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Debtor and Debtor in Possession

8 Debtor's Mailing Address:
9 1880 Century Park East, Suite 810
Los Angeles, CA 90067

11 UNITED STATES BANKRUPTCY COURT
12 CENTRAL DISTRICT OF CALIFORNIA
13 LOS ANGELES DIVISION

15 In re)
16 LITTLE TOKYO PARTNERS, L.P.,)
a Delaware limited partnership,)
17 Debtor.)

Case No. 2:10-39113-BR

Chapter 11

SUBMISSION OF REDLINED PLANS

Confirmation Hearing

Date: February 14, 2011
Time: 2:00 P.M.
Place: Courtroom 1668
255 E. Temple St.
Los Angeles, CA 90012

1 **TO THE HONORABLE BARRY RUSSELL, UNITED STATES BANKRUPTCY JUDGE**
2 **AND ALL OTHER PARTIES IN INTEREST:**

3 Little Tokyo Partners, L.P. (the "Debtor"), the debtor and debtor in possession in the
4 above-captioned case, hereby submits comparison copies of the plans it has previously filed against
5 the most recently filed Third Amended Plan of Reorganization (December 15, 2010) as follows:

6 **DESCRIPTION**

7 EXHIBIT

EXHIBIT TAB

8 Redline copy of the Debtor's Third Amended Plan of Reorganization
9 (December 15, 2010) against the Debtor's Amended Plan of
Reorganization (November 4, 2010) [Docket No. 141]

1

10 Redline copy of the Debtor's Third Amended Plan of Reorganization
11 (December 15, 2010) against the Debtor's Second Amended Plan of
Reorganization (November 30, 2010) [Docket No. 151]

2

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13
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15 DATED: December 15, 2010

/s/ Christine M. Pajak

16 Jeffrey C. Krause,
17 Christine M. Pajak, and
18 Neeta Menon, Members of
STUTMAN, TREISTER & GLATT
19 PROFESSIONAL CORPORATION
Reorganization Counsel for Debtor and
20 Debtor in Possession Little Tokyo Partners, L.P.
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EXHIBIT "1"

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Los Angeles, CA 90067

11 UNITED STATES BANKRUPTCY COURT
12 CENTRAL DISTRICT OF CALIFORNIA
13 LOS ANGELES DIVISION

15 In re
16 LITTLE TOKYO PARTNERS, L.P.,
a Delaware limited partnership,
17 Debtor.

Case No. 2:10-39113-BR

Chapter 11

**DEBTOR'S THIRD AMENDED
PLAN OF REORGANIZATION
(November 4, DECEMBER 15, 2010)**

Disclosure Statement Hearing

None

Confirmation Hearing

Date: ~~To be Scheduled~~ February 14,
2011
Time: 2:00 P.M.
Place: Courtroom 1668
255 E. Temple St.
Los Angeles, CA 90012

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1 This Plan of Reorganization (the "Plan") is proposed by chapter 11 debtor Little
2 Tokyo Partners, L.P. (the "Debtor"). All holders of claims and interests are encouraged to read the
3 Plan in its entirety. **The Debtor is not soliciting acceptances or rejections of the Plan, because**
4 **the Plan cures and reinstates the Debtor's secured debts and pays all other creditors in full in**
5 **Cash and, therefore, does not impair any creditor or interest holder. You are not required to**
6 **respond or permitted to vote, but you have the right to object to confirmation of the Plan if**
7 **you wish to do so.**

8 I.

9 DEFINITIONS AND RULES OF CONSTRUCTION

10 A. Definitions.

11 In addition to such other terms as are defined in other sections of the Plan, the
12 following terms (which appear in the Plan as capitalized terms) have the following meanings as used
13 in the Plan:

- 14 1. "ADA Claims" means all Claims arising under that certain ADA Litigation.
- 15 2. "ADA Litigation" means that certain litigation styled Hugh Marsh and Neva
16 Lema v. Grand Kyoto Hotel; Little Tokyo Partners, L.P., et al., Case No. CV10-1511, pending in the
17 United States District Court for the Central District of California.
- 18 3. "ADA Settlement" means that certain settlement of the ADA Litigation as
19 more fully described herein, a copy of which will be filed as an Exhibit no later than the Exhibit
20 Filing Date.
- 21 4. "Administrative Claim" means a Claim for costs and expenses of
22 administration of the Reorganization Case under Bankruptcy Code section 503(b) or 507(a)(12).
- 23 5. "Allowed Claim" means a Claim against the Debtor to the extent that:
24 a. a proof of such Claim
25 (1) is timely Filed; or
26 (2) is deemed timely Filed under applicable law or by reason of an
27 order of the Bankruptcy Court; and
28

1 b. (1) ~~neither the Debtor nor the Reorganized Debtor Files an~~
2 ~~objection within a time fixed by the Bankruptcy Court and the Claim is not~~
3 ~~otherwise~~ the Claim is not a Disputed Claim ~~(but only to the extent that such Claim is~~
4 ~~not a Disputed Claim);~~

5 (2) the Claim is allowed (and only to the extent allowed) by a Final
6 Order; or

7 (3) the Claim is allowed under the Plan.

8 6. **"Allowed . . . Claim"** means an Allowed Claim in the particular class
9 described.

10 7. **"Allowed Interest"** means all interests in the Debtor as of the Confirmation
11 Date.

12 8. **"Avoiding Power Causes of Action"** means causes of action, if any, arising
13 under Bankruptcy Code sections 502(d), 506, 544, 545, 547, 548, 549, 550, 553, and 558, or any
14 fraudulent conveyance, fraudulent transfer or preference laws, or any cause of action arising under,
15 or relating to, any similar state law or federal law that constitutes property of the Estate under
16 Bankruptcy Code section 541, whether or not an action is initiated on or before the Effective Date.

17 9. **"Bank"** means First-Citizens Bank & Trust Company, the sole member of
18 Classes 3 and 4, respectively.

19 10. **"Bank's Hotel Collateral"** means a first lien on that certain real property
20 defined herein as the Hotel, the true and correct legal description of which shall be Filed not later
21 than the Exhibit Filing Date, and all net rents, issues and profits generated from the Hotel.

22 11. **"Bank's Hotel Note"** means that certain promissory note, dated as of
23 November 25, 2009, in the principal amount of \$33,600,000, which is secured by a first priority lien
24 on the Hotel, pursuant to a deed of trust dated November 25, 2009.

25 12. **"Bank's Weller Court Collateral"** means a first lien on that certain real
26 property defined herein as Weller Court, the true and correct legal description of which shall be
27 Filed not later than the Exhibit Filing Date, and all net rents, issues and profits from Weller Court.

28

1 13. "**Bank's Weller Deed of Trust**" means that certain deed of trust, dated as of
2 August 10, 2007, that was granted to the Bank to secure the Bank's Weller Note, and that certain
3 Modification of Deed of Trust dated as of November 25, 2009.

4 14. "**Bank's Weller Note**" means that certain promissory note issued by the
5 Debtor to the Bank, dated as of August 10, 2007, in the original principal amount of \$44,000,000,
6 which was subsequently paid down to a principal balance of \$10,400,000 in November 2009, and is
7 secured by a first priority lien on the Bank's Weller Court Collateral, pursuant to a deed of trust
8 dated August 10, 2007.

9 15. "**Bankruptcy Court**" means the United States Bankruptcy Court for the
10 Central District of California, Los Angeles Division, or, if such court ceases to exercise jurisdiction
11 over the Reorganization Case, such court or adjunct thereof that exercises jurisdiction over the
12 Reorganization Case in lieu of the United States Bankruptcy Court for the Central District of
13 California, Los Angeles Division.

14 16. "**Bankruptcy Rules**" means, collectively, the: (a) Federal Rules of
15 Bankruptcy Procedure, and (b) the Local Rules of the Bankruptcy Court, as applicable from time to
16 time in the Reorganization Case.

17 17. "**Business Day**" means any day that is not a Saturday, Sunday, or "legal
18 holiday" as defined in Bankruptcy Rule 9006(a).

19 18. "**Cash**" means cash or cash equivalents including, but not limited to, bank
20 deposits, checks or other similar items.

21 19. "**Claim**" means a Claim—as the term "Claim" is defined in Bankruptcy
22 Code section 101(5)—against the Debtor.

23 20. "**Committee**" means the Official Committee of Unsecured Creditors
24 appointed in the Reorganization Case.

25 21. "**Confirmation**" means the entry of the Confirmation Order.

26 22. "**Confirmation Date**" means the date on which Confirmation occurs.

27

28

1 23. **"Confirmation Hearing"** means the hearing held pursuant to Bankruptcy
2 Rule 3020(b)(2), including any continuances thereof, at which the Bankruptcy Court will consider
3 Confirmation of the Plan.

4 24. **"Confirmation Order"** means the order of the Bankruptcy Court confirming
5 the Plan under section 1129 of the Bankruptcy Code.

6 25. "Cure Reserve" means the reserve to be established pursuant to Article IV.C.

7 26. "Debtor" means Little Tokyo Partners, L.P.

8 2627. "Debtor in Possession" means Little Tokyo Partners, L.P., when acting in its
9 capacity as representative of the Estate in the Reorganization Case.

10 27. ~~"Disputed Claim" means any Claim: (a) as to which a proof of Claim has~~
11 ~~been Filed and the dollar amount of such Claim, respectively, is not specified in a fixed amount; (b)~~
12 ~~prior to the deadline to object to such Claim, as to which a proof of Claim has been Filed and the~~
13 ~~dollar amount of such Claim is specified in a fixed liquidated amount, the extent to which the stated~~
14 ~~amount of such Claim exceeds the amount of such Claim listed in the Schedules; (c) prior to the~~
15 ~~deadline to object to such Claim, as to which a proof of Claim has been Filed and such Claim is not~~
16 ~~included in the Schedules; (d) with respect to a proof of Claim that is filed or is deemed Filed under~~
17 ~~Bankruptcy Rule 3003(b)(1) and is listed as contingent, disputed or liquidated; (e) as to which an~~
18 ~~objection has been Filed or is deemed to have been Filed pursuant to any order approving procedures~~
19 ~~for objecting to Claims and such objection has neither been overruled nor been denied by a Final~~
20 ~~Order and has not been withdrawn; or (f) with respect to an Administrative Claim, as to which an~~
21 ~~objection: (1) has been timely Filed (or the deadline for objection to such Administrative Claim has~~
22 ~~not expired) and (2) has neither been overruled nor been denied by a Final Order and has not been~~
23 ~~withdrawn.~~ 28. "Disputed Claim" means with respect to any Claim as to which:

24 (a) a proof of Claim is timely Filed or is deemed timely Filed under applicable law or
25 by reason of an order of the Bankruptcy Court; and

26 (b) on or prior to the deadline to object to such Claim, the Debtor or the Reorganized
27 Debtor, either has filed a notice of designation of such Claim as a Disputed Claim or has Filed an
28

1 objection to such Claim which objection has not been (i) waived on account of a failure to timely file
2 and serve a claim objection; or (ii) overruled, denied by a Final Order, or withdrawn.

3 2829. "**Distribution Date**" has the meaning ascribed to it in section VII.C.2 of the
4 Plan.

5 2930. "**Doubletree Contract**" means a new ~~Franchise License Agreement~~franchise
6 license agreement with Hilton Worldwide, Inc., a ~~copy~~form of which the Debtor is seeking approval
7 of under this Plan shall be filed not later than the Exhibit Filing Date.

8 3031. "**Effective Date**" means the first Business Day that is at least ~~eleven~~fifteen
9 (~~11~~15) days after the Confirmation Date, and on which all conditions to the Effective Date contained
10 in section VI. hereof have been satisfied or, if waivable, waived, unless the Confirmation Order has
11 been stayed. If the Confirmation Order has been stayed the Effective Date shall be the third
12 Business Day after any such stay terminates, lapses or expires.

13 3132. "**Estate**" means the estate created in the Reorganization Case under section
14 541 of the Bankruptcy Code.

15 3233. "**Excell**" means Excell Investment Group, LLC, the sole member of Class 2.

16 3334. "**Exhibit Filing Date**" means a Business Day on which drafts of all Exhibits
17 to the Plan shall be Filed and which day shall be no later than twenty (20) days prior to the
18 Confirmation Hearing. The Debtor reserves the right to File amended or revised versions of any
19 Exhibit through and including the Confirmation Date.

20 3435. "**File**" or "**Filed**" means filed with the Bankruptcy Court in the
21 Reorganization Case.

22 3536. "**Final Order**" means an order or judgment of the Bankruptcy Court, as
23 entered on its docket, which has not been reversed, stayed, modified or amended, and as to which (a)
24 the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to
25 which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then
26 be pending or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have
27 been waived in writing in form and substance satisfactory to the Debtor or Reorganized Debtor, as
28 applicable, or (b) in the event that an appeal, writ of certiorari, or reargument or rehearing thereof

1 has been sought, such order or judgment of the Bankruptcy Court or other applicable court shall
2 have been affirmed by the highest court to which such order or judgment was appealed, or certiorari
3 has been denied, or from which reargument or rehearing was sought, and the time to take any further
4 appeal, petition for certiorari or move for reargument or rehearing shall have expired.

5 ~~3637~~. **"General Partner"** means Little Tokyo Partners, LLC, the Debtor's sole
6 general partner.

7 ~~3738~~. **"General Partner Interest"** means the interest of the General Partner.

8 ~~3839~~. **"Hotel"** means the Kyoto Grand Hotel and Gardens located at 120 South Los
9 Angeles Street, Los Angeles, California, the true and correct legal description of which shall be Filed
10 not later than the Exhibit Filing Date.

11 ~~3940~~. **"Limited Partner"** means 3D Investments IV, L.P.

12 ~~4041~~. **"Limited Partner Interest"** means the Limited Partner's limited partnership
13 interest in the Debtor.

14 ~~4142~~. **"Judgment Rate"** means the interest rate on a federal judgment entered on
15 the Petition Date, which was 0.31% per annum.

16 ~~4243~~. **"New Capital Contribution"** means the ~~\$8,000,000~~ 10,000,000 to be invested
17 in the Reorganized Debtor by the General Partner and the Limited Partner on the Effective Date, or
18 such other amount as the Bankruptcy Court determines is required to confirm the Plan.

19 ~~4344~~. **"Other Priority Claim"** means an Allowed Claim entitled to priority under
20 section 507(a) of the Bankruptcy Code, except for Administrative Claims and Priority Tax Claims.

21 ~~4445~~. **"Partner Interests"** means the General Partner Interest and Limited Partner
22 Interest.

23 ~~4546~~. **"Petition Date"** means July 15, 2010.

24 ~~4647~~. **"Plan"** means the Plan of reorganization, either in its present form or as it
25 may be altered, amended or modified from time to time in accordance with the Bankruptcy Code and
26 Bankruptcy Rules.

27 ~~4748~~. **"Plan Documents"** means those documents necessary to effectuate the Plan.
28

1 4849. **"Priority Tax Claim"** means an Allowed Claim entitled to priority under
2 section 507(a)(8) of the Bankruptcy Code.

