section 1129 of the Bankruptcy Code.

7 All holders of Claims and Interests are encouraged to read the Plan and the
8 Disclosure Statement in their entirety before voting to accept or reject the Plan. Subject to
9 certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code, Federal
10 Rule of Bankruptcy Procedure 3019, and the terms of the Plan, the Debtor reserves the right to
11 alter, amend, modify, revoke or withdraw the Plan prior to its substantial consummation.

12
13 **I. DEFINITIONS, RULES OF INTERPRETATION, AND GOVERNING LAW.**

14 **A. Definitions.**

15 Capitalized terms used in this Plan shall have the same meaning as provided in
16 Exhibit "A" hereto or as otherwise provided in the Bankruptcy Code and applicable Bankruptcy
17 Rules. In the event of a conflict, the meaning provided in Exhibit "A" will control. Whenever
18 the context requires, capitalized terms shall include the plural as well as the singular number, the
19 masculine gender shall include the feminine, and the feminine gender shall include the
20 masculine.

21 **B. Rules Of Interpretation.**

22 For purposes of the Plan (i) any reference in the Plan to an existing document or
23 exhibit filed or to be filed means such document or exhibit as it may have been or may be
24 amended, modified, or supplemented; (ii) unless otherwise specified, all references in the Plan to
25 sections, articles, schedules, and exhibits are references to sections, articles, schedules, and
26 exhibits of or to the Plan; (iii) the words "herein", "hereof", "hereunder", "hereto" and other
27 words of similar import refer to the Plan in its entirety rather than to a particular portion of the
28 Plan; (iv) captions and headings to articles and sections are inserted for convenience of reference
only and are not intended to be a part of or to affect the interpretation of the Plan; and (v) the
rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy
Rules shall apply.

29 **C. Governing Law.**

30 Unless a rule of law or procedure is supplied by federal law (including the
31 Bankruptcy Code and Bankruptcy Rules), the laws of the State of Arizona shall govern the
32 construction and implementation of the Plan and any agreements, documents, and instruments
33 executed in connection with the Plan and corporate governance matters with respect to the
34 Debtor, without giving effect to the principles of conflicts of law thereof. Nothing contained in
35 this section is intended to, or shall, affect the substantive law otherwise applicable to the
36 allowance or disallowance of a Claim or Interest.

37
38 ¹ Definitions of capitalized terms are addressed in Section I.A.

1 **II. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS.**

2 Claims are classified for all purposes, including voting, confirmation, and
3 distribution pursuant to the Plan, as follows:

4 Class Designation	Impairment	Entitled to Vote
5 Class 1: Administrative Claims	No	No
6 Class 2: Priority Claims	Yes	Yes
7 Class 3: Lender's Secured Claim	Yes	Yes
8 Class 4: Secured Tax Claims	Yes	Yes
9 Class 5: General Unsecured Claims	Yes	Yes
10 Class 6: Equus Claim	Yes	Yes
11 Class 7: Interests	No	No

12 **A. Class 1: Administrative Claims.**

13 Description. Class 1 is comprised of the holders of Allowed Administrative Expense
14 Claims.

15 Impairment and Voting. Class 1 is not impaired by the Plan. The holders of Allowed
16 Administrative Expense Claims are not entitled to vote to accept or reject the Plan on account of
17 their Class 1 Claims.

18 Treatment. Except to the extent that any holder of an Allowed Administrative Expense
19 Claim agrees to a less favorable treatment on account of such Claim, each holder of an Allowed
20 Administrative Expense Claim shall receive Cash in an amount equal to such Claim on the later
21 of: (i) the Effective Date; or (ii) the date such Claim becomes an Allowed Administrative
22 Expense Claim, or as soon thereafter as is practicable.

23 Except as otherwise ordered by the Bankruptcy Court, all entities seeking an award by
24 the Bankruptcy Court of an Administrative Expense Claim shall file such Claim no later than the
25 Effective Date or such other date as may be fixed by the Bankruptcy Court. If such
26 Administrative Expense Claim is Allowed, it shall be paid in full as set forth herein.

27 All professionals or other entities requesting compensation or reimbursement of expenses
28 pursuant to Sections 327, 328, 330, 331, 363, 503(b) and/or 1103 of the Bankruptcy Code for
services rendered or costs incurred through and including the Confirmation Date shall file their
respective final applications for allowance of compensation for services rendered and
reimbursement of expenses incurred through the Confirmation Date in accordance with the
foregoing, subject to amendments for any periods of time subsequent to the application period,
unless otherwise ordered by the Bankruptcy Court. If such professional or other entity is granted
an award by the Bankruptcy Court, such professional or other entity shall be paid its Allowed
Administrative Expense Claim as set forth herein or as otherwise ordered by the Bankruptcy
Court.

