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**IN THE UNITED STATES BANKRUPTCY COURT
IN AND FOR THE DISTRICT OF ARIZONA**

In Re:

REGENCY PARK CAPITAL 2011, INC.
dba SUPER 8 GOODYEAR,

Debtor,

Chapter 11 Proceedings

No. 2:15-bk-15280-PS

**AMENDED DISCLOSURE
STATEMENT FOR PLAN OF
LIQUIDATION DATED AUGUST 16,
2016**

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INTRODUCTION

1.1 Plan Proponent

Pursuant to 11 U.S.C. § 1125, Sawaranjit Sarah Singh (“Mrs. Singh” or “Plan Proponent”) submits this Disclosure Statement to all of the known creditors, equity holders and other parties in interest of Regency Park Capital 2011, Inc., Debtor and Debtor-In-Possession (“Debtor”). Mrs. Singh is the proponent of the Plan of Liquidation Dated August 16, 2016 (referred to herein as the “Plan”). All capitalized terms used, but not defined, in this Disclosure Statement have the meanings ascribed to such terms in the Plan.

1.2 Purpose of the Plan and Disclosure Statement

The objective of a Chapter 11 case is the confirmation (i.e., approval by the Bankruptcy Court) of a plan of reorganization or liquidation. A Chapter 11 plan describes in detail (and in language appropriate for a legal contract) the means for satisfying the claims against and equity

1 interests in a debtor. After a plan has been filed, the holders of claims and equity interests are
2 permitted to vote to accept or reject the plan. Before acceptances of its plan can be submitted,
3 however, Section 1125 of the Bankruptcy Code requires the plan proponent to prepare a disclosure
4 statement containing adequate information of a kind, and in sufficient detail, to enable those
5 parties entitled to vote on the plan to make an informed judgment about the plan and about
6 whether they should accept or reject the plan.
7

8 The purpose of this Disclosure Statement is to provide such information as may be
9 deemed material, important and necessary for the creditors of Debtor to make an informed
10 judgment in exercising their right to vote on the Plan described herein. The Plan sets forth how the
11 claims in this case will be paid. Creditors are classified according to the nature of their claims.
12 Creditors are permitted to vote to accept or reject the Plan. Plan approval by the Bankruptcy Court
13 is called "Confirmation" and creates a binding contract between the Debtor and its creditors.
14

15 The Disclosure Statement describes the Plan in detail to give creditors sufficient
16 information of which to vote on the Plan. This information includes a history of the Debtor, the
17 factor(s) leading to bankruptcy, the major events in the bankruptcy proceedings, a description of
18 the creditors and their claims, and financial information to support the proposed restructure and
19 payment plan. The portions of this Disclosure Statement describing the Debtor have not been
20 subject to a certified audit, but rather have been prepared from information that comes from the
21 Debtor. Every effort has been made to be as accurate as possible in the preparation of this
22 Disclosure Statement.
23

24 **NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS**
25 **TO ITS FUTURE BUSINESS OPERATIONS OR THE VALUE OF ITS ASSETS) ARE**
26 **AUTHORIZED OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.**

1 APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT
2 DOES NOT CONSTITUTE CERTIFICATION BY THE COURT AS TO THE
3 ACCURACY OF ANY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE
4 STATEMENT. THOSE OBTAINING THIS DISCLOSURE STATEMENT SHOULD
5 SEEK THEIR OWN INDEPENDENT COUNSEL IN ANALYZING THE CONTENTS OF
6 THE DISCLOSURE STATEMENT.
7

8 II. BACKGROUND OF DEBTOR AND ITS OPERATIONS

9 2. History of the Debtor

10 The Debtor operates a Super 8 Motel consisting of Real Property and Personal Property
11 located at 840 N. Dysart Road in Goodyear, Arizona (the "Motel"). The Motel, consisting of
12 approximately ninety rooms, was purchased in 2011. The Debtor was formed in 2011 to own and
13 operate the Motel. Mrs. Singh and her husband, Ranjit Singh (sometimes referred to herein as
14 "Ranjit"), have owned all of the Debtor's stock since its formation. Ranjit has been primarily
15 responsible for managing the Motel. According to an Annual Report filed on January 5, 2016,
16 Ranjit Singh is the Debtor's sole officer and director.
17