3 4950. **"Property Improvement Plan"**~~"Professional Fee Claim"~~ means:

4 (a) a Claim under Bankruptcy Code Sections 327, 328, 330, 331, 503, or 1103 for
5 compensation for professional services rendered or expenses incurred on the Estate's behalf; or

6 (b) a Claim either under Bankruptcy Code Section 503(b)(4) for compensation for
7 professional services rendered or under Bankruptcy Code Section 503(b)(3)(D) for expenses
8 incurred in making a substantial contribution to the Estate.

9 51. **"Property Improvement Plan"** means the required improvements to the
10 Hotel that must be completed ~~over the forty-eight months~~ after the Effective Date pursuant to the
11 Doubletree Contract.

12 5052. **"Pro Rata"** means proportionately so that the ratio of (a) the amount of
13 consideration distributed on account of a particular Allowed Claim to (b) the amount of such
14 Allowed Claim is the same as the ratio of (x) the amount of consideration distributed on account of
15 all Allowed Claims of the class or group of classes in which the particular Allowed Claim is
16 included to (y) the amount of all Allowed Claims of that class or group of classes.

17 5453. **"Remediation Work"** means those certain repairs and maintenance work to
18 be completed at the Hotel ~~in accordance with the timelines~~ described in an exhibit to be Filed by the
19 ~~Exhibit Filing Date~~ the Consent Decree Order and Judgment, which is an Exhibit attached to the
20 ADA Settlement.

21 5254. **"Reorganization Case"** means the case under chapter 11 of the Bankruptcy
22 Code commenced by the Debtor on the Petition Date and captioned "In re Little Tokyo Partners,
23 L.P.," Case No. 2:10-39113-BR.

24 5355. **"Reorganized Debtor"** means the Debtor, or any successor thereto by
25 merger, consolidation or otherwise, as revested with property of the Estate on and after the Effective
26 Date.

27 5456. **"Scheduled"** means set forth on the Schedules.
28

1 5557. "**Schedules**" means the schedules of assets and liabilities and list of equity
2 security holders Filed by the Debtor under the Bankruptcy Rules, as the same have been or may be
3 amended from time to time before the Effective Date.

4 5658. "**Secured Claim**" means any Allowed Claim that is secured by a lien on
5 property in which the Estate has an interest or that is subject to setoff under section 553 of the
6 Bankruptcy Code, to the extent of the value of the Claimholder's interest in the Estate's interest in
7 such property or to the extent of the amount subject to setoff, as applicable, as determined under
8 section 506 of the Bankruptcy Code.

9 5759. "**Secured Hotel Claim**" means the Allowed Claim that is secured by the
10 Bank's Hotel Collateral.

11 5860. "**Secured Tax Claims**" means every Claim of a governmental unit for taxes
12 which, by operation of applicable nonbankruptcy law, is a Secured Claim.

13 5961. "**Secured Weller Court Claim**" means the Allowed Claim that is secured by
14 the Bank's Weller Court Collateral.

15 6062. "**Settlement Payment**" means the payment of \$130,243.78 by 3D
16 Investments IV, LLCLP, to the Reorganized Debtor on the Effective Date, which reflects the
17 voluntary return of all payments received by 3D Investments IV, L.P. during the 12 months
18 immediately prior to the Petition Date.

19 6163. "**Unsecured Claim**" means all Claims against the Debtor that are not Secured
20 Claims, Administrative Claims, Priority Tax Claims or Other Priority Claims.

21 6264. "**Weller Court**" means that certain mall located at 227 East Second Street,
22 Los Angeles, California, the true and correct legal description of which shall be Filed not later than
23 the Exhibit Filing Date.

24 **B. Interpretation, Rules Of Construction, Computation Of Time.**

25 **1. Defined Terms.**

26 Any term used in the Plan that is not defined in the Plan, but that is used in the
27 Bankruptcy Code or Bankruptcy Rules has the meaning assigned to that term in the Bankruptcy
28 Code or Bankruptcy Rules, as applicable, unless the context requires otherwise.

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2. Rules Of Interpretation.

For purposes of the Plan:

- a. whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural;
- b. any payment required under the Plan on a particular date shall be made on such date or as soon thereafter as practicable;
- c. any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, delivered and Filed on or before the Exhibit Filing Date as an exhibit to the Plan;
- d. any reference in the Plan to an existing document or exhibit Filed or to be Filed means such document or exhibit, as it may have been or may be amended, modified or supplemented through and including the Confirmation Date which, after they are Filed, may be amended, modified or supplemented only with the express written consent of the proponents of the Plan;
- e. unless otherwise specified in a particular reference, all references in the Plan to sections, articles and exhibits are references to sections, articles and exhibits of or to the Plan;
- f. the words "herein," "hereof," "hereto," "hereunder" and others of similar import refer to the Plan in its entirety rather than to only a particular portion of the Plan;
- g. 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;
- h. all exhibits to the Plan and Plan Documents are incorporated herein, regardless of when those exhibits are Filed;

1 i. to the extent any discrepancy exists between the description contained
2 herein of a document or agreement that is an exhibit to the Plan and with the provisions of
3 that exhibit, the actual agreement or document shall govern; and

4 j. the rules of construction set forth in section 102 of the Bankruptcy
5 Code shall apply.

6 **3. Time Periods.**

7 In computing any period of time prescribed or allowed by the Plan, the provisions of
8 Bankruptcy Rule 9006(a) shall apply.

9 **II.**

10 **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

11 The following is a designation of the classes of Claims and interests under the Plan.
12 Administrative Claims and Priority Tax Claims have not been classified and are excluded from the
13 following classes in accordance with section 1123(a)(1) of the Bankruptcy Code. A Claim or
14 interest is classified in a particular class only to the extent that the Claim or interest qualifies within
15 the description of that class and is classified in a different class to the extent that any remainder of
16 the Claim or interest qualifies within the description of such different class. A Claim or interest is in
17 a particular class only to the extent that the Claim or interest is an Allowed Claim or Allowed
18 Interest in that class and has not been paid, released, or otherwise satisfied before the Effective Date.

19 **A. Secured Claims.**

20 **1. Secured Tax Claims (Class 1).**

21 Class 1 consists of all Claims that are Secured Tax Claims.

22 **2. Excell's Secured Claim (Class 2).**

23 Class 2 consists of Excell's Claim, which is secured by a second priority deed of trust
24 on Weller Court.

25 **3. Secured Hotel Claim (Class 3).**

26 Class 3 consists of the Secured Hotel Claim.

27 **4. The Secured Weller Court Claim (Class 4).**

28 Class 4 consists of the Secured Weller Court Claim.

1 **B. Other Priority Claims (Class 5).**

2 Class 5 consists of all Other Priority Claims.

3 **C. Unsecured Claims**

4 **1. General Unsecured Claims (Class 6).**

5 Class 6 consists of all Unsecured Claims not in Class 5 or Class 7.

6 **2. ADA Claims (Class 7).**

7 Class 7 consists of all ADA Claims.

8 **D. Interests.**

9 **1. Limited Partner's Interests (Class 8).**

10 Class 8 consists of the Limited Partner Interest.

11 **2. General Partner's Interests (Class 9).**

12 Class 9 consists of the General Partner Interest.

13 **III.**

14 **TREATMENT OF CLASSES OF CLAIMS AND INTERESTS**

15 **A. Unclassified Claims.**

16 **1. Administrative Claims.**

17 **a. General.**

18 Subject to the bar date provisions herein, the Reorganized Debtor shall pay to each
19 holder of an Allowed Administrative Claim, on account and in full satisfaction of the Allowed
20 Administrative Claim, Cash equal to the amount of the Allowed Administrative Claim, unless the
21 holder agrees to other treatment of the Claim.

22 **b. Payment Of Statutory Fees.**

23 On or before the Effective Date, all fees payable under 28 U.S.C. § 1930, as
24 determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid in Cash, in full.

25 **c. Bar Date For Administrative Claims.**

26 **(1) General Provisions.**

27 Except as provided below in section III.A.1.c.(3) for non-tax liabilities incurred in the
28 ordinary course of business by the Debtor in Possession, requests for payment of Administrative

1 Claims must be Filed no later than sixty (60) days after the Effective Date. Holders of
2 Administrative Claims (including without limitation, professionals requesting compensation or
3 reimbursement of expenses and any governmental units asserting Claims for federal, state or local
4 taxes and excluding any Professional Fee Claims, which are subject to the process set forth below)
5 that are required to File a request for payment of such Claims and that do not File such requests by
6 the applicable bar date shall be forever barred from asserting such Claims against the Debtor,
7 Reorganized Debtor, any other person or entity, or any of their respective property.

8 **(2) Professionals.**

9 All professionals or other entities requesting compensation or reimbursement of
10 ~~expenses under sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services~~
11 ~~rendered before the Effective Date (including any compensation requested by any professional or~~
12 ~~any other entity for making a substantial contribution in the Reorganization Case) shall File and~~
13 ~~serve on the Debtor an application for final allowance of compensation and reimbursement of~~
14 ~~expenses no later than sixty (60) days after the Effective Date.~~

15 The Court must approve all Professional Fee Claims. As set forth below, each
16 professional in question must File and serve a properly noticed fee application or motion (the "Fee
17 Motion"), and the Court must rule on the Fee Motion. Only the amount of fees allowed by the Court
18 will be required to be paid under this Plan. A Professional Fee Claim will be allowed only if:

- 19 (a) On or before 60 days after the Effective Date, the professional or other entity
20 holding the Professional Fee Claim both Files with the Court a Fee Motion
21 requesting that the Reorganized Debtor pay the Professional Fee Claim and
22 serves the Fee Motion on the Reorganized Debtor and its counsel; and
23 (b) The Professional Fee Claim is allowed by a Final Order.

24 The Reorganized Debtor or any other party in interest may File an objection to such
25 Fee Motion within the time provided by the Bankruptcy Rules or within any other period that the
26 Court establishes. Persons holding Professional Fee Claims who do not timely File and serve a
27 Fee Motion for payment will be forever barred from asserting those Claims against the
28 Debtor, the Estate, the Reorganized Debtor, or their respective property.

(3) Ordinary Course Liabilities.

Holders of Administrative Claims based on liabilities incurred in the ordinary course of the Debtor in Possession's business prior to the Effective Date (other than professionals or other entities described in subparagraph (2), above, and governmental units that hold Claims for taxes or Claims and/or penalties related to such taxes) shall not be required to File any request for payment of such Claims. Each Administrative Claim shall be assumed and paid by the Reorganized Debtor under the terms and conditions of the particular transaction giving rise to that Administrative Claim, without any further action by the holder of such Administrative Claim.

2. Treatment Of Priority Tax Claims.

In accordance with section 1129(a)(9)(C) of the Bankruptcy Code, except as otherwise agreed to by the parties, each holder of an Allowed Priority Tax Claim shall receive from the Reorganized Debtor deferred Cash payments over a period not exceeding ~~six~~five (65) years from the date of assessment of such Claim. Payments shall be made in equal, quarterly installments and each installment shall include simple interest accrued on the unpaid portion of such Claim at the rate of 5% per annum from and after the Effective Date; provided, however, that the Reorganized Debtor reserves the right to pay any Allowed Priority Tax Claim, or any remaining balance of such Allowed Claim, in full, at any time on or after the Effective Date, without premium or penalty.

B. Classified Claims And Interests.

1. Class 1 (Secured Tax Claims).

Class 1 is not impaired under the Plan. The holder of each Allowed Class 1 Claim will receive Cash equal to its Allowed Claim, including any interest, fees and costs to which it is entitled under Bankruptcy Code §§ 506 & 1124, on the Effective Date, or such other treatment as the Reorganized Debtor and the holder of an Allowed Class 1 Claim agree to in writing, on or before the Confirmation Date.

2. Class 2 (Excell's Secured Claim).

Class 2 is not impaired under the Plan. The holder of each Allowed Class 2 Claim will receive Cash equal to its Allowed Claim, including any interest (at the nondefault contract rate), fees and costs to which it is entitled under Bankruptcy Code §§ 506 & 1124, on the Effective Date,

1 or such other treatment as the Reorganized Debtor and the holder of an Allowed Class ~~4~~2 Claim
2 agree to in writing, on or before the Confirmation Date.

3 **3. Class 3 (Bank's Secured Hotel Claim).**

4 Class 3 is not impaired under the Plan. On account of its Allowed Class 3 Claim, the
5 Bank will receive the following: the Reorganized Debtor will cure all defaults (except for the kind
6 specified in section 365(b)(2) of the Bankruptcy Code) that exist under the agreements and contracts
7 governing the Allowed Class 3 Claim, including the Bank Hotel Note, reinstate the maturity of such
8 claim, compensate the Bank for any damage incurred as a result of reasonable reliance by such
9 holder on such contractual provision or applicable law, and not otherwise alter the legal, equitable or
10 contractual rights of the Bank with respect to its Allowed Class 3 Claim. The Debtor shall pay to the
11 Bank all missed installments under the Hotel Note and interest at the non-default contract rate, plus
12 any reasonable fees and costs to which the Bank is entitled under Bankruptcy Code §§ 506 & 1124.

13 **4. Class 4 (Bank's Secured Weller Court Claim).**

14 Class 4 is not impaired under the Plan. On account of its Allowed Class 4 Claim, the
15 Bank will receive the following: the Reorganized Debtor will cure all defaults (except for the kind
16 specified in section 365(b)(2) of the Bankruptcy Code) that exist under the agreements and contracts
17 governing the Allowed Class 4 Claim, including the Bank's Weller-Court Note, reinstate the maturity
18 of such claim, compensate the Bank for any damage incurred as a result of reasonable reliance by
19 such holder on such contractual provision or applicable law, and not otherwise alter the legal,
20 equitable or contractual rights of the Bank with respect to its Allowed Class 4 Claim. The Debtor
21 shall pay to the Bank all missed installments under the Bank Weller-Court Note and interest at the
22 non-default contract rate, plus any reasonable fees and costs to which the Bank is entitled under
23 Bankruptcy Code §§ 506 & 1124.

24 **5. Class 5 (Other Priority Claims).**

25 Class 5 is not impaired under the Plan. Each holder of an Allowed Class 5 Claim will
26 be paid in Cash, in full, with interest at the Contract Rate or, if there is no Contract Rate, the
27 Judgment Rate, on the Distribution Date.
28

1 **6. Class 6 (General Unsecured Claims).**

2 Class 6 is not impaired under the Plan. Each holder of an Allowed Class 6 Claim will
3 be paid in Cash, in full, with interest at the ~~Contract Rate or, if there is no Contract Rate, the~~
4 Judgment Rate or such other rate as the holder and the Reorganized Debtor agree upon or is
5 established by the Court in order to unimpair that holder, on the Distribution Date.

6 **7. Class 7 (ADA Claims).**

7 Class 7 is not impaired under the Plan. On account of the Allowed Class 7 Claims,
8 the Reorganized Debtor shall fully comply with the ADA Settlement.