To the extent any professionals render services or incur costs subsequent to the
Confirmation Date for the benefit of the Debtor, as the case may be, regardless of whether it is
before or after the Effective Date, the Debtor shall be responsible for paying such fees or
reimbursing such costs within 30 days of the submission of an invoice by such professional to

1 the Debtor as an ordinary course payment without further order of the Bankruptcy Court. If a
2 professional or the Debtor has a dispute with regard to such fees or costs, either party may
3 petition the Bankruptcy Court for relief. The Bankruptcy Court retains exclusive jurisdiction to
4 resolve any such dispute, and in the event that either party petitions the Bankruptcy Court for
relief, the Debtor's obligation to comply with the 30 day payment requirement is stayed until
entry of a Final Order of the Bankruptcy Court resolving such dispute or agreement between the
parties.

5 **B. Class 2: Priority Claims.**

6 Description. Class 2 is comprised of the holders of Allowed Priority Claims against the
Debtor.

7 Impairment and Voting. Class 2 is impaired by the Plan. The holders of Allowed
8 Priority Claims are entitled to vote to accept or reject the Plan on account of their Class 2
Claims.

9 Treatment. Except to the extent that any entity entitled to payment of any Allowed
10 Priority Claim agrees to a less favorable treatment, each holder of such Allowed Priority Claim
11 shall receive Cash: (i) in an amount equal to twenty percent (20%) of such Allowed Priority
12 Claim on the later of: (a) the Effective Date; or (b) the date such Claim becomes an Allowed
Priority Claim, or as soon thereafter as is practicable; and (ii) in an amount equal to eighty
percent (80%) of such Allowed Priority Claim paid in equal quarterly payments over the term of
thirty-six (36) months until such Allowed Priority Claim is paid in full.

13 Except as otherwise ordered by the Bankruptcy Court, all entities seeking an award by
14 the Bankruptcy Court of a Priority Claim shall file such Claim within the time frame provided
15 under the Bankruptcy Code or such other date as may be fixed by the Bankruptcy Court. If such
Claim is Allowed, it shall be paid in full in such amounts as are approved by the Bankruptcy
Court as set forth herein.

16 **C. Class 3: Lender's Claim.**

17 Description. Class 3 is comprised of Lender's Claim.

18 Impairment and Voting. Class 3 is impaired by the Plan. Lender is entitled to vote to
accept or reject the Plan on account of its Class 3 Claim.

19 Treatment. Lender shall retain its liens and security interests in the Collateral.
20 Lender's Claim shall be paid during the first twelve (12) months following the Effective Date in
equal monthly payments of interest only at the interest rate of five percent (5%) payable in
21 arrears on the first business day of each month, and thereafter in equal monthly installments of
principal plus interest amortized over 30 years at the interest rate of five percent (5%) payable in
22 arrears on the first business day of each month. The Debtor's obligation to pay Lender's Claim
in full shall mature, and all outstanding unpaid principal and accrued interest shall be due and
23 payable, on the date that is seven (7) years after the Effective Date. The Debtor may prepay
Lender's Claim, in full or in part, without penalty or additional fees of any kind. In the event
24 that the Debtor fails to pay Lender's Claim in full at maturity, then at Lender's election, the
Debtor shall either surrender the Collateral to Lender or Lender's assign, or Lender may
25 foreclose its liens and security interest in the Collateral pursuant to applicable non-bankruptcy
law without opposition from the Debtor.

26 **D. Class 4: Secured Tax Claims.**

27 Description. Class 4 is comprised of the holders of Allowed Secured Tax Claims.
28

1 Impairment and Voting. Class 4 is impaired by the Plan. The holders of Allowed
2 Secured Tax Claims are entitled to vote to accept or reject the Plan on account of their Class 4
3 Claims.

4 Treatment. Except to the extent that the holder of any Allowed Secured Tax Claim
5 agrees to different treatment, beginning on the later of (i) the Effective Date, (ii) the date on
6 which such Secured Tax Claim becomes an Allowed Secured Tax Claim, or as soon thereafter as
7 practicable, or (iii) such other date as may be fixed by the Bankruptcy Court, the holder of an
8 Allowed Secured Tax Claim will receive equal quarterly payments over the term of thirty-six
9 (36) months in the amount of the Allowed Secured Tax Claim until such Allowed Secured Tax
10 Claim is paid in full. The holder of the Allowed Secured Tax Claim will retain any liens
11 securing the Allowed Secured Tax Claim until such Allowed Secured Tax Claim is paid in full,
12 at which time such liens shall be released by appropriate action taken by the holder of such
13 Claim. Any inchoate liens securing Secured Tax Claims not yet due and owing by the Debtor
14 will also be retained by the holder of such Claim; provided, however, that the Debtor will not be
15 required to pay tax obligations arising after the Confirmation Date except in the ordinary course
16 of business with interest accruing at the statutory rate if not timely paid.