18 The Singhs are currently involved in divorce proceedings in British Columbia, Canada
19 (the "Divorce Action"). According to the Debtor, "[t]he acrimonious nature of the relationship
20 between the stockholders is one of the prime reasons for the filing of the Chapter 11 proceeding."
21 (Debtor's Amended Disclosure Statement at 4, lines 3-4.) The Debtor describes their relative ownership
22 percentages as 51% and 49% (Doc. No. 140, Debtor's Amended Disclosure Statement at 4, lines 1-2.);
23 but Plan Proponent submits that under British Columbia law, their relative ownership interests are
24 presumed to be 50% each, unless and until one of them establishes otherwise.
25
26

1 According to the Debtor, the Motel presently is worth between \$3.125 million and \$3.6
2 million. (Doc. No. 140, Debtor's Amended Disclosure Statement at 4, lines 6-9.) The Debtor
3 obtained an appraisal (the "Appraisal") by Lyons Valuation Group, LLC showing a value of
4 \$3,600,000. (Id.) Excerpts from the Appraisal are attached hereto as Exhibit A. The Appraisal is
5 dated December 14, 2015 but purports to "retrospectively" determine the Motel's market value as
6 of December 31, 2014.
7

8 A summary of Creditor Claims and of Assets and Liabilities prepared by the Debtor is
9 attached hereto as Exhibit B. The Plan Proponent believes that the estimated total of general
10 unsecured claims contained therein is overstated. Specifically, bankruptcy schedules list
11 unsecured claims by (i) Narinder Singh Gill (a personal friend of Ranjit Singh who maintains a
12 joint checking account with him) for \$60,000; (ii) Bikram Singh Gill (another personal friend for
13 \$160,000; and (iii) the Dale and Cynthia Haggard Trust (of whom Cynthia Haggard is a close
14 personal friend of Ranjit) for \$25,000. Mrs. Singh has objected to these three claims, totaling
15 \$245,000, asserting that they are bogus and that the listing of them is part of a scheme by which
16 Ranjit Singh plans to funnel funds out of the Debtor to himself (using his friends as surrogates) so
17 as to avoid a corresponding distribution to Mrs. Singh. As of this date, there has been no resolution
18 of those Objections.
19

20 **The State Court Action.** On or about November 17, 2014, Mrs. Singh filed a lawsuit in
21 Maricopa County Superior Court (the "State Court Action") alleging misappropriation of the
22 Debtor's funds, seeking relief regarding the Motel's operation, and naming Ranjit Singh and the
23 Debtor as parties. Specifically, Mrs. Singh has asserted that Ranjit Singh mismanaged the Motel,
24 misappropriated hundreds of thousands of dollars of the Debtor's funds for his personal use,
25 caused the Debtor to make distributions to himself without sharing such distributions with her,
26

1 engaged in inappropriate and unprofessional conduct, and breached his fiduciary duties to the
2 Debtor. Without limitation, Mrs. Singh has listed more than \$800,000 in questionable transfers by
3 Ranjit Singh since April 2011, including over \$160,000 in transfers during just the ten months
4 prior to the filing of the State Court Action. (For a listing, see Doc. No. 160, Exhibit A.)

5
6 The state court gave Ranjit responsibility for managing the Motel's day-to-day operations
7 and approved payment to him in the amount of \$8,000 per month as compensation doing so.
8 Those payments have been made to Ranjit Singh since the filing of this case.

9 On June 30, 2015, the state court ordered the Debtor to pay, on a monthly basis, the
10 attorneys' fees incurred by both Mrs. Singh and Ranjit Singh (the "Fee Order") in the State Court
11 Action. Ranjit Singh caused the Debtor to pay *his own* attorneys \$70,000.00 and himself a salary
12 of over \$50,000.00. At the same time, however, the order was disregarded with respect to
13 payment of Mrs. Singh's attorneys' fees and Mrs. Singh received nothing. As a result, on or about
14 September 28, 2015, the court in the State Court Action found both Ranjit Singh and the Debtor in
15 contempt for failing to pay Mrs. Singh's attorneys' fees and ordered payment to be made in a
16 series of installments (the "Contempt Order").