9 **8. Class 8 (Limited Partner's Interests).**

10 Class 8 is not impaired under the Plan. The Limited Partner shall retain its Limited
11 Partner's Interest in the Reorganized Debtor.

12 **9. Class 9 (General Partner's Interests).**

13 Class 9 is not impaired under the Plan. The General Partner shall retain its General
14 Partner's Interest in the Reorganized Debtor.

15 **IV.**

16 **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

17 **A. Assumption.**

18 Each executory contract or unexpired lease of the Debtor that has not expired by its
19 own terms before the Effective Date or previously been rejected by the Debtor in Possession and is
20 listed on the "Schedule of Executory Contracts and Unexpired Leases to be Assumed," Filed as
21 Exhibit IV.A hereto (which Exhibit shall be filed by the Exhibit Filing Date) is assumed, as of the
22 Effective Date, pursuant to Bankruptcy Code section 365. All leases under which the Debtor leases
23 any portion of the Hotel or Weller Court shall be assumed and the Cure Amount with respect thereto
24 is \$0. A list of the security deposits of the tenants will be filed as a Plan Document. The Debtor also
25 intends at the present time to assume all executory contracts, including the Management Contract
26 with Crestline Hotels & Resorts, Inc. and the existing agreement with Able Engineering, ~~both~~
27 ~~subject to agreed upon modifications, cure amounts and payment schedules for cure payments.~~
28

1 Nothing in the Plan, any Exhibit to the Plan, or any document executed or delivered
2 in connection with the Plan or any such Exhibit creates any obligation or liability on the part of the
3 Debtor, the Reorganized Debtor, or any other person or entity that is not currently liable on such
4 obligation, with respect to any executory contract or unexpired lease. The Debtor reserves the right
5 ~~at any time to amend on or before 14 days prior to the Confirmation to amend~~ Hearing Date Exhibit
6 IV.A either to: (a) delete any executory contract or unexpired lease listed on Exhibit IV.A and
7 provide for its rejection under section IV.C below, or (b) add any executory contract or unexpired
8 lease to Exhibit IV.A, thus providing for its assumption under this section IV.A. Debtor shall
9 provide notice of any amendment of Exhibit IV.A to the parties to the affected executory contract or
10 unexpired lease and the Office of the United States Trustee.

11 **B. Cure Payments.**

12 Any monetary defaults under each executory contract and unexpired lease assumed
13 under the Plan shall be satisfied under section 365(b)(1) of the Bankruptcy Code either by payment
14 of the cure amount (if any) in Cash on the Effective Date, or on such other terms as agreed to by
15 Reorganized Debtor and the non-debtor party to the executory contract or unexpired lease. Unless
16 the non-debtor party to any executory contract or unexpired lease to be assumed Files and serves on
17 the Debtor and its counsel an objection to the "cure amount" specified on Exhibit IV.A (which
18 Exhibit shall be Filed on the Exhibit Filing Date) on or before the later of (i) the last date established
19 by the Bankruptcy Court to File and serve objections to confirmation of the Plan; or (ii) 7 days after
20 the Debtor File and serve Exhibit IV.A, or any amendment thereto, such "cure amount" shall be
21 forever binding on such non-debtor party to said executory contract or unexpired lease. In the event
22 of a timely Filed and served objection regarding (1) the amount of any cure payments, (2) the ability
23 of Reorganized Debtor to provide adequate assurance of future performance under the contract or
24 lease to be assumed, or (3) any other matter pertaining to assumption, any cure payment required by
25 section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order
26 resolving the dispute and approving assumption.

27
28

1 **C. The Cure Reserve.**

2 To the extent a timely filed objection contends that the cure amount should be
3 different than the Debtor's proposed cure amount in Exhibit IV.A, the undisputed portion of such
4 cure amount will be paid as set forth above. On or before the Effective Date, the Debtor will transfer
5 to a segregated Cure Reserve on account of any disputed cure amounts an amount to be agreed upon
6 by the Debtor and the objecting party prior to the Effective Date, or such other amount as is
7 determined by the Bankruptcy Court to provide adequate assurance that all cure amounts will be
8 paid in full as contemplated under the Plan, which Cash shall be free and clear of any and all liens
9 asserted by the Bank. Pending resolution of the cure amount, the Debtor will request a status
10 conference with respect to any outstanding objection within approximately 30 days from the
11 Confirmation Hearing Date. If, at the status conference, the objection has not been resolved to the
12 parties' satisfaction, the Court may then, at the status hearing, set a briefing schedule and a further
13 evidentiary or other hearing to resolve the objections on their merits. If a dispute arises regarding: (a)
14 the amount of any proposed cure payments; (b) whether the Debtor has provided adequate assurance
15 of future performance under an executory contract or unexpired lease to be assumed; or (c) any other
16 matter pertaining to a proposed assumption, the proposed cure payments will be made within 30
17 days after entry of a Final Order resolving the dispute and approving the assumption or a Final Order
18 consensually resolving such dispute.

19 **D. C. Rejection.**

20 Effective immediately before the Effective Date, each executory contract or
21 unexpired lease of the Debtor that has not expired by its own terms before the Effective Date or
22 previously been assumed by the Debtor in Possession, that is either: (1) listed on the "Schedule of
23 Executory Contracts and Unexpired Leases to be Rejected," Filed as Exhibit IV.C to the Plan (which
24 Exhibit shall be filed by the Exhibit Filing Date), or (2) is not assumed pursuant to section IV.A.
25 above, is rejected, as of the Effective Date, pursuant to Bankruptcy Code section 365, to the extent,
26 if any, that they constitute executory contracts or unexpired leases, and without conceding that they
27 constitute executory contracts or unexpired leases or that the Debtor has any liability under them.
28 Listing a contract or lease on Exhibit IV.C is not an admission by the Debtor or Reorganized Debtor

1 that such contract or lease is an executory contract or unexpired lease or that the Debtor or
2 Reorganized Debtor has any liability thereunder. The Debtor reserves the right at any time before
3 Confirmation to amend Exhibit IV.C to delete any executory contract or unexpired lease listed on
4 Exhibit IV.C and provide for its assumption under section IV.A above. Debtor shall provide notice
5 of any amendment of Exhibit IV.C to the parties to the affected executory contract or unexpired
6 lease and the Office of the United States Trustee.

7 The Confirmation Order shall constitute an Order of the Bankruptcy Court approving
8 all such rejections as of the Effective Date. Any Claim for damages arising from the rejection under
9 the Plan of an executory contract or unexpired lease must be Filed within sixty (60) days after the
10 Effective Date or be forever barred and unenforceable against the Debtor, the Reorganized Debtor
11 and its properties and barred from receiving any distribution under the Plan.

12 V.

13 **MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN**

14 **A. Investment In The Hotel.**

15 The General Partner and the Limited Partner shall contribute to the Reorganized
16 Debtor on the Effective Date the New Capital Contribution, which shall be sufficient to fund the
17 Remediation Work, other necessary deferred maintenance work, and the Property Improvement Plan
18 under the Doubletree Contract. By re-flagging the Hotel as a Doubletree hotel, the increased
19 revenue and profitability from the Hotel, together with the Debtor's existing assets, and the New
20 Capital Contribution, will be sufficient to pay (1) all amounts due on the Effective Date, including
21 the cure payments to the Bank, (2) the required deferred maintenance at the hotel, (3) the
22 remediation required by the ADA Settlement, (4) the Property Improvement Plan over the first 4
23 years after the Effective Date, and (4~~5~~) all debt service payable to the Bank on account of its
24 reinstated Claims. The General Partner and the Limited Partner are sufficiently confident in the
25 ability to pay these amounts that they are committing to contribute ~~\$8,000,000~~10,000,000 in the New
26 Capital Contribution, which shall be junior to all present and future creditors, including the Bank's
27 reinstated Claims. Neither the New Capital Contribution nor the Settlement Payment shall be
28

1 distributed to the General Partner or the Limited Partner at any time before the Bank's Allowed
2 Secured Claims are paid in full.

3
4 **B. Election To Extend The Current Maturity Date Of Each Of The Reinstated
Bank's Hotel Note And Bank's Weller Note.**

5 As provided in sections III.B.3 and III.B.4 of the Plan, the Debtor will reinstate the
6 current maturity date (the "Current Maturity Date") for each of the Bank's Hotel Note and Bank's
7 Weller Note (i.e., September 1, 2012). In 2012, prior to the Current Maturity Date, the Debtor
8 intends to exercise its right to extend the Current Maturity Date to September 1, 2019 in accordance
9 with the terms of the Bank's Hotel Note and Bank's Weller Note.

10 **C. ~~B.~~ The Doubletree Transaction.**

11 On or before the Effective Date, the Debtor shall enter into the Doubletree Contract,
12 which shall be binding on the Reorganized Debtor from and after the Effective Date.

13 **D. ~~C.~~ Revesting Of Assets And Operations Of Property.**

14 As of the Effective Date, all property of the Estate (including each Debtor in
15 Possession bank account) shall revert in the Reorganized Debtor, free and clear of all Claims, liens,
16 encumbrances and other interests of creditors and holders of interests, except as otherwise set forth
17 herein. From and after the Effective Date, the Reorganized Debtor may operate its business and use,
18 acquire, and dispose of property and settle and compromise Claims without supervision by the
19 Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other
20 than those restrictions expressly imposed by the Plan and the Confirmation Order. Reorganized
21 Debtor shall have authority to pay any Post-Effective Date Claims in the ordinary course of business.

22 **E. ~~D.~~ Preservation Of Rights Of Action and Defenses.**

23 Except to the extent such rights, Claims, causes of action, defenses, and
24 counterclaims are expressly and specifically released in connection with the Plan or in any
25 settlement agreement approved during the Reorganization Case, (i) any and all rights, Claims, causes
26 of action, defenses, and counterclaims accruing to the Debtor or its estate (including, without
27 limitation, Avoiding Power Causes of Action but excluding any causes of action under Bankruptcy
28 Code § 547) shall remain assets of and vest in the Reorganized Debtor, whether or not litigation

1 relating thereto is pending on the Effective Date, and whether or not any such rights, Claims, causes
2 of action, defenses, and counterclaims have been Scheduled or otherwise listed or referred to in the
3 Plan, or any other document filed with the Bankruptcy Court, and (ii) neither the Debtor nor the
4 Reorganized Debtor waives, relinquishes, or abandons (nor shall they be estopped or otherwise
5 precluded from asserting) any right, Claim, cause of action, defense, or counterclaim that constitutes
6 property of the Debtor's estate: (a) whether or not such right, Claim, cause of action, defense, or
7 counterclaim has been listed or referred to in the Schedules, the Plan, or any other document filed
8 with the Bankruptcy Court, (b) whether or not such right, Claim, cause of action, defense, or
9 counterclaim is currently known to the Debtor, and (c) whether or not a defendant in any litigation
10 relating to such right, Claim, cause of action, defense, or counterclaim filed a proof of Claim in the
11 Reorganization Case, filed a notice of appearance or any other pleading or notice in the
12 Reorganization Case, voted for or against the Plan, or received or retained any consideration under
13 the Plan. Without in any manner limiting the scope of the foregoing, notwithstanding any otherwise
14 applicable principle of law or equity, including, without limitation, any principles of judicial
15 estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list,
16 disclose, describe, identify, or refer to a right, Claim, cause of action, defense, or counterclaim, or
17 potential right, Claim, cause of action, defense, or counterclaim, in the Debtor's Schedules, the Plan,
18 or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify,
19 release, or alter the Reorganized Debtor's right to commence, prosecute, defend against, settle, and
20 realize upon any rights, Claims, causes of action, defenses, or counterclaims that any of the Debtor
21 or Reorganized Debtor has or may have as of the Confirmation Date. The Reorganized Debtor may
22 commence, prosecute, defend against, recover on account of, and settle all rights, Claims, causes of
23 action, defenses, and counterclaims in their sole discretion in accordance with what is in the best
24 interests, and for the benefit, of the Reorganized Debtor. Notwithstanding the foregoing reservation
25 of rights, the Debtor shall not pursue any action arising under Bankruptcy Code § 547, because any
26 claims arising from the recovery of preferential transfers would be paid in full under the Plan.

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1 **F. E-ADA Settlement.**

2 The Plan will implement the ADA Settlement. Prior to the Petition Date, a lawsuit
3 was brought by two disabled individuals against the Debtor and certain other defendants alleging
4 that the defendants failed to comply with certain aspects of the Americans with Disabilities Act at
5 the Hotel. Since filing the Reorganization Case, the Debtor has engaged in extensive discussions to
6 resolve the ADA Litigation. Under the terms of the ADA Settlement that will resolve the ADA
7 Litigation on a final basis, the Debtor shall complete the Remediation Work and shall pay \$150,000,
8 which shall be distributed to holders of the ADA Claims as set forth in the ADA Settlement.

9 **G. F-Powers Of The Reorganized Debtor.**

10 The Reorganized Debtor shall have all the powers and duties set forth in the Plan, and
11 the Reorganized Debtor's organizational documents, as may be amended, and under applicable law.
12 The Reorganized Debtor shall become, on the Effective Date of the Plan, the exclusive
13 representative of the Estate. Subject to the provisions of the Plan, but notwithstanding whether they
14 are set forth in the Plan, on and after the Effective Date, the Estate shall retain and the Reorganized
15 Debtor may enforce any and all rights, Claims, causes of action, powers, privileges, licenses, and
16 franchises of the Debtor or the Estate, including all rights regarding tax determinations under
17 Bankruptcy Code section 505, all causes of action arising under the Plan and the Bankruptcy Code.

18 The Reorganized Debtor shall have the authority to pay any post-Effective Date
19 Claims in the ordinary course of business.

20 **H. G-Discharge Of Debtor, Injunction And Other Releases.**

21 **1. Discharge Of Debtor.**

22 On and after the Effective Date, the rights afforded in the Plan and the treatment of all
23 Claims and interests therein shall be in exchange for and in complete satisfaction, discharge, and
24 release of all Claims and interests of any nature whatsoever, including any interest accrued on such
25 Claims from and after the Petition Date, against the Debtor and the Debtor in Possession, or any of
26 its assets or properties. Except as otherwise provided in the Plan or the Confirmation Order on and
27 after the Effective Date: (a) the Debtor shall be deemed discharged and released to the fullest extent
28 permitted by section 1141 of the Bankruptcy Code from all Claims and interests, including Claims

1 and interests that arose before the Effective Date and all debts of the kind specified in sections
2 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (i) a proof of Claim or proof of
3 interest based on such debt or interest is Filed or deemed Filed pursuant to section 501 of the
4 Bankruptcy Code, (ii) a Claim or interest based on such debt or interest is allowed pursuant to
5 section 502 of the Bankruptcy Code, or (iii) the holder of a Claim or interest based on such debt or
6 interest has accepted the Plan; and (b) all persons shall be precluded from asserting against
7 Reorganized Debtor, its successors, the General Partner, the Limited Partner or the Debtor's assets or
8 properties any other or further Claims or interests based upon any act or omission, transaction, or
9 other activity of any kind or nature that occurred before the Effective Date. Except as otherwise
10 provided in the Plan or the Confirmation Order, on and after the Effective Date, the Confirmation
11 Order shall act as a discharge of any and all Claims against and all debts and liabilities of the Debtor,
12 as provided in sections 524 and 1141 of the Bankruptcy Code.