17 **E. Class 5: General Unsecured Claims.**

18 Description. Class 5 is comprised of the holders of Allowed General Unsecured Claims.

19 Impairment and Voting. Class 5 is impaired by the Plan. Each holder of an Allowed
20 General Unsecured Claim is entitled to vote to accept or reject the Plan.

21 Treatment. Except to the extent that the holder of any Allowed General Unsecured Claim
22 agrees to a different treatment, each holder of such Allowed General Unsecured claim shall
23 receive Cash: (i) in an amount equal to twenty percent (20%) of such Allowed General
24 Unsecured Claim on the later of: (a) the Effective Date; or (b) the date such Claim becomes an
25 Allowed General Unsecured Claim, or as soon thereafter as is practicable; (ii) in an amount equal
26 to eighty percent (80%) of such Allowed General Unsecured Claim paid in equal quarterly
27 payments over the term of thirty-six (36) months until such Allowed General Unsecured Claim is
28 paid in full.

18 **F. Class 6: Equus Claim.**

19 Description. Class 6 is comprised of the claim of Equus.

20 Impairment and Voting. Class 6 is impaired by the Plan. Equus is entitled to vote to
21 accept or reject the Plan.

22 Treatment. Equus shall be paid the full amount of its Allowed Claim, without interest, as
23 determined by the Debtor in its sole discretion, provided that no payment shall be made to Equus
24 on account of its Allowed Claim: (i) until all Allowed Claims in Class 1, 2, 4 and 5 have been
25 paid in full, (ii) unless all Plan payments to Lender are current, and (iii) to the extent such
26 payment deprives the Debtor of sufficient cash to make Plan payments (including normal
27 operating expenses) when due.

24 **G. Class 7: Interests.**

25 Description. Class 7 is comprised of the holders of Interests in the Debtor.

26 Impairment and Voting. Class 7 is unimpaired by the Plan. Each holder of an Interest
27 shall not be entitled to vote and is deemed to accept the Plan.

28 Treatment. The Interests in the Debtor shall survive the Bankruptcy Case to the same
extent and amount as the Interests existed on the Petition Date.

1 **III. IMPLEMENTATION OF THE PLAN.**

2 Distributions pursuant to the Plan shall be paid in full pursuant to Section II of the
3 Plan. The Debtor shall make Plan distributions from revenues generated by the Debtor's
4 business operations or such other sources as the Debtor deems appropriate in its reasonable
5 business judgment.

6 **IV. PROVISIONS REGARDING VOTING AND DISTRIBUTIONS UNDER THE**
7 **PLAN.**

8 **A. Voting Of Claims.**

9 Each holder of an Allowed Claim in an impaired Class of Claims that is entitled
10 to vote on the Plan pursuant to Section II of the Plan shall be entitled to vote separately to accept
11 or reject the Plan as provided in such order as is entered by the Bankruptcy Court establishing
12 procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or
13 any other order or orders of the Bankruptcy Court.

14 **B. Nonconsensual Confirmation.**

15 If any impaired class of Claims entitled to vote shall not accept the Plan by the
16 requisite statutory majority provided in section 1126(c) of the Bankruptcy Code, the Debtor
17 reserves the right to amend the Plan, or undertake to have the Bankruptcy Court confirm the Plan
18 under section 1129(b) of the Bankruptcy Code, or both.

19 **C. Distributions Of Cash.**

20 In the event that any payment, distribution, or act under the Plan is required to be
21 made or performed on a date that is not a Business Day, then the making of such payment or
22 distribution or the performance of such act may be completed on or as soon as reasonably
23 practicable after the next succeeding Business Day, but shall be deemed to have been completed
24 as of the required date. Subject to Federal Rule of Bankruptcy Procedure 9010, all distributions
25 under the Plan to holders of Allowed Claims shall be made to the holder of each Allowed Claim
26 at the address of such holder as listed on the Schedules, unless the Debtor has been notified in
27 writing of a change of address, including, without limitation, by the timely filing of a proof of
28 claim by such holder that provides an address for such holder different from the address reflected
on the Schedules.

D. Unclaimed Distributions.

 All distributions under the Plan that are unclaimed for a period of sixty (60) days
after distribution thereof shall be deemed unclaimed property under section 347(b) of the
Bankruptcy Code and revested in Debtor, and any entitlement of any holder of any Claim to such
distributions shall be extinguished and forever barred.

E. Setoffs.

 Debtor may, but shall not be required to, set off against any Claim (for purposes
of determining the allowed amount of such Claim on which distribution shall be made), any
Claims of any nature whatsoever that the Debtor may have against the holder of such Claim, but
neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or
release by Debtor of any such Claim the Debtor may have against the holder of such Claim.

1 **F. Allocation Between Principal And Interest.**

2 To the extent that any Allowed Claim entitled to a distribution under the Plan is
3 comprised of principal and accrued but unpaid interest thereon, and unless expressly provided
4 otherwise herein, such distribution shall be allocated first to the principal amount of the Claim
5 (as determined for federal income tax purposes) and then, to the extent the consideration exceeds
6 the principal amount of the Claim, to accrued but unpaid interest.