17
18 According to the Debtor, the Debtor was unable to both comply with the Fee Order and
19 still pay its operating expenses. (Debtor's Amended Disclosure Statement at 5, lines 18-20.)
20 Accordingly, after the first two installments were paid to Mrs. Singh under the Contempt Order,
21 and just before the third installment became due on December 2, 2015), the Debtor filed its
22 Chapter 11 petition (the "Petition") on December 1, 2015, thereby initiating this bankruptcy case
23 (the "Case").

24
25 Mrs. Singh has filed a claim in the amount of \$49,619.55 for attorneys' fees and costs
26 which were supposed to be paid to her pursuant to the Fee Order and Contempt Order. Even

1 though this claim is based on the state court's orders and precipitated the December 1, 2015
2 bankruptcy filing, the Debtor has objected to it in its entirety. [See Doc. 149, p. 1.] The Debtor,
3 meanwhile, believes it may have a claim for reimbursement from Mrs. Singh for attorney's fees
4 incurred in the State Court Action. (Debtor's Amended Disclosure Statement at 4, lines 10-12.)
5 Mrs. Singh disagrees.
6

7 The Motel was acquired with a loan from Farmers' Insurance Group Federal Credit
8 Union, through Extensia Financial as its servicer (hereinafter "Extensia"). According to the Debtor,
9 that loan came due in April 2016. That loan either needs to be extended or paid off.

10 The Debtor operates under a franchise agreement with Super 8 Worldwide, Inc. ("Super
11 8") and is subject to review by the franchisor to determine if it is in compliance with the standards
12 demanded by the franchisor. According to the Debtor, the Debtor remains in good standing with
13 Super 8.
14

15 **III. POST-PETITION ACTIVITIES**

16 **3.1 Cash Collateral**

17 Upon the filing of the Petition, Debtor contacted counsel for secured creditor Extensia to
18 seek permission to use cash collateral. At the same time, the Debtor filed a motion seeking a Court
19 Order allowing Debtor to use cash collateral. The parties reached a Cash Collateral Agreement,
20 which was approved by the Court after notice and hearing.
21

22 **3.2 Stay Lift Litigation**

23 No Motions for Relief from Stay have been filed in this case.

24 **3.3 Utility Providers**

25 Upon the filing of the Petition, Debtor approached each of its utility providers to
26 negotiate an agreement by which the providers would waive the requirement for a post-Petition

1 utility deposit and Debtor would seek Court permission to pay the one month pre-Petition bill for
2 utility services to each provider. The Bankruptcy Code permits each utility provider to demand a
3 new deposit equal to two months' billings. This agreement allowed the Debtor to save those
4 deposit funds. Debtor sought and obtained Court permission for the payment of the utility bills.

5 **3.4 Related Litigation**

6
7 As previously described, the stockholders are engaged in the State Court Action as well
8 as the Divorce Action. The Debtor takes the position that the State Court Action is presently
9 stayed. (Debtor's Amended Disclosure Statement at 7, line 4).¹ The Divorce Action continues.

10 As previously described, Mrs. Singh asserts that Ranjit Singh misappropriated funds from
11 the Motel. In order to satisfy Mrs. Singh, and potentially the creditors of this Estate as well as the
12 Court and the Office of the United States Trustee, the Debtor moved to retain an independent
13 auditor to examine the books and records of the Debtor and make a report to the Debtor. The Cash
14 Collateral Agreement provides a budget for the services. On April 21, 2016, the court entered an
15 order appointing EideBailly and Lela Lawless as auditor (the "Auditor") to look into the claims of
16 misappropriation (the "Examination"). [Doc. No. 124.] Upon information and belief, the
17 Examination has not been completed. There has been some discussion between the stockholders
18 as to whether they should be bound by the Auditor's Examination, but so far no agreement has
19 been reached on that or other possible ways of resolving their differences as it pertains to the
20 Debtor.
21
22

23 **3.5 Debtor's Plan**

24
25
26 ¹ The Debtor asserts that (i) the State Court Action is currently stayed by the filing of the Chapter 11 case;
(ii) Mrs. Singh's claims alleged therein belong to the Debtor; and (iii) such claims are stayed pursuant to 11
U.S.C. §362(a)(3). (Debtor's Amended Disclosure Statement at 5, lines 10-14.)