13 **2. Injunction.**

14 In addition to the injunction provided under section 524(a) of the Bankruptcy Code,
15 on and after the Effective Date, all persons who have held, currently hold or may hold a debt, Claim
16 or interest discharged under the Plan are permanently enjoined from taking any of the following
17 actions on account of any such discharged debt, Claim or interest: (a) commencing or continuing in
18 any manner any action or other proceeding against the Debtor, Reorganized Debtor, the partners of
19 the Reorganized Debtor or property; (b) enforcing, attaching, collecting or recovering in any manner
20 any judgment, award, decree or order against the Debtor, Reorganized Debtor, its successors or its
21 respective property; (c) creating, perfecting or enforcing any lien or encumbrance against the Debtor,
22 Reorganized Debtor, its successors or its respective property; (d) asserting any setoff, right of
23 subrogation or recoupment of any kind against any obligation due to the Debtor, Reorganized
24 Debtor, its successor or its respective property; and (e) commencing or continuing any action,
25 in any manner, in any place that does not comply with or is inconsistent with the provisions of the
26 Plan or the Confirmation Order. Any person injured by any willful violation of such injunction may
27 recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may
28 recover punitive damages, from the willful violator.

1 The Plan does not discharge any party other than the Debtor from any liability such
2 non-debtor party has or may have under or pursuant to any guarantee or alleged guarantee of any
3 obligation of the Debtor. The Bank contends that certain parties guaranteed certain obligations to the
4 Bank. The alleged guarantors contend that they have previously been released from any liability
5 they might otherwise have had to the Bank. This dispute is the subject of pending litigation. The
6 Plan shall not alter the rights, claims or defenses of the Bank or the alleged guarantors in that
7 litigation.

8 I. ~~H.~~ **Limitation Of Liability.**

9 On and after the Effective Date, none of the Debtor, the Debtor in Possession, nor any
10 of its partners, employees, officers, directors, agents, or representatives, nor any professional persons
11 employed by any of them, shall have or incur any liability to any person or entity for any authorized
12 act taken or authorized omission made in good faith in connection with or related to the
13 Reorganization Case or the Estate, including objections to or estimations of Claims, disposition of
14 assets, or formulating or seeking confirmation of the Plan, or any contract, instrument, release, or
15 other agreement or document created in connection with the Plan.

16 J. ~~I.~~ **Execution Of Documents And Partnership Action.**

17 The Debtor and Debtor in Possession, and the Reorganized Debtor, without any
18 partner action whatsoever, shall execute such documents and take such other action as is necessary
19 to effectuate the transactions provided for in the Plan.

20 K. ~~J.~~ **Retention Of Jurisdiction.**

21 After Confirmation of the Plan and occurrence of the Effective Date, the Bankruptcy
22 Court will retain such jurisdiction as is legally permissible, including for the following purposes:

- 23 1. To resolve any and all disputes regarding the operation and interpretation of
24 the Plan or the Confirmation Order;
- 25 2. To determine the allowability, classification, or priority of any Claim or
26 interest, based on any objection by the Debtor or by other parties in interest with standing to bring
27 such objection or proceeding;

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1 3. To determine the extent, validity, and priority of any lien asserted against
2 property of the Reorganized Debtor or property of the Estate;

3 4. To construe and to take any action to (a) enforce and execute the Plan, the
4 Confirmation Order, and any other order of the Bankruptcy Court; (b) issue such orders as may be
5 necessary for the implementation, execution, performance, and consummation of the Plan, the
6 Confirmation Order and all matters referred to in the Plan and the Confirmation Order; and (c)
7 determine all matters that may be pending before the Bankruptcy Court in this Reorganization Case
8 on or before the Effective Date with respect to any person or entity;

9 5. To determine any and all applications for allowance of compensation and
10 reimbursement of expenses of professionals for periods on or before the Effective Date;

11 6. To determine any other request for payment of administrative expenses;

12 7. To resolve any dispute regarding the implementation, execution, performance,
13 consummation, or interpretation of the Plan or the Confirmation Order;

14 8. To determine motions for the rejection, assumption, or assignment of
15 executory contracts or unexpired leases filed before the Effective Date and the allowance of any
16 Claims resulting therefrom;

17 9. To adjudicate all adversary proceedings and contested matters initiated by the
18 Reorganized Debtor to pursue retained causes of action;

19 10. To determine all applications, motions, adversary proceedings, contested
20 matters, and any other litigated matters commenced during the Reorganization Case whether before,
21 on, or after the Effective Date;

22 11. To determine such other matters and for such other purposes as may be
23 provided in the Confirmation Order;

24 12. To modify the Plan under section 1127 of the Bankruptcy Code in order to
25 remedy any apparent defect or omission in the Plan or to reconcile any inconsistency in the Plan so
26 as to carry out its intents and purposes;

27

28

1 13. To issue injunctions or take such other actions or issue such other orders as
2 may be necessary or appropriate to restrain interference with the Plan or the Confirmation Order or
3 their implementation by any person or entity; and

4 14. To issue such orders in aid of consummation of the Plan and the Confirmation
5 Order, notwithstanding any otherwise applicable nonbankruptcy law, with respect to any person or
6 entity, to the full extent authorized by the Bankruptcy Code or Bankruptcy Rules.

7 L. ~~K.~~ **Successors And Assigns.**

8 The rights, benefits and obligations of any entity named or referred to in the Plan are
9 binding on, and will inure to the benefit of, any permitted heirs, executors, administrators, successors
10 or assigns of such entity.

11 M. ~~L.~~ **Amendment, Revocation, Modification And Severability.**

12 1. The Plan may be amended or modified before the Effective Date by the
13 Debtor to the extent provided by section 1127 of the Bankruptcy Code.

14 2. The Debtor reserves the right to withdraw the Plan before the Confirmation
15 Date.

16 3. The Debtor reserves the right to modify or amend the Plan upon a
17 determination by the Bankruptcy Court that the Plan, as it is currently drafted, is not confirmable
18 pursuant to section 1129 of the Bankruptcy Code. To the extent such a modification or amendment
19 is permissible under section 1127 of the Bankruptcy Code without the need to solicit acceptances,
20 the Debtor reserves the right to sever any provisions of the Plan that the Bankruptcy Court finds
21 objectionable.

22 N. ~~M.~~ **Exhibits.**

23 Any Exhibits to the Plan will be Filed not later than the Exhibit Filing Date. The
24 Exhibits will not be served with the Plan, but rather copies of all such Exhibits will be available
25 upon written request to the Debtor's counsel.

26 O. ~~N.~~ **No Admission.**

27 Except as specifically provided in the Plan, nothing contained in the Plan shall be
28 deemed or construed in any way as an admission by the Debtor or the Estate with respect to any

1 matter set forth in the Plan , including the amount or allowability of any Claim, or the value of any
2 property of the Estate.

3 **P. ~~Q.~~-1146(c) Exemption.**

4 In accordance with Bankruptcy Code section 1146(c), the making delivery, filing or
5 recording of any mortgages, deeds of trust, leasehold mortgages, leases (whether recorded or
6 unrecorded) and/or the various instruments and documents of transfer as specified in or
7 contemplated by the Plan (collectively, "Instruments of Transfer") and/or the exhibits thereto are
8 hereby exempt from taxation under any law imposing a recording tax, stamp tax, transfer tax, or any
9 similar tax. The appropriate state or local government officers are hereby directed to accept for
10 filing or recording all Instruments of Transfer or other documents of transfer to be filed and recorded
11 in accordance with the Plan and the exhibits thereto, without payment of any such tax or government
12 assessment, and without the presentation of any affidavits, instruments, or returns otherwise required
13 for recording other than the Confirmation Order. The Bankruptcy Court retains jurisdiction to
14 enforce the foregoing direction by contempt proceedings or otherwise.

15 **Q. ~~P.~~-General Authority.**

16 The Reorganized Debtor shall execute such documents, and take such other actions,
17 as are necessary to effectuate the transactions provided for in the Plan.

18 **R. ~~Q.~~-Binding Effect.**

19 The Plan and all rights, duties and obligations thereunder shall be binding upon and
20 inure to the benefit of the Debtor, the Reorganized Debtor, holders of Claims, holders of interests,
21 and their respective successors and assigns.

22 **S. ~~R.~~-Governing Law.**

23 Unless a rule of law or procedure is supplied by federal law (including the
24 Bankruptcy Code and Federal Rules of Bankruptcy Procedure), or by an express choice of law
25 provision in any agreement, contract, document, or instrument provided for or executed in
26 connection with the Plan, the rights and obligations arising under the Plan and any agreement,
27 contract, document, or instrument provided for or executed in connection with the Plan, shall be
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1 governed by, and construed and enforced in accordance with, the laws of the State of California,
2 without giving effect to the principles of conflict of laws thereof.

3 **T. ~~S.~~ Payment Dates.**

4 Whenever any payment or distribution to be made under the Plan shall be due on a
5 day other than a Business Day, such payment or distribution shall instead be made, without interest,
6 on the immediately following Business Day.

7 **U. ~~F.~~ Headings.**

8 The headings used in the Plan are inserted for convenience only and neither
9 constitutes a portion of the Plan nor in any manner affects the construction of the provisions of the
10 Plan.

11 **V. ~~U.~~ No Waiver.**

12 The failure of the Debtor or any other person to object to any Claim for purposes of
13 voting shall not be deemed a waiver of the Debtor's or the Reorganized Debtor's or the right to object
14 to or examine such Claim, in whole or in part.

15 **VI.**

16 **CONDITIONS TO CONFIRMATION EFFECTIVE DATE**

17 **A. Condition To Confirmation.**

18 The only condition precedent to Confirmation of the Plan is that the Bankruptcy
19 Court shall have entered the Confirmation Order in a form acceptable to the Debtor and the General
20 Partner and the Limited Partner.

21 **B. Conditions to Effective Date.**

22 The Effective Date of the Plan shall not occur unless and until each of the conditions
23 set forth below has been satisfied. As soon as practicable after the occurrence of the Effective Date,
24 but no later than ten (10) days thereafter, the Reorganized Debtor shall File and serve on each
25 creditor and equity interest holder a written notice of occurrence of Effective Date.

26 1. The Confirmation Order is a Final Order;

27 ~~2.~~ The Debtor shall have received the New Capital Contribution;

28 ~~3.~~ The Cure Reserve shall have been funded; and

1 **B. Disputed Claims.**

2 No distributions and no payments will be made with respect to all or any portion of a
3 Disputed Claim until such Claim becomes an Allowed Claim.

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2 **C. Distributions.**

3 **1. Disputed Claims.**

4 Except as may otherwise be agreed with respect to any Disputed Claim, no payment
5 or distribution will be made with respect to all or a portion of any Disputed Claim until such Claim
6 is an Allowed Claim. Payments and distributions to each holder of a Disputed Claim (to the extent
7 that it ultimately becomes an Allowed Claim) will be made in accordance with the Plan.

8 **2. Distribution Date.**

9 Notwithstanding anything to the contrary contained herein, no distributions will be
10 made under the Plan on account of any Claim until the Distribution Date, which, with regard to any
11 individual Claim, shall be the latest of the following: (a) as soon as practicable after the Effective
12 Date, but in no event more than thirty (30) days after the Effective Date; (b) as soon as practicable
13 after the day upon which such Claim becomes an Allowed Claim, but in no event more than thirty
14 (30) days after the entry of a Final Order allowing such Claim; or (c) the date upon which the Claim
15 became due and payable under applicable nonbankruptcy law.

16 **3. Unclaimed Distributions.**

17 The Reorganized Debtor will hold until the second anniversary of the Effective Date
18 any unclaimed distributions to be made to the holders of Allowed Claims under the Plan. Any
19 unclaimed Cash will be deposited by the Reorganized Debtor in a segregated, interest-bearing
20 account for the sole benefit of the holders of the Allowed Claims who have failed to Claim such
21 property. On the second anniversary of the Effective Date, any unclaimed distributions to be made
22 to holders of Allowed Claims will become the property of the Reorganized Debtor.

23 **4. No *De Minimis* Distributions.**

24 Notwithstanding anything to the contrary in this Plan, no distribution of less than
25 \$5.00 will be made to any holder of an Allowed Claim on account thereof. No consideration will
26 be provided in lieu of the *de minimis* distributions that are not made under this Section.
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1 **D. No Disbursing Agent.**

2 Reorganized Debtor shall act as disbursing agent under the Plan and make all
3 distributions required under the Plan. Reorganized Debtor may employ or contract with other
4 entities to assist in or perform the distribution of property to be distributed.

5 **E. Manner Of Payment Under The Plan.**

6 Cash payments made pursuant to the Plan shall be in United States dollars by checks
7 drawn on a domestic bank selected by Reorganized Debtor or by wire transfer from a domestic bank,
8 at Reorganized Debtor's option.

9 **F. Delivery Of Distributions.**

10 Except as provided above in section VII.C.3 for holders of undeliverable
11 distributions, distributions to holders of Allowed Claims shall be distributed by mail as follows: (1)
12 at the addresses set forth on the respective proofs of Claim by such holders; (2) at the addresses set
13 forth in any written notices of address changes delivered to the Reorganized Debtor after the date of
14 any related proof of Claim; or (3) at the address reflected on the Schedules if no proof of Claim or
15 proof of interest is Filed and the Disbursing Agent has not received a written notice of a change of
16 address.

17 **G. Compliance With Tax Requirements.**

18 In connection with the Plan, to the extent applicable, the Reorganized Debtor, in
19 making distributions under the Plan, shall comply with all withholding and reporting requirements
20 imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to
21 such withholding and reporting requirements.

22 **H. Old Instruments And Securities; Liens.**

23 **1. Rights Of Persons Holding Old Instruments And Securities.**

24 Except as otherwise provided herein, as of the Effective Date, and whether or not
25 surrendered by the holder thereof, all existing instruments and securities evidencing any Claims or
26 interests shall be deemed automatically cancelled and deemed void and of no further force or effect,
27 without any further action on the part of any person, and any Claims or interests under or evidenced
28 by any instruments or securities shall be deemed discharged.

1 **2. Cancellation Of Liens.**

2 Except as otherwise provided in the Plan, any lien securing any Secured Claim, shall
3 be deemed released and discharged, and the person holding such Secured Claim shall be authorized
4 and directed to release any collateral or other property of the Debtor (including, without limitation,
5 any cash collateral) held by such person and to take such actions as may be requested by the
6 Reorganized Debtor to evidence the release of such lien, including, without limitation, the execution,
7 delivery and filing or recording of such releases as may be requested by the Reorganized Debtor at
8 the sole expense of the Reorganized Debtor.