7 **V. DISPUTED CLAIMS.**

8 **A. Objections To Claims.**

9 Debtor shall be entitled to object to any Claims, including without limitation
10 Administrative Expense Claims. Except as otherwise ordered by the Bankruptcy Court, any
11 objections to Claims shall be filed and served on or before the later of (i) the Effective Date, (ii)
12 thirty (30) days after the filing of such Claim, or (iii) such date as may be fixed by the
13 Bankruptcy Court, after notice and a hearing, whether fixed before or after the date specified in
14 clause (i) above. Notwithstanding any other provision hereof, if any portion of a Claim is a
15 Disputed Claim, no payment or distribution provided hereunder shall be made on account of
16 such Claim unless and until such Disputed Claim becomes an Allowed Claim.

17 **B. Resolutions Of Claims Objections.**

18 On and after the Effective Date, the Debtor shall have the authority to
19 compromise, settle, otherwise resolve, or withdraw any objections to Claims and compromise,
20 settle, or otherwise resolve Disputed Claims without approval of the Bankruptcy Court.

21 **VI. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

22 **A. Assumption Or Rejection.**

23 Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory
24 contracts and unexpired leases that exist between the Debtor and any person or entity shall be
25 deemed rejected by the Debtor, as of the Effective Date, except for any executory contracts or
26 unexpired leases (i) that have been assumed pursuant to an order of the Bankruptcy Court
27 entered prior to the Effective Date and for which the motion was filed prior to the Confirmation
28 Date, (ii) as to which a motion for approval of the assumption of such executory contract or
29 unexpired lease has been filed and served prior to the Confirmation Date, or (iii) that is
30 designated as a contract or lease to be assumed pursuant to Exhibit "B" of this Plan; provided,
31 however, that the Debtor reserves the right, on or prior to the Confirmation Date, to supplement
32 the Plan to delete any executory contract or unexpired lease therefrom or add any executory
33 contract or unexpired lease thereto, in which event such executory contract(s) or unexpired
34 lease(s) shall be deemed to be, respectively, assumed or rejected. The Debtor shall provide
35 notice of such Plan supplement to the parties to the executory contracts and unexpired leases
36 affected thereby.

37 Unless otherwise specified, each executory contract and unexpired lease assumed
38 or rejected pursuant to the Plan shall include modifications, amendments, supplements,
39 restatements, or other agreements made directly or indirectly by any agreement, instrument, or
40 other document that in any manner affects such executory contract or unexpired lease. The
41 listing of a document as an executory contract or unexpired lease in this Plan, the Disclosure
42 Statement, or any Plan supplement shall not constitute an admission by the Debtor that such

1 document is an executory contract or an unexpired lease or that the Debtor has any liability
2 thereunder.

3 **B. Approval Of Assumption Or Rejection.**

4 Entry of the Confirmation Order shall, subject to and upon the occurrence of the
5 Effective Date, constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the
6 Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed
7 (and, to the extent applicable, assigned) pursuant to the Plan, (ii) the extension of time, pursuant
8 to section 365(d)(4) of the Bankruptcy Code, within which the Debtor may assume, assume and
9 assign, or reject the unexpired leases specified in the Plan through the date of entry of an order
10 approving the assumption, assumption and assignment, or rejection of such unexpired leases, and
11 (iii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the
12 rejection of the executory contracts and unexpired leases rejected pursuant to the Plan.

13 **C. Cure Of Defaults.**

14 Except as may otherwise be agreed to by the parties, within thirty (30) days after the
15 Effective Date, the Debtor shall cure any and all undisputed defaults under any executory
16 contract or unexpired lease assumed by the Debtor pursuant to the Plan, in accordance with
17 section 365(b) of the Bankruptcy Code. All disputed defaults that are required to be cured shall
18 be cured either within thirty (30) days of the entry of a Final Order determining the amount, if
19 any, of the Debtor's liability with respect thereto, or as may otherwise be agreed to by the
20 parties.

21 **D. Bar Date For Filing Proofs Of Claim Relating To Rejection Of Executory
22 Contracts And Unexpired Leases.**

23 Claims arising out of the rejection of an executory contract or unexpired lease must be
24 filed with the Bankruptcy Court and served upon the Debtor no later than thirty (30) days after
25 the later of: (i) notice of entry of an order approving the rejection of such executory contract or
26 unexpired lease; or (ii) the Effective Date. All such Claims not filed within such time will be
27 forever barred from assertion against the Debtor and the Estate.

28 **VII. CORPORATE GOVERNANCE AND MANAGEMENT OF DEBTOR.**

On the Effective Date, and consistent with the treatment of Interests pursuant to Class 7,
the Debtor's Interests shall remain as they existed on the Petition Date. Overall control of the
Debtor shall remain the responsibility of the manager of the Debtor pursuant to the Debtor's
operating agreement, as the same existed on the Petition Date. The Debtor's corporate charter is
hereby amended to comply with section 1123(a)(6) of the Bankruptcy Code.

VIII. EFFECT OF CONFIRMATION.

A. Continued Existence Of The Debtor; Vesting Of Assets.

On the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all
right, title and interest in all of the property and assets of the Debtor and the Estate shall revert in
the Debtor, free and clear of liens, claims and encumbrances, except as provided herein. From
and after the Effective Date, the Debtor may operate its business and may use, acquire, and
dispose of property in accordance herewith and free of any restrictions of the Bankruptcy Code

1 or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter
2 or provision of the Bankruptcy Code, except as provided herein.

3 **B. Discharge Of Claims.**

4 Except as otherwise provided in the Plan and the Confirmation Order, the rights afforded
5 in the Plan and the payments and distributions to be made hereunder shall be in exchange for and
6 in complete satisfaction, discharge, and release of all existing debts and Claims, of any kind,
7 nature, or description whatsoever, including any interest accrued on such Claims from and after
8 the Petition Date, against the Debtor and the Estate to the fullest extent permitted by section
9 1141 of the Bankruptcy Code. Except as provided in the Plan and the Confirmation Order, upon
10 the Effective Date, all existing Claims against the Debtor and the Estate shall be deemed to be
11 discharged and terminated, and all holders of Claims and Interests shall be precluded and
12 enjoined from asserting against the Debtor or any of its assets or properties, any other or further
13 Claim or Interest based upon any act or omission, transaction, or other activity of any kind or
14 nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of
15 Claim or proof of Interest.

16 **C. Discharge Of Debtor.**

17 Except as otherwise provided in the Plan or the Confirmation Order, upon the Effective
18 Date and in consideration of the distributions to be made hereunder, except as otherwise
19 expressly provided herein, each holder (as well as any trustees and agents on behalf of each
20 holder) of a Claim or Interest and any affiliate of such holder shall be deemed to have forever
21 waived, released, and discharged the Debtor, to the fullest extent permitted by section 1141 of
22 the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose
23 prior to the Effective Date. Upon the Effective Date, all such persons shall be forever precluded
24 and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any
25 such discharged Claim against or terminated Interest in the Debtor.

26 **D. Term Of Injunctions Or Stays.**

27 Unless otherwise provided in the Plan, the Confirmation Order, or a separate order of the
28 Bankruptcy Court, all injunctions or stays arising under or entered during the Bankruptcy Case
under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the
Confirmation Date, shall remain in full force and effect until the later of the Effective Date and
the date indicated in such applicable order.

E. Avoidance Actions.

From and after the Effective Date, the Debtor shall have the right to prosecute any
Avoidance Actions of the Debtor or the Estate. The Debtor shall evaluate and commence such
Avoidance Actions, as appropriate in the Debtor's business judgment, within the first sixty (60)
days after the Effective Date.

F. Retention Of Causes Of Action/Reservation Of Rights.

Except as specifically provided for herein, nothing contained in the Plan or the
Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or causes
of action that the Debtor may have or which the Debtor may assert under any provision of the
Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, (i) any and
all claims against any person or entity, to the extent such person or entity asserts a crossclaim,

1 counterclaim, and/or claim for setoff which seeks affirmative relief against the Debtor, its
2 members, management, or representatives, (ii) the turnover of any property of the Estate, and
3 (iii) any other causes of action relating to acts or omissions occurring prior to the Petition Date.

4 Except as specifically provided for herein, nothing contained in the Plan or the
5 Confirmation Order shall be deemed to be a waiver or relinquishment of any claim, cause of
6 action, right of setoff, or other legal or equitable defense which the Debtor had immediately prior
7 to the Petition Date, against or with respect to any Claim left unimpaired by the Plan. The
8 Debtor shall have, retain, reserve, and be entitled to assert all such claims, causes of action,
9 rights of setoff, and other legal or equitable defenses which the Debtor had immediately prior to
10 the Petition Date fully as if the Bankruptcy Case had not been commenced, and all of the
11 Debtor's legal and equitable rights respecting any Claim left unimpaired by the Plan may be
12 asserted after the Confirmation Date to the same extent as if the Bankruptcy Case had not been
13 commenced.