9 **I. Interest.**

10 Nothing in this Article shall affect any right of the holder of any Allowed Claim to
11 include interest accruing prior to the Petition Date, but no Claim shall be allowed for interest for
12 periods after the Petition Date, or after the Confirmation Date, except as expressly provided in the
13 Plan.

14 **VIII.**

15 **REQUEST TO CONFIRM WITHOUT VOTING**

16 Because the Plan proposes not to impair any Class of Claims, the Debtor requests
17 confirmation of the Plan under Bankruptcy Code §§1124 & 1129, without the need for a disclosure
18 statement or the solicitation of votes. All Classes are deemed to have accepted the Plan, pursuant to
19 Bankruptcy Code § 1126(f).

20
21 Dated: November , December 15, 2010 LITTLE TOKYO PARTNERS, L.P.

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By: David Goddard

Its: Chief Financial Officer

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1 Submitted by:

2

3 /s/ Neeta Menon-Christine M. Pajak

4 JEFFREY C. KRAUSE,

5 CHRISTINE M. PAJAK, and

6 NEETA MENON, Members of

7 STUTMAN, TREISTER & GLATT

8 PROFESSIONAL CORPORATION

9 Reorganization Counsel for the Debtor

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EXHIBIT "2"

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6 Telecopy: (310) 228-5788

7 Reorganization Counsel for
Debtor and Debtor in Possession
8
9 Debtor's Mailing Address:
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Los Angeles, CA 90067

11 UNITED STATES BANKRUPTCY COURT
12 CENTRAL DISTRICT OF CALIFORNIA
13 LOS ANGELES DIVISION

15 In re
16 LITTLE TOKYO PARTNERS, L.P.,
a Delaware limited partnership,
17 Debtor.

) Case No. 2:10-39113-BR

) Chapter 11

) **DEBTOR'S SECONDTHIRD AMENDED**
PLAN OF REORGANIZATION
(~~November 30,~~ DECEMBER 15, 2010)

Confirmation Hearing

Date: February 14, 20102011
Time: 2:00 P.M.
Place: Courtroom 1668
255 E. Temple St.
Los Angeles, CA 90012

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1 This Plan of Reorganization (the "Plan") is proposed by chapter 11 debtor Little
2 Tokyo Partners, L.P. (the "Debtor"). All holders of claims and interests are encouraged to read the
3 Plan in its entirety. **The Debtor is not soliciting acceptances or rejections of the Plan, because**
4 **the Plan cures and reinstates the Debtor's secured debts and pays all other creditors in full in**
5 **Cash and, therefore, does not impair any creditor or interest holder. You are not required to**
6 **respond or permitted to vote, but you have the right to object to confirmation of the Plan if**
7 **you wish to do so.**

8 I.

9 **DEFINITIONS AND RULES OF CONSTRUCTION**

10 **A. Definitions.**

11 In addition to such other terms as are defined in other sections of the Plan, the
12 following terms (which appear in the Plan as capitalized terms) have the following meanings as used
13 in the Plan:

14 1. "ADA Claims" means all Claims arising under that certain ADA Litigation.

15 2. "ADA Litigation" means that certain litigation styled Hugh Marsh and Neva
16 Lema v. Grand Kyoto Hotel; Little Tokyo Partners, L.P., et al., Case No. CV10-1511, pending in the
17 United States District Court for the Central District of California.

18 3. "ADA Settlement" means that certain settlement of the ADA Litigation as
19 more fully described herein, a copy of which will be filed as an Exhibit no later than the Exhibit
20 Filing Date.

21 4. "Administrative Claim" means a Claim for costs and expenses of
22 administration of the Reorganization Case under Bankruptcy Code section 503(b) or 507(a)(12).

23 5. "Allowed Claim" means a Claim against the Debtor to the extent that:

24 a. a proof of such Claim

25 (1) is timely Filed; or

26 (2) is deemed timely Filed under applicable law or by reason of an
27 order of the Bankruptcy Court; and
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- b. (1) the Claim is not a Disputed Claim;
- (2) the Claim is allowed (and only to the extent allowed) by a Final Order; or
- (3) the Claim is allowed under the Plan.

6. **"Allowed . . . Claim"** means an Allowed Claim in the particular class described.

7. **"Allowed Interest"** means all interests in the Debtor as of the Confirmation Date.

8. **"Avoiding Power Causes of Action"** means causes of action, if any, arising under Bankruptcy Code sections 502(d), 506, 544, 545, 547, 548, 549, 550, 553, and 558, or any fraudulent conveyance, fraudulent transfer or preference laws, or any cause of action arising under, or relating to, any similar state law or federal law that constitutes property of the Estate under Bankruptcy Code section 541, whether or not an action is initiated on or before the Effective Date.

9. **"Bank"** means First-Citizens Bank & Trust Company, the sole member of Classes 3 and 4, respectively.

10. **"Bank's Hotel Collateral"** means a first lien on that certain real property defined herein as the Hotel, the true and correct legal description of which shall be Filed not later than the Exhibit Filing Date, and all net rents, issues and profits generated from the Hotel.

11. **"Bank's Hotel Note"** means that certain promissory note, dated as of November 25, 2009, in the principal amount of \$33,600,000, which is secured by a first priority lien on the Hotel, pursuant to a deed of trust dated November 25, 2009.

12. **"Bank's Weller Court Collateral"** means a first lien on that certain real property defined herein as Weller Court, the true and correct legal description of which shall be Filed not later than the Exhibit Filing Date, and all net rents, issues and profits from Weller Court.

13. **"Bank's Weller Deed of Trust"** means that certain deed of trust, dated as of August 10, 2007, that was granted to the Bank to secure the Bank's Weller Note, and that certain Modification of Deed of Trust dated as of November 25, 2009.

1 14. **"Bank's Weller Note"** means that certain promissory note issued by the
2 Debtor to the Bank, dated as of August 10, 2007, in the original principal amount of \$44,000,000,
3 which was subsequently paid down to a principal balance of \$10,400,000 in November 2009, and is
4 secured by a first priority lien on the Bank's Weller Court Collateral, pursuant to a deed of trust
5 dated August 10, 2007.

6 15. **"Bankruptcy Court"** means the United States Bankruptcy Court for the
7 Central District of California, Los Angeles Division, or, if such court ceases to exercise jurisdiction
8 over the Reorganization Case, such court or adjunct thereof that exercises jurisdiction over the
9 Reorganization Case in lieu of the United States Bankruptcy Court for the Central District of
10 California, Los Angeles Division.

11 16. **"Bankruptcy Rules"** means, collectively, the: (a) Federal Rules of
12 Bankruptcy Procedure, and (b) the Local Rules of the Bankruptcy Court, as applicable from time to
13 time in the Reorganization Case.

14 17. **"Business Day"** means any day that is not a Saturday, Sunday, or "legal
15 holiday" as defined in Bankruptcy Rule 9006(a).

16 18. **"Cash"** means cash or cash equivalents including, but not limited to, bank
17 deposits, checks or other similar items.

18 19. **"Claim"** means a Claim—as the term "Claim" is defined in Bankruptcy
19 Code section 101(5)—against the Debtor.

20 20. **"Committee"** means the Official Committee of Unsecured Creditors
21 appointed in the Reorganization Case.

22 21. **"Confirmation"** means the entry of the Confirmation Order.

23 22. **"Confirmation Date"** means the date on which Confirmation occurs.

24 23. **"Confirmation Hearing"** means the hearing held pursuant to Bankruptcy
25 Rule 3020(b)(2), including any continuances thereof, at which the Bankruptcy Court will consider
26 Confirmation of the Plan.

27 24. **"Confirmation Order"** means the order of the Bankruptcy Court confirming
28 the Plan under section 1129 of the Bankruptcy Code.

1 25. **"Cure Reserve"** means the reserve to be established pursuant to Article IV.C.

2 26. **"Debtor"** means Little Tokyo Partners, L.P.

3 27. **"Debtor in Possession"** means Little Tokyo Partners, L.P., when acting in its
4 capacity as representative of the Estate in the Reorganization Case.

5 28. **"Disputed Claim"** means with respect to any Claim as to which:

6 (a) a proof of Claim is timely Filed or is deemed timely Filed under applicable law or
7 by reason of an order of the Bankruptcy Court; and

8 (b) on or prior to the deadline to object to such Claim, the Debtor or the Reorganized
9 Debtor, either has filed a notice of designation of such Claim as a Disputed Claim or has Filed an
10 objection to such Claim which objection has not been (i) waived on account of a failure to timely file
11 and serve a claim objection; or (ii) overruled, denied by a Final Order, or withdrawn.

12 29. **"Distribution Date"** has the meaning ascribed to it in section VII.C.2 of the
13 Plan.

14 30. **"Doubletree Contract"** means a new ~~Franchise License Agreement~~franchise
15 license agreement with Hilton Worldwide, Inc., a copyform of which the Debtor is seeking approval
16 of under this Plan shall be filed not later than the Exhibit Filing Date.

17 31. **"Effective Date"** means the first Business Day that is at least fifteen (15)
18 days after the Confirmation Date, and on which all conditions to the Effective Date contained in
19 section VI. hereof have been satisfied or, if waivable, waived, unless the Confirmation Order has
20 been stayed. If the Confirmation Order has been stayed the Effective Date shall be the third
21 Business Day after any such stay terminates, lapses or expires.

22 32. **"Estate"** means the estate created in the Reorganization Case under section
23 541 of the Bankruptcy Code.

24 33. **"Excell"** means Excell Investment Group, LLC, the sole member of Class 2.

25 34. **"Exhibit Filing Date"** means a Business Day on which drafts of all Exhibits
26 to the Plan shall be Filed and which day shall be no later than twenty (20) days prior to the
27 Confirmation Hearing. The Debtor reserves the right to File amended or revised versions of any
28 Exhibit through and including the Confirmation Date.

1 35. "**File**" or "**Filed**" means filed with the Bankruptcy Court in the
2 Reorganization Case.

3 36. "**Final Order**" means an order or judgment of the Bankruptcy Court, as
4 entered on its docket, which has not been reversed, stayed, modified or amended, and as to which (a)
5 the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to
6 which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then
7 be pending or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have
8 been waived in writing in form and substance satisfactory to the Debtor or Reorganized Debtor, as
9 applicable, or (b) in the event that an appeal, writ of certiorari, or reargument or rehearing thereof
10 has been sought, such order or judgment of the Bankruptcy Court or other applicable court shall
11 have been affirmed by the highest court to which such order or judgment was appealed, or certiorari
12 has been denied, or from which reargument or rehearing was sought, and the time to take any further
13 appeal, petition for certiorari or move for reargument or rehearing shall have expired.

14 37. "**General Partner**" means Little Tokyo Partners, LLC, the Debtor's sole
15 general partner.

16 38. "**General Partner Interest**" means the interest of the General Partner.

17 39. "**Hotel**" means the Kyoto Grand Hotel and Gardens located at 120 South Los
18 Angeles Street, Los Angeles, California, the true and correct legal description of which shall be Filed
19 not later than the Exhibit Filing Date.

20 40. "**Limited Partner**" means 3D Investments IV, L.P.

21 41. "**Limited Partner Interest**" means the Limited Partner's limited partnership
22 interest in the Debtor.

23 42. "**Judgment Rate**" means the interest rate on a federal judgment entered on
24 the Petition Date, which was 0.31% per annum.

25 43. "**New Capital Contribution**" means the \$10,000,000 to be invested in the
26 Reorganized Debtor by the General Partner and/or the Limited Partner on the Effective Date, or such
27 other amount as the Bankruptcy Court determines is required to confirm the Plan.

28

1 44. **"Other Priority Claim"** means an Allowed Claim entitled to priority under
2 section 507(a) of the Bankruptcy Code, except for Administrative Claims and Priority Tax Claims.

3 45. **"Partner Interests"** means the General Partner Interest and Limited Partner
4 Interest.

5 46. **"Petition Date"** means July 15, 2010.

6 47. **"Plan"** means the Plan of reorganization, either in its present form or as it
7 may be altered, amended or modified from time to time in accordance with the Bankruptcy Code and
8 Bankruptcy Rules.

9 48. **"Plan Documents"** means those documents necessary to effectuate the Plan.

10 49. **"Priority Tax Claim"** means an Allowed Claim entitled to priority under
11 section 507(a)(8) of the Bankruptcy Code.

12 50. **"Professional Fee Claim"** means:

13 (a) a Claim under Bankruptcy Code Sections 327, 328, 330, 331, 503, or 1103 for
14 compensation for professional services rendered or expenses incurred on the Estate's behalf; or

15 (b) a Claim either under Bankruptcy Code Section 503(b)(4) for compensation for
16 professional services rendered or under Bankruptcy Code Section 503(b)(3)(D) for expenses
17 incurred in making a substantial contribution to the Estate.

18 51. **"Property Improvement Plan"** means the required improvements to the
19 Hotel that must be completed ~~over the forty-eight months~~ after the Effective Date pursuant to the
20 Doubletree Contract.

21 52. **"Pro Rata"** means proportionately so that the ratio of (a) the amount of
22 consideration distributed on account of a particular Allowed Claim to (b) the amount of such
23 Allowed Claim is the same as the ratio of (x) the amount of consideration distributed on account of
24 all Allowed Claims of the class or group of classes in which the particular Allowed Claim is
25 included to (y) the amount of all Allowed Claims of that class or group of classes.

26 53. **"Remediation Work"** means those certain repairs and maintenance work to
27 be completed at the Hotel ~~in accordance with the timelines~~ described in the Consent Decree Order
28

1 and Judgment, which is an exhibit to be Filed by the Exhibit Filing Date attached to the ADA
2 Settlement.

3 54. **"Reorganization Case"** means the case under chapter 11 of the Bankruptcy
4 Code commenced by the Debtor on the Petition Date and captioned "In re Little Tokyo Partners,
5 L.P.," Case No. 2:10-39113-BR.

6 55. **"Reorganized Debtor"** means the Debtor, or any successor thereto by
7 merger, consolidation or otherwise, as revested with property of the Estate on and after the Effective
8 Date.

9 56. **"Scheduled"** means set forth on the Schedules.

10 57. **"Schedules"** means the schedules of assets and liabilities and list of equity
11 security holders Filed by the Debtor under the Bankruptcy Rules, as the same have been or may be
12 amended from time to time before the Effective Date.

13 58. **"Secured Claim"** means any Allowed Claim that is secured by a lien on
14 property in which the Estate has an interest or that is subject to setoff under section 553 of the
15 Bankruptcy Code, to the extent of the value of the Claimholder's interest in the Estate's interest in
16 such property or to the extent of the amount subject to setoff, as applicable, as determined under
17 section 506 of the Bankruptcy Code.

18 59. **"Secured Hotel Claim"** means the Allowed Claim that is secured by the
19 Bank's Hotel Collateral.

20 60. **"Secured Tax Claims"** means every Claim of a governmental unit for taxes
21 which, by operation of applicable nonbankruptcy law, is a Secured Claim.