9 **IX. RETENTION OF JURISDICTION.**

10 The Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and
11 related to, the Bankruptcy Case and the Plan pursuant to, and for the purposes of, sections 105(a)
12 and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

12 (a) To hear and determine any and all adversary proceedings, applications,
13 and contested matters;

14 (b) To hear and determine any objection to Claims;

15 (c) To hear and determine pending applications for the assumption or
16 rejection of executory contracts or unexpired leases and the allowance of cure amounts and
17 Claims resulting therefrom;

18 (d) To enter and implement such orders as may be appropriate in the event the
19 Confirmation Order is for any reason stayed, revoked, modified, or vacated;

20 (e) To issue such orders in aid of execution and consummation of the Plan, to
21 the extent authorized by section 1142 of the Bankruptcy Code;

22 (f) To consider any amendments to, or modifications of, the Plan, to cure any
23 defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court,
24 including, without limitation, the Confirmation Order;

25 (g) To hear and determine all applications for compensation and
26 reimbursement of expenses of professionals under sections 330, 331, and 503(b) of the
27 Bankruptcy Code;

28 (h) To hear and determine disputes arising in connection with the
interpretation, implementation, or enforcement of the Plan;

(i) To issue injunctions, enter and implement other orders, and take such
other actions as may be necessary or appropriate to restrain interference by any person with the
consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any
other order of the Bankruptcy Court;

1 (j) To recover all assets of the Debtor and property of the Estate, wherever
located;

2 (k) To hear and determine matters concerning state, local, and federal taxes in
3 accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited
determination of taxes under section 505(b) of the Bankruptcy Code);

4 (l) To resolve any Disputed Claims;

5 (m) To determine the scope of any discharge of the Debtor under the Plan or
6 the Bankruptcy Code;

7 (n) To hear any other matter not inconsistent with the Bankruptcy Code; and

8 (o) To enter a final decree closing the Bankruptcy Case.

9 **X. MISCELLANEOUS PROVISIONS.**

10 **A. Effectuating Documents And Further Transactions.**

11 The Debtor is authorized to execute, deliver, file, or record such contracts, instruments,
12 releases, indentures, and other agreements or documents and take such actions as may be
necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

13 **B. Corporate Action.**

14 On the Effective Date, all matters provided for under the Plan that would otherwise
15 require approval of the members of the Debtor, including, without limitation, all restructuring
16 transactions effectuated pursuant to the Plan, shall be deemed to have occurred and shall be in
effect from and after the Effective Date pursuant to the applicable general corporation law of the
17 State of Arizona, without any requirement of further action by the manager or members of the
Debtor.

18 **C. Reporting Requirements.**

19 In connection with the consummation of the Plan, the Debtor shall comply with the
20 withholding and reporting requirements, if any, imposed by any federal, state, local, or foreign
taxing authority, and all distributions hereunder shall be subject to any such withholding and
21 reporting requirements.

22 **D. Exemption From Transfer Taxes.**

23 Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange
24 of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, or other
security interest, the making or assignment of any lease or sublease, or the making or delivery of
25 any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan,
including, without limitation, any merger agreements or agreements of consolidation, deeds, bills
26 of sale, or assignments executed in connection with any of the transactions contemplated under
the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other
27 similar tax. Any sale transactions consummated by the Debtor and approved by the Bankruptcy
Court on and after the Petition Date through and including the Effective Date, including, without
28 limitation, the transfers effectuated under the Plan, the sale by the Debtor of owned property, and

1 any assumption, assignment, and sale by the Debtor of unexpired leases of non-residential real
2 property pursuant to section 365(a) of the Bankruptcy Code, shall be deemed to have been made
3 under, in furtherance of, or in connection with the Plan and, thus, shall not be subject to any
4 stamp, real estate transfer, mortgage recording, or other similar tax.

5 **E. Post-Effective Date Fees And Expenses.**

6 From and after the Effective Date, the Debtor shall, in the ordinary course of business
7 and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and
8 expenses of professional persons thereafter incurred by the Debtor, including, without limitation,
9 those fees and expenses incurred in connection with the implementation and consummation of
10 the Plan.

11 **F. Amendment Or Modification Of The Plan.**

12 Alterations, amendments, or modifications of or to the Plan may be proposed in writing
13 by the Debtor at any time prior to the Confirmation Date, provided that the Plan, as altered,
14 amended, or modified, satisfies the conditions of the Bankruptcy Code, and the Debtor shall have
15 complied with the Bankruptcy Code. The Plan may be altered, amended, or modified at any time
16 after the Confirmation Date and before substantial consummation, provided that the Plan, as
17 altered, amended, or modified, satisfies the requirements of the Bankruptcy Code and the
18 Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended, or
19 modified. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the
20 Plan, as altered, amended, or modified, if the proposed alteration, amendment, or modification
21 does not materially and adversely change the treatment of the Claim of such holder.

22 **G. Revocation Or Withdrawal Of The Plan.**

23 The Debtor may withdraw the Plan prior to the Confirmation Date. If the Debtor revokes
24 or withdraws the Plan prior to the Confirmation Date, then the Plan shall be deemed null and
25 void. In such event, nothing contained herein shall constitute or be deemed a waiver or release
26 of any Claims by or against the Debtor or any other person or to prejudice in any manner the
27 rights of the Debtor or any person in any further proceedings involving the Debtor.

28 **H. Severability.**

If, prior to the Confirmation Date, any term or provision of the Plan is held by the
Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of
the Debtor, shall have the power to alter and interpret such term or provision to make it valid or
enforceable to the maximum extent practicable, consistent with the original purpose of the term
or provision held to be invalid, void, or unenforceable, and such term or provision shall then be
applicable as altered or interpreted. Notwithstanding any such holding, alteration, or
interpretation, the remainder of the terms and provisions of the Plan will remain in full force and
effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or
interpretation. The Confirmation Order shall constitute a judicial determination and shall
provide that each term and provision of the Plan, as it may have been altered or interpreted in
accordance with the foregoing, is valid and enforceable pursuant to its terms.

I. Binding Effect.

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

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TWO NORTH CENTRAL AVENUE, SUITE 2200
PHOENIX, ARIZONA 85004-4406
(602) 364-7000

1 **J. Exhibits/Schedules.**

2 All exhibits and schedules to the Plan, including any Plan supplement, are incorporated
3 into and are a part of the Plan as if set forth in full herein.

4 **K. Notices.**

5 All notices, requests, and demands to or upon the Debtor to be effective shall be in
6 writing (including by facsimile transmission) and, unless otherwise expressly provided herein,
7 shall be deemed to have been duly given or made when actually delivered or, in the case of
8 notice by facsimile transmission, when received and telephonically confirmed, addressed as
9 follows:

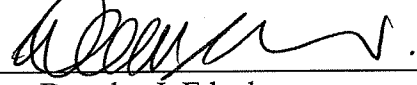
7 Gateway Hotel, LLC
8 Attention: Douglas J. Edgelow
9 2701 East Camelback Road, Suite 175
10 Phoenix, Arizona 85016
11 Telephone: (602) 840-0559
12 Facsimile: (602) 224-1278

13 -and-


14 Robert J. Miller
15 Bryce A. Suzuki
16 Kyle S. Hirsch
17 BRYAN CAVE LLP
18 Two North Central Avenue, Suite 2200
19 Phoenix, Arizona 85004
20 Telephone: (602) 364-7000
21 Facsimile: (602) 364-7070

22 DATED this 12 day of May, 2011.

23 GATEWAY HOTEL, LLC

24 By 
25 Name: Douglas J. Edgelow
26 Its: Manager

27 BRYAN CAVE LLP

28 By 
29 Robert J. Miller
30 Bryce A. Suzuki
31 Kyle S. Hirsch
32 Two North Central Avenue, Suite 2200
33 Phoenix, AZ 85004-4406
34 Attorneys for the Debtor and Debtor-In-Possession

1 **EXHIBIT "A"**

2 **DEFINITIONS**

3 For purposes of the Combined Disclosure Statement and Plan, all of the following
4 defined terms will have the meanings as provided herein:

5 1. **Administrative Expense Claim.** This term will refer to and mean a claim
6 against the Debtor within the meaning of Bankruptcy Code §507(a)(2).

7 2. **Allowed Claim.** This term will refer to and mean a claim against the
8 Debtor: (i) (a) as to which a proof of such Claim has been filed within the time fixed by the
9 Bankruptcy Court or as otherwise provided in the Plan; or (b) which appears in the Debtor's
10 Schedules as liquidated in amount, undisputed and non-contingent; and in either event: (ii) (a) as
11 to which no objection to the allowance of such Claim has been filed within any applicable time
12 period fixed by the Bankruptcy Court or pursuant to this Plan, or (b) as to which the order
13 allowing such Claim has become a Final Order.

14 3. **Allowed Administrative Expense Claim.** This term will refer to and mean
15 an Administrative Expense Claim that is an Allowed Claim.

16 4. **Allowed Lender's Claim.** This term will refer to and mean Lender's
17 Claim to the extent that it is an Allowed Claim.

18 5. **Allowed General Unsecured Claim.** This term will refer to and mean a
19 General Unsecured Claim that is an Allowed Claim.

20 6. **Allowed Priority Claim.** This term will refer to and mean a Priority Claim
21 that is an Allowed Claim.

22 7. **Allowed Secured Tax Claim.** This term will refer to and mean a Secured
23 Tax Claim that is an Allowed Claim.

24 8. **Avoidance Action.** This term will refer to and mean any legal proceeding
25 asserting a claim to recover property of the Estate pursuant to Bankruptcy Code §§544,0545,
26 547, 548 or 553.

27 9. **Bankruptcy Case.** This term will refer to and mean the Debtor's case
28 under Chapter 11 of the Bankruptcy Code, Case No. 2:11-bk-08302-JMM, which is currently
pending before the Bankruptcy Court.

10 10. **Bankruptcy Code.** This term will refer to and mean Title 11 of the United
States Code, 11 U.S.C. §101 *et seq.*, as the same may be amended from time to time.