22 61. **"Secured Weller Court Claim"** means the Allowed Claim that is secured by
23 the Bank's Weller Court Collateral.

24 62. **"Settlement Payment"** means the payment of \$130,243.78 by 3D
25 Investments IV, LLCLP, to the Reorganized Debtor on the Effective Date, which reflects the
26 voluntary return of all payments received by 3D Investments IV, L.P. during the 12 months
27 immediately prior to the Petition Date.

1 63. **"Unsecured Claim"** means all Claims against the Debtor that are not Secured
2 Claims, Administrative Claims, Priority Tax Claims or Other Priority Claims.

3 64. **"Weller Court"** means that certain mall located at 227 East Second Street,
4 Los Angeles, California, the true and correct legal description of which shall be Filed not later than
5 the Exhibit Filing Date.

6 **B. Interpretation, Rules Of Construction, Computation Of Time.**

7 **1. Defined Terms.**

8 Any term used in the Plan that is not defined in the Plan, but that is used in the
9 Bankruptcy Code or Bankruptcy Rules has the meaning assigned to that term in the Bankruptcy
10 Code or Bankruptcy Rules, as applicable, unless the context requires otherwise.

11 **2. Rules Of Interpretation.**

12 For purposes of the Plan:

- 13 a. whenever from the context it is appropriate, each term, whether stated
14 in the singular or the plural, shall include both the singular and the plural;
- 15 b. any payment required under the Plan on a particular date shall be made
16 on such date or as soon thereafter as practicable;
- 17 c. any reference in the Plan to a contract, instrument, release or other
18 agreement or document being in a particular form or on particular terms and conditions
19 means that such document shall be substantially in such form or substantially on such terms
20 and conditions, delivered and Filed on or before the Exhibit Filing Date as an exhibit to the
21 Plan;
- 22 d. any reference in the Plan to an existing document or exhibit Filed or to
23 be Filed means such document or exhibit, as it may have been or may be amended, modified
24 or supplemented through and including the Confirmation Date which, after they are Filed,
25 may be amended, modified or supplemented only with the express written consent of the
26 proponents of the Plan;
- 27
28

- 1 e. unless otherwise specified in a particular reference, all references in
- 2 the Plan to sections, articles and exhibits are references to sections, articles and exhibits of or
- 3 to the Plan;
- 4 f. the words "herein," "hereof," "hereto," "hereunder" and others of
- 5 similar import refer to the Plan in its entirety rather than to only a particular portion of the
- 6 Plan;
- 7 g. captions and headings to articles and sections are inserted for
- 8 convenience of reference only and are not intended to be a part of or to affect the
- 9 interpretation of the Plan;
- 10 h. all exhibits to the Plan and Plan Documents are incorporated herein,
- 11 regardless of when those exhibits are Filed;
- 12 i. to the extent any discrepancy exists between the description contained
- 13 herein of a document or agreement that is an exhibit to the Plan and with the provisions of
- 14 that exhibit, the actual agreement or document shall govern; and
- 15 j. the rules of construction set forth in section 102 of the Bankruptcy
- 16 Code shall apply.

17 **3. Time Periods.**

18 In computing any period of time prescribed or allowed by the Plan, the provisions of
19 Bankruptcy Rule 9006(a) shall apply.

20 **II.**

21 **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

22 The following is a designation of the classes of Claims and interests under the Plan.
23 Administrative Claims and Priority Tax Claims have not been classified and are excluded from the
24 following classes in accordance with section 1123(a)(1) of the Bankruptcy Code. A Claim or
25 interest is classified in a particular class only to the extent that the Claim or interest qualifies within
26 the description of that class and is classified in a different class to the extent that any remainder of
27 the Claim or interest qualifies within the description of such different class. A Claim or interest is in
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1 a particular class only to the extent that the Claim or interest is an Allowed Claim or Allowed
2 Interest in that class and has not been paid, released, or otherwise satisfied before the Effective Date.

3 **A. Secured Claims.**

4 **1. Secured Tax Claims (Class 1).**

5 Class 1 consists of all Claims that are Secured Tax Claims.

6 **2. Excell's Secured Claim (Class 2).**

7 Class 2 consists of Excell's Claim, which is secured by a second priority deed of trust
8 on Weller Court.

9 **3. Secured Hotel Claim (Class 3).**

10 Class 3 consists of the Secured Hotel Claim.

11 **4. The Secured Weller Court Claim (Class 4).**

12 Class 4 consists of the Secured Weller Court Claim.

13 **B. Other Priority Claims (Class 5).**

14 Class 5 consists of all Other Priority Claims.

15 **C. Unsecured Claims**

16 **1. General Unsecured Claims (Class 6).**

17 Class 6 consists of all Unsecured Claims not in Class 5 or Class 7.

18 **2. ADA Claims (Class 7).**

19 Class 7 consists of all ADA Claims.

20 **D. Interests.**

21 **1. Limited Partner's Interests (Class 8).**

22 Class 8 consists of the Limited Partner Interest.

23 **2. General Partner's Interests (Class 9).**

24 Class 9 consists of the General Partner Interest.

1 III.

2 TREATMENT OF CLASSES OF CLAIMS AND INTERESTS

3 A. Unclassified Claims.

4 1. Administrative Claims.

5 a. General.

6 Subject to the bar date provisions herein, the Reorganized Debtor shall pay to each
7 holder of an Allowed Administrative Claim, on account and in full satisfaction of the Allowed
8 Administrative Claim, Cash equal to the amount of the Allowed Administrative Claim, unless the
9 holder agrees to other treatment of the Claim.

10 b. Payment Of Statutory Fees.

11 On or before the Effective Date, all fees payable under 28 U.S.C. § 1930, as
12 determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid in Cash, in full.

13 c. Bar Date For Administrative Claims.

14 (1) General Provisions.

15 Except as provided below in section III.A.1.c.(3) for non-tax liabilities incurred in the
16 ordinary course of business by the Debtor in Possession, requests for payment of Administrative
17 Claims must be Filed no later than sixty (60) days after the Effective Date. Holders of
18 Administrative Claims (including without limitation, professionals requesting compensation or
19 reimbursement of expenses and any governmental units asserting Claims for federal, state or local
20 taxes and excluding any Professional Fee Claims, which are subject to the process set forth below)
21 that are required to File a request for payment of such Claims and that do not File such requests by
22 the applicable bar date shall be forever barred from asserting such Claims against the Debtor,
23 Reorganized Debtor, any other person or entity, or any of their respective property.

24 (2) Professionals.

25 The Court must approve all Professional Fee Claims. As set forth below, each
26 professional in question must File and serve a properly noticed fee application or motion (the "Fee
27 Motion"), and the Court must rule on the application Fee Motion. Only the amount of fees allowed
28

1 by the Court will be required to be paid under this Plan. A Professional Fee Claim will be allowed
2 only if:

3 (a) On or before 60 days after the Effective Date, the professional or other entity
4 holding the Professional Fee Claim both Files with the Court a ~~motion~~Fee
5 Motion requesting that the Reorganized Debtor pay the Professional Fee
6 Claim and serves the ~~motion~~Fee Motion on the Reorganized Debtor and its
7 counsel; and

8 (b) The Professional Fee Claim is allowed by a Final Order.

9 The Reorganized Debtor or any other party in interest may File an objection to such a
10 ~~motion~~Fee Motion within the time provided by the Bankruptcy Rules or within any other period that
11 the Court establishes. **Persons holding Professional Fee Claims who do not timely File and serve**
12 **a ~~motion~~Fee Motion for payment will be forever barred from asserting those Claims against**
13 **the Debtor, the Estate, the Reorganized Debtor, or their respective property.**

14 (3) **Ordinary Course Liabilities.**

15 Holders of Administrative Claims based on liabilities incurred in the ordinary course
16 of the Debtor in Possession's business prior to the Effective Date (other than professionals or other
17 entities described in subparagraph (2), above, and governmental units that hold Claims for taxes or
18 Claims and/or penalties related to such taxes) shall not be required to File any request for payment of
19 such Claims. Each Administrative Claim shall be assumed and paid by the Reorganized Debtor
20 under the terms and conditions of the particular transaction giving rise to that Administrative Claim,
21 without any further action by the holder of such Administrative Claim.

22 2. **Treatment Of Priority Tax Claims.**

23 In accordance with section 1129(a)(9)(C) of the Bankruptcy Code, except as
24 otherwise agreed to by the parties, each holder of an Allowed Priority Tax Claim shall receive from
25 the Reorganized Debtor deferred Cash payments over a period not exceeding five (5) years from the
26 date of assessment of such Claim. Payments shall be made in equal, quarterly installments and each
27 installment shall include simple interest accrued on the unpaid portion of such Claim at the rate of
28 5% per annum from and after the Effective Date; provided, however, that the Reorganized Debtor

1 reserves the right to pay any Allowed Priority Tax Claim, or any remaining balance of such Allowed
2 Claim, in full, at any time on or after the Effective Date, without premium or penalty.

3 **B. Classified Claims And Interests.**

4 **1. Class 1 (Secured Tax Claims).**

5 Class 1 is not impaired under the Plan. The holder of each Allowed Class 1 Claim
6 will receive Cash equal to its Allowed Claim, including any interest, fees and costs to which it is
7 entitled under Bankruptcy Code §§ 506 & 1124, on the Effective Date, or such other treatment as the
8 Reorganized Debtor and the holder of an Allowed Class 1 Claim agree to in writing, on or before the
9 Confirmation Date.

10 **2. Class 2 (Excell's Secured Claim).**

11 Class 2 is not impaired under the Plan. The holder of each Allowed Class 2 Claim
12 will receive Cash equal to its Allowed Claim, including any interest (at the nondefault contract rate),
13 fees and costs to which it is entitled under Bankruptcy Code §§ 506 & 1124, on the Effective Date,
14 or such other treatment as the Reorganized Debtor and the holder of an Allowed Class ~~1~~2 Claim
15 agree to in writing, on or before the Confirmation Date.

16 **3. Class 3 (Bank's Secured Hotel Claim).**

17 Class 3 is not impaired under the Plan. On account of its Allowed Class 3 Claim, the
18 Bank will receive the following: the Reorganized Debtor will cure all defaults (except for the kind
19 specified in section 365(b)(2) of the Bankruptcy Code) that exist under the agreements and contracts
20 governing the Allowed Class 3 Claim, including the Bank Hotel Note, reinstate the maturity of such
21 claim, compensate the Bank for any damage incurred as a result of reasonable reliance by such
22 holder on such contractual provision or applicable law, and not otherwise alter the legal, equitable or
23 contractual rights of the Bank with respect to its Allowed Class 3 Claim. The Debtor shall pay to the
24 Bank all missed installments under the Hotel Note and interest at the non-default contract rate, plus
25 any reasonable fees and costs to which the Bank is entitled under Bankruptcy Code §§ 506 & 1124.

26 **4. Class 4 (Bank's Secured Weller Court Claim).**

27 Class 4 is not impaired under the Plan. On account of its Allowed Class 4 Claim, the
28 Bank will receive the following: the Reorganized Debtor will cure all defaults (except for the kind

1 specified in section 365(b)(2) of the Bankruptcy Code) that exist under the agreements and contracts
2 governing the Allowed Class 4 Claim, including the Bank's Weller-Court Note, reinstate the maturity
3 of such claim, compensate the Bank for any damage incurred as a result of reasonable reliance by
4 such holder on such contractual provision or applicable law, and not otherwise alter the legal,
5 equitable or contractual rights of the Bank with respect to its Allowed Class 4 Claim. The Debtor
6 shall pay to the Bank all missed installments under the Bank Weller-Court Note and interest at the
7 non-default contract rate, plus any reasonable fees and costs to which the Bank is entitled under
8 Bankruptcy Code §§ 506 & 1124.

9 **5. Class 5 (Other Priority Claims).**

10 Class 5 is not impaired under the Plan. Each holder of an Allowed Class 5 Claim will
11 be paid in Cash, in full, with interest at the Judgment Rate, on the Distribution Date.

12 **6. Class 6 (General Unsecured Claims).**

13 Class 6 is not impaired under the Plan. Each holder of an Allowed Class 6 Claim will
14 be paid in Cash, in full, with interest at the Judgment Rate or such other rate as the holder and the
15 Reorganized Debtor agree upon or is established by the Court in order to unimpaired that holder, on the
16 Distribution Date.

17 **7. Class 7 (ADA Claims).**

18 Class 7 is not impaired under the Plan. On account of the Allowed Class 7 Claims,
19 the Reorganized Debtor shall fully comply with the ADA Settlement.

20 **8. Class 8 (Limited Partner's Interests).**

21 Class 8 is not impaired under the Plan. The Limited Partner shall retain its Limited
22 Partner's Interest in the Reorganized Debtor.

23 **9. Class 9 (General Partner's Interests).**

24 Class 9 is not impaired under the Plan. The General Partner shall retain its General
25 Partner's Interest in the Reorganized Debtor.

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27

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1 IV.

2 **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

3 **A. Assumption.**

4 Each executory contract or unexpired lease of the Debtor that has not expired by its
5 own terms before the Effective Date or previously been rejected by the Debtor in Possession and is
6 listed on the "Schedule of Executory Contracts and Unexpired Leases to be Assumed," Filed as
7 Exhibit IV.A hereto (which Exhibit shall be filed by the Exhibit Filing Date) is assumed, as of the
8 Effective Date, pursuant to Bankruptcy Code section 365. All leases under which the Debtor leases
9 any portion of the Hotel or Weller Court shall be assumed and the Cure Amount with respect thereto
10 is \$0. A list of the security deposits of the tenants will be filed as a Plan Document. The Debtor also
11 intends at the present time to assume all executory contracts, including the Management Contract
12 with Crestline Hotels & Resorts, Inc. and the existing agreement with Able Engineering.

13 Nothing in the Plan, any Exhibit to the Plan, or any document executed or delivered
14 in connection with the Plan or any such Exhibit creates any obligation or liability on the part of the
15 Debtor, the Reorganized Debtor, or any other person or entity that is not currently liable on such
16 obligation, with respect to any executory contract or unexpired lease. The Debtor reserves the right
17 to amend on or before 14 days prior to the Confirmation Hearing Date Exhibit IV.A either to: (a)
18 delete any executory contract or unexpired lease listed on Exhibit IV.A and provide for its rejection
19 under section IV.C below, or (b) add any executory contract or unexpired lease to Exhibit IV.A, thus
20 providing for its assumption under this section IV.A. Debtor shall provide notice of any amendment
21 of Exhibit IV.A to the parties to the affected executory contract or unexpired lease and the Office of
22 the United States Trustee.

23 **B. Cure Payments.**

24 Any monetary defaults under each executory contract and unexpired lease assumed
25 under the Plan shall be satisfied under section 365(b)(1) of the Bankruptcy Code either by payment
26 of the cure amount (if any) in Cash on the Effective Date, or on such other terms as agreed to by
27 Reorganized Debtor and the non-debtor party to the executory contract or unexpired lease. Unless
28

1 the non-debtor party to any executory contract or unexpired lease to be assumed Files and serves on
2 the Debtor and its counsel an objection to the "cure amount" specified on Exhibit IV.A (which
3 Exhibit shall be Filed on the Exhibit Filing Date) on or before the later of (i) the last date established
4 by the Bankruptcy Court to File and serve objections to confirmation of the Plan or (ii) 7 days after
5 the Debtor File and serve Exhibit IV.A, or any amendment thereto, such "cure amount" shall be
6 forever binding on such non-debtor party to said executory contract or unexpired lease. In the event
7 of a timely Filed and served objection regarding (1) the amount of any cure payments, (2) the ability
8 of Reorganized Debtor to provide adequate assurance of future performance under the contract or
9 lease to be assumed, or (3) any other matter pertaining to assumption, any cure payment required by
10 section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order
11 resolving the dispute and approving assumption.

12 **C. The Cure Reserve.**

13 To the extent a timely filed objection contends that the cure amount should be
14 different than the Debtor's proposed cure amount in Exhibit IV.A, the undisputed portion of such
15 cure amount will be paid as set forth above. On or before the Effective Date, the Debtor will transfer
16 to a segregated Cure Reserve on account of any disputed cure amounts an amount to be agreed upon
17 by the Debtor and the objecting party prior to the Effective Date, or such other amount as is
18 determined by the Bankruptcy Court to provide adequate assurance that all cure amounts will be
19 paid in full as contemplated under the Plan, which Cash shall be free and clear of any and all liens
20 asserted by the Bank. Pending resolution of the cure amount, the Debtor will request a status
21 conference with respect to any outstanding objection within approximately 30 days from the
22 Confirmation Hearing Date. If, at the status conference, the objection has not been resolved to the
23 parties' satisfaction, the Court may then, at the status hearing, set a briefing schedule and a further
24 evidentiary or other hearing to resolve the objections on their merits. If a dispute arises regarding: (a)
25 the amount of any proposed cure payments; (b) whether the Debtor has provided adequate assurance
26 of future performance under an executory contract or unexpired lease to be assumed; or (c) any other
27 matter pertaining to a proposed assumption, the proposed cure payments will be made within 30
28

1 days after entry of a Final Order resolving the dispute and approving the assumption or a Final Order
2 consensually resolving such dispute.

3 **D. Rejection.**

4 Effective immediately before the Effective Date, each executory contract or
5 unexpired lease of the Debtor that has not expired by its own terms before the Effective Date or
6 previously been assumed by the Debtor in Possession, that is either: (1) listed on the "Schedule of
7 Executory Contracts and Unexpired Leases to be Rejected," Filed as Exhibit IV.C to the Plan (which
8 Exhibit shall be filed by the Exhibit Filing Date), or (2) is not assumed pursuant to section IV.A.
9 above, is rejected, as of the Effective Date, pursuant to Bankruptcy Code section 365, to the extent,
10 if any, that they constitute executory contracts or unexpired leases, and without conceding that they
11 constitute executory contracts or unexpired leases or that the Debtor has any liability under them.
12 Listing a contract or lease on Exhibit IV.C is not an admission by the Debtor or Reorganized Debtor
13 that such contract or lease is an executory contract or unexpired lease or that the Debtor or
14 Reorganized Debtor has any liability thereunder. The Debtor reserves the right at any time before
15 Confirmation to amend Exhibit IV.C to delete any executory contract or unexpired lease listed on
16 Exhibit IV.C and provide for its assumption under section IV.A above. Debtor shall provide notice
17 of any amendment of Exhibit IV.C to the parties to the affected executory contract or unexpired
18 lease and the Office of the United States Trustee.

19 The Confirmation Order shall constitute an Order of the Bankruptcy Court approving
20 all such rejections as of the Effective Date. Any Claim for damages arising from the rejection under
21 the Plan of an executory contract or unexpired lease must be Filed within sixty (60) days after the
22 Effective Date or be forever barred and unenforceable against the Debtor, the Reorganized Debtor
23 and its properties and barred from receiving any distribution under the Plan.

24 **V.**

25 **MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN**

26 **A. Investment In The Hotel.**

27 The ~~General Partner and the~~ Limited Partner shall contribute to the Reorganized
28 Debtor on the Effective Date the New Capital Contribution, which shall be sufficient to fund the

1 Remediation Work, other necessary deferred maintenance work, and the Property Improvement Plan
2 under the Doubletree Contract. By re-flagging the Hotel as a Doubletree hotel, the increased
3 revenue and profitability from the Hotel, together with the Debtor's existing assets, and the New
4 Capital Contribution, will be sufficient to pay (1) all amounts due on the Effective Date, including
5 the cure payments to the Bank, (2) the required deferred maintenance at the hotel, (3) the
6 remediation required by the ADA Settlement, (4) the Property Improvement Plan over the first 4
7 years after the Effective Date, and (45) all debt service payable to the Bank on account of its
8 reinstated Claims. The General Partner and the Limited Partner are is sufficiently confident in the
9 ability to pay these amounts that they are committing to contribute \$10,000,000 in the New Capital
10 Contribution, which shall be junior to all present and future creditors, including the Bank's reinstated
11 Claims. Neither the New Capital Contribution nor the Settlement Payment shall be distributed to the
12 General Partner or the Limited Partner at any time before the Bank's Allowed Secured Claims are
13 paid in full.

14
15 **B. Election To Extend The Current Maturity Date Of Each Of The Reinstated**
Bank's Hotel Note And Bank's Weller Note.

16 As provided in sections III.B.3 and III.B.4 of the Plan, the Debtor will reinstate the
17 current maturity date (the "Current Maturity Date") for each of the Bank's Hotel Note and Bank's
18 Weller Note (i.e., September 1, 2012). In 2012, prior to the Current Maturity Date, the Debtor
19 intends to exercise its right to extend the Current Maturity Date to September 1, 2019 in accordance
20 with the terms of the Bank's Hotel Note and Bank's Weller Note.

21 **C. ~~B.~~ The Doubletree Transaction.**

22 On or before the Effective Date, the Debtor shall enter into the Doubletree Contract,
23 which shall be binding on the Reorganized Debtor from and after the Effective Date.

24 **D. ~~C.~~ Revesting Of Assets And Operations Of Property.**

25 As of the Effective Date, all property of the Estate (including each Debtor in
26 Possession bank account) shall revert in the Reorganized Debtor, free and clear of all Claims, liens,
27 encumbrances and other interests of creditors and holders of interests, except as otherwise set forth
28 herein. From and after the Effective Date, the Reorganized Debtor may operate its business and use,

1 acquire, and dispose of property and settle and compromise Claims without supervision by the
2 Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other
3 than those restrictions expressly imposed by the Plan and the Confirmation Order. Reorganized
4 Debtor shall have authority to pay any Post-Effective Date Claims in the ordinary course of business.

5 E. ~~D.~~ **Preservation Of Rights Of Action and Defenses.**

6 Except to the extent such rights, Claims, causes of action, defenses, and
7 counterclaims are expressly and specifically released in connection with the Plan or in any
8 settlement agreement approved during the Reorganization Case, (i) any and all rights, Claims, causes
9 of action, defenses, and counterclaims accruing to the Debtor or its estate (including, without
10 limitation, Avoiding Power Causes of Action but excluding any causes of action under Bankruptcy
11 Code § 547) shall remain assets of and vest in the Reorganized Debtor, whether or not litigation
12 relating thereto is pending on the Effective Date, and whether or not any such rights, Claims, causes
13 of action, defenses, and counterclaims have been Scheduled or otherwise listed or referred to in the
14 Plan, or any other document filed with the Bankruptcy Court, and (ii) neither the Debtor nor the
15 Reorganized Debtor waives, relinquishes, or abandons (nor shall they be estopped or otherwise
16 precluded from asserting) any right, Claim, cause of action, defense, or counterclaim that constitutes
17 property of the Debtor's estate: (a) whether or not such right, Claim, cause of action, defense, or
18 counterclaim has been listed or referred to in the Schedules, the Plan, or any other document filed
19 with the Bankruptcy Court, (b) whether or not such right, Claim, cause of action, defense, or
20 counterclaim is currently known to the Debtor, and (c) whether or not a defendant in any litigation
21 relating to such right, Claim, cause of action, defense, or counterclaim filed a proof of Claim in the
22 Reorganization Case, filed a notice of appearance or any other pleading or notice in the
23 Reorganization Case, voted for or against the Plan, or received or retained any consideration under
24 the Plan. Without in any manner limiting the scope of the foregoing, notwithstanding any otherwise
25 applicable principle of law or equity, including, without limitation, any principles of judicial
26 estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list,
27 disclose, describe, identify, or refer to a right, Claim, cause of action, defense, or counterclaim, or
28 potential right, Claim, cause of action, defense, or counterclaim, in the Debtor's Schedules, the Plan,

1 or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify,
2 release, or alter the Reorganized Debtor's right to commence, prosecute, defend against, settle, and
3 realize upon any rights, Claims, causes of action, defenses, or counterclaims that any of the Debtor
4 or Reorganized Debtor has or may have as of the Confirmation Date. The Reorganized Debtor may
5 commence, prosecute, defend against, recover on account of, and settle all rights, Claims, causes of
6 action, defenses, and counterclaims in their sole discretion in accordance with what is in the best
7 interests, and for the benefit, of the Reorganized Debtor. Notwithstanding the foregoing reservation
8 of rights, the Debtor shall not pursue any action arising under Bankruptcy Code § 547, because any
9 claims arising from the recovery of preferential transfers would be paid in full under the Plan.

10 **F. ~~E.~~ ADA Settlement.**

11 The Plan will implement the ADA Settlement. Prior to the Petition Date, a lawsuit
12 was brought by two disabled individuals against the Debtor and certain other defendants alleging
13 that the defendants failed to comply with certain aspects of the Americans with Disabilities Act at
14 the Hotel. Since filing the Reorganization Case, the Debtor has engaged in extensive discussions to
15 resolve the ADA Litigation. Under the terms of the ADA Settlement that will resolve the ADA
16 Litigation on a final basis, the Debtor shall complete the Remediation Work and shall pay \$150,000,
17 which shall be distributed to holders of the ADA Claims as set forth in the ADA Settlement.

18 **G. ~~F.~~ Powers Of The Reorganized Debtor.**

19 The Reorganized Debtor shall have all the powers and duties set forth in the Plan, and
20 the Reorganized Debtor's organizational documents, as may be amended, and under applicable law.
21 The Reorganized Debtor shall become, on the Effective Date of the Plan, the exclusive
22 representative of the Estate. Subject to the provisions of the Plan, but notwithstanding whether they
23 are set forth in the Plan, on and after the Effective Date, the Estate shall retain and the Reorganized
24 Debtor may enforce any and all rights, Claims, causes of action, powers, privileges, licenses, and
25 franchises of the Debtor or the Estate, including all rights regarding tax determinations under
26 Bankruptcy Code section 505, all causes of action arising under the Plan and the Bankruptcy Code.

27 The Reorganized Debtor shall have the authority to pay any post-Effective Date
28 Claims in the ordinary course of business.

1 **H. G.-Discharge Of Debtor, Injunction And Other Releases.**

2 **1. Discharge Of Debtor.**

3 On and after the Effective Date, the rights afforded in the Plan and the treatment of all
4 Claims and interests therein shall be in exchange for and in complete satisfaction, discharge, and
5 release of all Claims and interests of any nature whatsoever, including any interest accrued on such
6 Claims from and after the Petition Date, against the Debtor and the Debtor in Possession, or any of
7 its assets or properties. Except as otherwise provided in the Plan or the Confirmation Order on and
8 after the Effective Date: (a) the Debtor shall be deemed discharged and released to the fullest extent
9 permitted by section 1141 of the Bankruptcy Code from all Claims and interests, including Claims
10 and interests that arose before the Effective Date and all debts of the kind specified in sections
11 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (i) a proof of Claim or proof of
12 interest based on such debt or interest is Filed or deemed Filed pursuant to section 501 of the
13 Bankruptcy Code, (ii) a Claim or interest based on such debt or interest is allowed pursuant to
14 section 502 of the Bankruptcy Code, or (iii) the holder of a Claim or interest based on such debt or
15 interest has accepted the Plan; and (b) all persons shall be precluded from asserting against
16 Reorganized Debtor, its successors, the General Partner, the Limited Partner or the Debtor's assets or
17 properties any other or further Claims or interests based upon any act or omission, transaction, or
18 other activity of any kind or nature that occurred before the Effective Date. Except as otherwise
19 provided in the Plan or the Confirmation Order, on and after the Effective Date, the Confirmation
20 Order shall act as a discharge of any and all Claims against and all debts and liabilities of the Debtor,
21 as provided in sections 524 and 1141 of the Bankruptcy Code.

22 **2. Injunction.**

23 In addition to the injunction provided under section 524(a) of the Bankruptcy Code,
24 on and after the Effective Date, all persons who have held, currently hold or may hold a debt, Claim
25 or interest discharged under the Plan are permanently enjoined from taking any of the following
26 actions on account of any such discharged debt, Claim or interest: (a) commencing or continuing in
27 any manner any action or other proceeding against the Debtor, Reorganized Debtor, the partners of
28 the Reorganized Debtor or property; (b) enforcing, attaching, collecting or recovering in any manner

1 any judgment, award, decree or order against the Debtor, Reorganized Debtor, its successors or its
2 respective property; (c) creating, perfecting or enforcing any lien or encumbrance against the Debtor,
3 Reorganized Debtor, its successors or its respective property; and (d) commencing or continuing any
4 action, in any manner, in any place that does not comply with or is inconsistent with the provisions
5 of the Plan or the Confirmation Order. Any person injured by any willful violation of such
6 injunction may recover actual damages, including costs and attorneys' fees, and, in appropriate
7 circumstances, may recover punitive damages, from the willful violator.

8 The Plan does not discharge any party other than the Debtor from any liability such
9 non-debtor party has or may have under or pursuant to any guarantee or alleged guarantee of any
10 obligation of the Debtor. The Bank contends that certain parties guaranteed certain obligations to the
11 Bank. The alleged guarantors contend that they have previously been released from any liability
12 they might otherwise have had to the Bank. This dispute is the subject of pending litigation. The
13 Plan shall not alter the rights, claims or defenses of the Bank or the alleged guarantors in that
14 litigation.

15 I. ~~H.~~ **Limitation Of Liability.**

16 On and after the Effective Date, none of the Debtor, the Debtor in Possession, nor any
17 of its partners, employees, officers, directors, agents, or representatives, nor any professional persons
18 employed by any of them, shall have or incur any liability to any person or entity for any authorized
19 act taken or authorized omission made in good faith in connection with or related to the
20 Reorganization Case or the Estate, including objections to or estimations of Claims, disposition of
21 assets, or formulating or seeking confirmation of the Plan, or any contract, instrument, release, or
22 other agreement or document created in connection with the Plan.