11 11. **Bankruptcy Court or Court.** These terms will refer to and mean the United
States Bankruptcy Court for the District of Arizona, or such other court that exercises
jurisdiction over all or part of the Bankruptcy Case.

1 12. Bankruptcy Rules. This term will refer to and mean the Federal Rules of
2 Bankruptcy Procedure, as amended, promulgated under 28 U.S.C. §2075 and the local rules of
the Court, as applicable from time to time during the Bankruptcy Case.

3 13. Business Day. This term will refer to and mean any day other than a
4 Saturday, a Sunday, or a day on which banking institutions in the State of Arizona are not open
for business.

5 14. Cash. This term will refer to and mean cash and cash equivalents
6 belonging to the Debtor. To the extent the term "Cash" is used with respect to distributions or
7 payments to holders of Claims, such payment or distribution may include the issuance of a check
drawn on a domestic bank or a wire transfer.

8 15. Claim. This term will refer to and mean every right and remedy, whether
9 or not asserted, encompassed within the statutory definition set forth in Bankruptcy Code
§101(5).

10 16. Class. This term will refer to and mean a class of Claim or Interest
11 described in Section II of the Plan.

12 17. Collateral. This term will refer to and mean the Estate property that is
13 encumbered by a valid, perfected lien and/or security interest in favor of Lender.

14 18. Confirmation Date. This term will refer to and mean the date on which
the Bankruptcy Court enters the Confirmation Order.

15 19. Confirmation Hearing. This term will refer to and mean the hearing
16 regarding confirmation of this Plan conducted pursuant to Bankruptcy Code §1128, as adjourned
or continued from time to time.

17 20. Confirmation Order. This term will refer to and mean the Bankruptcy
18 Court's Final Order confirming this Plan pursuant to Bankruptcy Code §1129.

19 21. Debtor. This term will refer to and mean Gateway Hotel LLC, an Arizona
20 limited liability company, the debtor and debtor-in-possession in the Bankruptcy Case.

21 22. Disclosure Statement. This term will refer to and mean the disclosure
22 statement in support of the Plan, which has been prepared by the Debtor and distributed in
accordance with Bankruptcy Code §§1125, 1126(b), and 1145 and Bankruptcy Rule 3018 in its
present form or as the same may be altered, amended, supplemented, or modified by the Debtor.

23 23. Effective Date. This term will refer to and mean the first Business Day of
24 the first month immediately following the Confirmation Date.

25 24. Estate. This term will refer to and mean the estate in the Bankruptcy Case.

26 25. Equus. This term will refer to and mean Equus Development Corporation.

27 26. Final Order. This term will refer to and mean an order and/or judgment
28 entered by a Court of competent jurisdiction as to which: (i) no appeals have been filed within

1 the time provided for in the Bankruptcy Rules; or (ii) an appeal has been filed and finally
2 adjudicated; or (iii) at the Debtor's discretion, an appeal has been filed but no stay pending such
3 appeal has been issued or granted.

4 27. General Unsecured Claim. This term shall refer to and mean a claim
5 against the Debtor (i) that is not secured by property of the Estate and (ii) is not entitled to
6 priority pursuant to Bankruptcy Code §507.

7 28. Lender. This term will refer to and mean 2010-1 SFG Venture LLC.

8 29. Lender's Claim. This term will refer to and mean the Claim against the
9 Debtor asserted by Lender.

10 30. Loan Agreement. This term will refer to and mean that certain Loan
11 Agreement dated June 2008 by and between the Debtor and Specialty Finance Group LLC
12 evidencing a loan in the original principal amount of \$25,211,524.00, as the same may have been
13 modified from time to time.

14 31. Loan and Security Documents. This term will refer to and mean the
15 documents (i) evidencing the indebtedness comprising Lender's Claim, including but not limited
16 to the Loan Agreement, and/or (ii) purportedly establishing the liens and/or security interest(s) in
17 and to the Estate property allegedly securing the Debtor's obligations pursuant to Lender's
18 Claim.

19 32. Petition Date. This term will refer to and mean March 29, 2011.

20 33. Plan. This term will refer to and mean this Plan Of Reorganization Dated
21 May 12, 2011 and every modification thereof, if any, filed by the Debtor.

22 34. Priority Claim. This term will refer to and mean a claim against the
23 Debtor within the meaning of Bankruptcy Code §507(a)(8).

24 35. Pro Rata Share. This term will refer to and mean the proportion that an
25 Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in such
26 Class.

27 36. Schedules. This term will refer to and mean the Schedules of Assets and
28 Liabilities filed by the Debtor in the Bankruptcy Case under Bankruptcy Code §521(1) (as
amended), and every modification thereof, if any.

37. Secured Tax Claim. This term will refer to and mean a Claim against the
Debtor for the payment of a governmental tax that is secured, by applicable non-bankruptcy law,
by a lien in property of the Estate.

EXHIBIT "B"

EXECUTORY CONTRACTS TO BE ASSUMED

(Forthcoming)

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