23 I. ~~I.~~ **Execution Of Documents And Partnership Action.**

24 The Debtor and Debtor in Possession, and the Reorganized Debtor, without any
25 partner action whatsoever, shall execute such documents and take such other action as is necessary
26 to effectuate the transactions provided for in the Plan.

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1 **K. J.-Retention Of Jurisdiction.**

2 After Confirmation of the Plan and occurrence of the Effective Date, the Bankruptcy
3 Court will retain such jurisdiction as is legally permissible, including for the following purposes:

4 1. To resolve any and all disputes regarding the operation and interpretation of
5 the Plan or the Confirmation Order;

6 2. To determine the allowability, classification, or priority of any Claim or
7 interest, based on any objection by the Debtor or by other parties in interest with standing to bring
8 such objection or proceeding;

9 3. To determine the extent, validity, and priority of any lien asserted against
10 property of the Reorganized Debtor or property of the Estate;

11 4. To construe and to take any action to (a) enforce and execute the Plan, the
12 Confirmation Order, and any other order of the Bankruptcy Court; (b) issue such orders as may be
13 necessary for the implementation, execution, performance, and consummation of the Plan, the
14 Confirmation Order and all matters referred to in the Plan and the Confirmation Order; and (c)
15 determine all matters that may be pending before the Bankruptcy Court in this Reorganization Case
16 on or before the Effective Date with respect to any person or entity;

17 5. To determine any and all applications for allowance of compensation and
18 reimbursement of expenses of professionals for periods on or before the Effective Date;

19 6. To determine any other request for payment of administrative expenses;

20 7. To resolve any dispute regarding the implementation, execution, performance,
21 consummation, or interpretation of the Plan or the Confirmation Order;

22 8. To determine motions for the rejection, assumption, or assignment of
23 executory contracts or unexpired leases filed before the Effective Date and the allowance of any
24 Claims resulting therefrom;

25 9. To adjudicate all adversary proceedings and contested matters initiated by the
26 Reorganized Debtor to pursue retained causes of action;

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1 10. To determine all applications, motions, adversary proceedings, contested
2 matters, and any other litigated matters commenced during the Reorganization Case whether before,
3 on, or after the Effective Date;

4 11. To determine such other matters and for such other purposes as may be
5 provided in the Confirmation Order;

6 12. To modify the Plan under section 1127 of the Bankruptcy Code in order to
7 remedy any apparent defect or omission in the Plan or to reconcile any inconsistency in the Plan so
8 as to carry out its intents and purposes;

9 13. To issue injunctions or take such other actions or issue such other orders as
10 may be necessary or appropriate to restrain interference with the Plan or the Confirmation Order or
11 their implementation by any person or entity; and

12 14. To issue such orders in aid of consummation of the Plan and the Confirmation
13 Order, notwithstanding any otherwise applicable nonbankruptcy law, with respect to any person or
14 entity, to the full extent authorized by the Bankruptcy Code or Bankruptcy Rules.

15 L. ~~K.~~ **Successors And Assigns.**

16 The rights, benefits and obligations of any entity named or referred to in the Plan are
17 binding on, and will inure to the benefit of, any permitted heirs, executors, administrators, successors
18 or assigns of such entity.

19 M. ~~L.~~ **Amendment, Revocation, Modification And Severability.**

20 1. The Plan may be amended or modified before the Effective Date by the
21 Debtor to the extent provided by section 1127 of the Bankruptcy Code.

22 2. The Debtor reserves the right to withdraw the Plan before the Confirmation
23 Date.

24 3. The Debtor reserves the right to modify or amend the Plan upon a
25 determination by the Bankruptcy Court that the Plan, as it is currently drafted, is not confirmable
26 pursuant to section 1129 of the Bankruptcy Code. To the extent such a modification or amendment
27 is permissible under section 1127 of the Bankruptcy Code without the need to solicit acceptances,
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1 the Debtor reserves the right to sever any provisions of the Plan that the Bankruptcy Court finds
2 objectionable.

3 N. ~~M.~~ **Exhibits.**

4 Any Exhibits to the Plan will be Filed not later than the Exhibit Filing Date. The
5 Exhibits will not be served with the Plan, but rather copies of all such Exhibits will be available
6 upon written request to the Debtor's counsel.

7 O. ~~N.~~ **No Admission.**

8 Except as specifically provided in the Plan, nothing contained in the Plan shall be
9 deemed or construed in any way as an admission by the Debtor or the Estate with respect to any
10 matter set forth in the Plan , including the amount or allowability of any Claim, or the value of any
11 property of the Estate.

12 P. ~~O.~~ **1146(c) Exemption.**

13 In accordance with Bankruptcy Code section 1146(c), the making delivery, filing or
14 recording of any mortgages, deeds of trust, leasehold mortgages, leases (whether recorded or
15 unrecorded) and/or the various instruments and documents of transfer as specified in or
16 contemplated by the Plan (collectively, "Instruments of Transfer") and/or the exhibits thereto are
17 hereby exempt from taxation under any law imposing a recording tax, stamp tax, transfer tax, or any
18 similar tax. The appropriate state or local government officers are hereby directed to accept for
19 filing or recording all Instruments of Transfer or other documents of transfer to be filed and recorded
20 in accordance with the Plan and the exhibits thereto, without payment of any such tax or government
21 assessment, and without the presentation of any affidavits, instruments, or returns otherwise required
22 for recording other than the Confirmation Order. The Bankruptcy Court retains jurisdiction to
23 enforce the foregoing direction by contempt proceedings or otherwise.

24 Q. ~~P.~~ **General Authority.**

25 The Reorganized Debtor shall execute such documents, and take such other actions,
26 as are necessary to effectuate the transactions provided for in the Plan.

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1 **R. ~~Q.~~ Binding Effect.**

2 The Plan and all rights, duties and obligations thereunder shall be binding upon and
3 inure to the benefit of the Debtor, the Reorganized Debtor, holders of Claims, holders of interests,
4 and their respective successors and assigns.

5 **S. ~~R.~~ Governing Law.**

6 Unless a rule of law or procedure is supplied by federal law (including the
7 Bankruptcy Code and Federal Rules of Bankruptcy Procedure), or by an express choice of law
8 provision in any agreement, contract, document, or instrument provided for or executed in
9 connection with the Plan, the rights and obligations arising under the Plan and any agreement,
10 contract, document, or instrument provided for or executed in connection with the Plan, shall be
11 governed by, and construed and enforced in accordance with, the laws of the State of California,
12 without giving effect to the principles of conflict of laws thereof.

13 **T. ~~S.~~ Payment Dates.**

14 Whenever any payment or distribution to be made under the Plan shall be due on a
15 day other than a Business Day, such payment or distribution shall instead be made, without interest,
16 on the immediately following Business Day.

17 **U. ~~F.~~ Headings.**

18 The headings used in the Plan are inserted for convenience only and neither
19 constitutes a portion of the Plan nor in any manner affects the construction of the provisions of the
20 Plan.

21 **V. ~~U.~~ No Waiver.**

22 The failure of the Debtor or any other person to object to any Claim for purposes of
23 voting shall not be deemed a waiver of the Debtor's or the Reorganized Debtor's or the right to object
24 to or examine such Claim, in whole or in part.

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1 VI.

2 **CONDITIONS TO CONFIRMATION EFFECTIVE DATE**

3 **A. Condition To Confirmation.**

4 The only condition precedent to Confirmation of the Plan is that the Bankruptcy
5 Court shall have entered the Confirmation Order in a form acceptable to the Debtor and the General
6 Partner and the Limited Partner.

7 **B. Conditions to Effective Date.**

8 The Effective Date of the Plan shall not occur unless and until each of the conditions
9 set forth below has been satisfied. As soon as practicable after the occurrence of the Effective Date,
10 but no later than ten (10) days thereafter, the Reorganized Debtor shall File and serve on each
11 creditor and equity interest holder a written notice of occurrence of Effective Date.

- 12 1. The Confirmation Order is a Final Order;
- 13 2. The Debtor shall have received the New Capital Contribution;
- 14 3. The Cure Reserve shall have been funded; and
- 15 4. The Doubletree Contract shall have been executed and have become effective,

16 except for any provisions in such contract which are dependent on the Plan becoming effective.

17 The Debtor and the Partners can waive the condition of a Final Order if they choose to do so and if
18 no stay pending appeal of the Confirmation Order has been granted. Only the Bankruptcy Court can
19 waive the other conditions to the Effective Date, based on a showing of cause.

20 VII.

21 **DISTRIBUTION OF CONSIDERATION**

22 **A. Objections To Claims.**

23 **1. Deadlines.**

24 Notice of designation of a Claim as a Disputed Claim and objections to Claims,
25 including Administrative Claims, not including applications of professionals for compensation and
26 reimbursement of expenses, shall be Filed and served upon the holders of such Claims no later than
27 the last to occur of: (a) thirty (30) days after the Effective Date, or (b) thirty (30) days after a proof
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1 of Claim or request for payment of such Claim is Filed and delivered to the Debtor or Reorganized
2 Debtor, unless the periods set forth in (a) and (b) hereof are extended by the Bankruptcy Court. An
3 objection to the allowance of a Claim of a professional for compensation shall be Filed and served in
4 accordance with section III.A.1.c.(2) of the Plan.

5 **2. Authority.**

6 The Reorganized Debtor shall be responsible for filing and resolving objections to
7 Claims in all classes. The Reorganized Debtor may settle and compromise as appropriate, without
8 further order of the Bankruptcy Court any and all Claims, rights of action, causes of action,
9 counterclaims and defenses held by the Estate. The Estate may, but shall not be required to, set off
10 or recoup against any Claim and the distributions to made pursuant to the Plan in respect of such
11 Claim, any counterclaims, setoffs, or recoupments of any nature whatsoever that the Estate may have
12 against the holder of the Claim, but neither the failure to do so nor the allowance of any Claim shall
13 constitute a waiver or release by Estate or Reorganized Debtor of any such Claim, cause of action,
14 setoff or recoupment.

15 **B. Disputed Claims.**

16 No distributions and no payments will be made with respect to all or any portion of a
17 Disputed Claim until such Claim becomes an Allowed Claim.

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C. Distributions.

1. Disputed Claims.

Except as may otherwise be agreed with respect to any Disputed Claim, no payment or distribution will be made with respect to all or a portion of any Disputed Claim until such Claim is an Allowed Claim. Payments and distributions to each holder of a Disputed Claim (to the extent that it ultimately becomes an Allowed Claim) will be made in accordance with the Plan.

2. Distribution Date.

Notwithstanding anything to the contrary contained herein, no distributions will be made under the Plan on account of any Claim until the Distribution Date, which, with regard to any individual Claim, shall be the latest of the following: (a) as soon as practicable after the Effective Date, but in no event more than thirty (30) days after the Effective Date; (b) as soon as practicable after the day upon which such Claim becomes an Allowed Claim, but in no event more than thirty (30) days after the entry of a Final Order allowing such Claim; or (c) the date upon which the Claim became due and payable under applicable nonbankruptcy law.

3. Unclaimed Distributions.

The Reorganized Debtor will hold until the second anniversary of the Effective Date any unclaimed distributions to be made to the holders of Allowed Claims under the Plan. Any unclaimed Cash will be deposited by the Reorganized Debtor in a segregated, interest-bearing account for the sole benefit of the holders of the Allowed Claims who have failed to Claim such property. On the second anniversary of the Effective Date, any unclaimed distributions to be made to holders of Allowed Claims will become the property of the Reorganized Debtor.

4. No De Minimis Distributions.

Notwithstanding anything to the contrary in this Plan, no distribution of less than \$5.00 will be made to any holder of an Allowed Claim on account thereof. No consideration will be provided in lieu of the *de minimis* distributions that are not made under this Section.

1 **D. No Disbursing Agent.**

2 Reorganized Debtor shall act as disbursing agent under the Plan and make all
3 distributions required under the Plan. Reorganized Debtor may employ or contract with other
4 entities to assist in or perform the distribution of property to be distributed.

5 **E. Manner Of Payment Under The Plan.**

6 Cash payments made pursuant to the Plan shall be in United States dollars by checks
7 drawn on a domestic bank selected by Reorganized Debtor or by wire transfer from a domestic bank,
8 at Reorganized Debtor's option.

9 **F. Delivery Of Distributions.**

10 Except as provided above in section VII.C.3 for holders of undeliverable
11 distributions, distributions to holders of Allowed Claims shall be distributed by mail as follows: (1)
12 at the addresses set forth on the respective proofs of Claim by such holders; (2) at the addresses set
13 forth in any written notices of address changes delivered to the Reorganized Debtor after the date of
14 any related proof of Claim; or (3) at the address reflected on the Schedules if no proof of Claim or
15 proof of interest is Filed and the Disbursing Agent has not received a written notice of a change of
16 address.

17 **G. Compliance With Tax Requirements.**

18 In connection with the Plan, to the extent applicable, the Reorganized Debtor, in
19 making distributions under the Plan, shall comply with all withholding and reporting requirements
20 imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to
21 such withholding and reporting requirements.

22 **H. Old Instruments And Securities; Liens.**

23 **1. Rights Of Persons Holding Old Instruments And Securities.**

24 Except as otherwise provided herein, as of the Effective Date, and whether or not
25 surrendered by the holder thereof, all existing instruments and securities evidencing any Claims or
26 interests shall be deemed automatically cancelled and deemed void and of no further force or effect,
27 without any further action on the part of any person, and any Claims or interests under or evidenced
28 by any instruments or securities shall be deemed discharged.

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2. Cancellation Of Liens.

Except as otherwise provided in the Plan, any lien securing any Secured Claim, shall be deemed released and discharged, and the person holding such Secured Claim shall be authorized and directed to release any collateral or other property of the Debtor (including, without limitation, any cash collateral) held by such person and to take such actions as may be requested by the Reorganized Debtor to evidence the release of such lien, including, without limitation, the execution, delivery and filing or recording of such releases as may be requested by the Reorganized Debtor at the sole expense of the Reorganized Debtor.

I. Interest.

Nothing in this Article shall affect any right of the holder of any Allowed Claim to include interest accruing prior to the Petition Date, but no Claim shall be allowed for interest for periods after the Petition Date, or after the Confirmation Date, except as expressly provided in the Plan.

VIII.

REQUEST TO CONFIRM WITHOUT VOTING

Because the Plan proposes not to impair any Class of Claims, the Debtor requests confirmation of the Plan under Bankruptcy Code §§1124 & 1129, without the need for a disclosure statement or the solicitation of votes. All Classes are deemed to have accepted the Plan, pursuant to Bankruptcy Code § 1126(f).

Dated: ~~November~~ December 15, 2010 LITTLE TOKYO PARTNERS, L.P.

By: David Goddard

Its: Chief Financial Officer

1 Submitted by:

2

3 /s/ Neeta Menon Christine M. Pajak

4 JEFFREY C. KRAUSE,

5 CHRISTINE M. PAJAK, and

6 NEETA MENON, Members of

7 STUTMAN, TREISTER & GLATT

8 PROFESSIONAL CORPORATION

9 Reorganization Counsel for the Debtor

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