1 The Debtor has proposed its own plan (the “Debtor’s plan”). [Doc. No. 140, Ex. A.] It
2 calls for payment in full of (1) a Class 2 secured car claim over 48 months with interest; (2) a Class
3 claim (secured by the Motel) over 36 months plus a 37th and final balloon payment (the
4 “Balloon Payment”); and (3) Class 4 general unsecured claims within 48 months without interest.
5 The Plan states the “source of payment to claimants ... shall be the net proceeds from the
6 operation of the Debtor’s business.” (Plan at 9, lines 11-16). It also calls for Class 5 equity
7 interests (“Equity Interests”) to retain their interests; and, though it does not disclose the individual
8 who will control the operation of the Debtor and the Motel or the investigation and prosecution of
9 the Debtor’s claims (including those against Ranjit Singh), the Plan Proponent understands that the
10 Debtor will propose to give Ranjit Singh such responsibilities.
11

12 Mrs. Singh filed an objection to the Debtor’s plan on July 20, 2016. [Doc No. 160.]
13 Among other things, she asserts that Ranjit Singh cannot be trusted to competently and honestly
14 operate the Debtor, handle its cash and finances, and carry out his fiduciary duties. (Id.) Additionally,
15 since the Plan appears to reserve all fraudulent transfer and breach of fiduciary duty claims in the
16 reorganized Debtor, Mr. Singh cannot be trusted to prosecute such claims against himself. (Id.) She
17 further asserts that an alternative plan – a liquidating plan calling for the sale of the Motel as proposed
18 in the Plan – is available; and the creditors will be paid sooner and be better off under such a plan.
19 (Id.)
20
21

22 At the initial confirmation hearing on July 27, 2016, the Debtor advised the court that it
23 wished to amend its plan and re-submit it to interested parties for voting. A status hearing on the
24 Debtor’s plan is presently set for August 17, 2016 at 11:00 a.m.
25
26

3.6 Post-Petition Business Operations

Debtor has operated since the filing of the Petition. According to information contained in the Debtor's June Operating Report [Doc. 167], for the seven months ending June 30, 2016, the Debtor reported (i) \$901,496.81 in revenues; (ii) cost of goods sold, interest expense, and other expenses totaling \$790,908.94; (iii) resulting in "net income" of \$111,088.26. The Debtor reported ending cash, as of 6/30/16, of \$132,335.19.

As part of the "adequate protection" agreement and Cash Collateral Agreement with Extensia, the Debtor has continued to pay regular mortgage payments (including principal) as adequate protection.

Debtor has incurred expenses associated with its Chapter 11 case (such as attorney's fees, accounting fees and fees to the United States United States Trustee). According to the Debtor, since the bankruptcy filing it improved the Motel by "replacing old television sets, installing laminate wood flooring in two eight rooms, changing windows in 41 rooms, replacing five air conditioning units, re-landscape the front and back, adding irrigation, paving a vacant lot adjacent to the hotel, and replacing some furniture." (Debtor's Am. Disclosure Statement at 8, lines 1-5.)

IV. DESCRIPTION OF THE PLAN

The following is a summary of certain significant provisions of the Plan. This summary is qualified in its entirety by reference to the more detailed information set forth in the Plan. This Disclosure Statement, together with the Plan, should be read completely. The Plan, if confirmed, will be binding on the Debtor, its creditors and the holders of equity interests. Under the Plan, all allowed claims ("Allowed Claims") will be fully paid from available cash and proceeds generated from the sale of the Motel.

1 This summary does not purport to be a precise or complete statement of all terms in the
2 Plan or documents referred to therein, and reference is made to the Plan for the full and complete
3 statement of such terms. The Plan and documents referred to therein control the treatment of
4 claims against and Equity Interests of and in the Debtor and other parties-in-interest. **IN THE**
5 **EVENT OF ANY INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE**
6 **STATEMENT, THE PLAN WILL CONTROL.**

7
8 **4.1. Classes of Claims and Interests.** The Plan divides the creditors and Equity Interests
9 into classes. The classes under the Plan are described below:

10 **1. Class 1: Creditors Holding Administrative Claims**

11 Administrative Expense Claims largely will consist of the fee claims of Estate
12 Professionals. All Allowed Administrative Expense Claims will be paid on the Plan's Effective
13 Date or pursuant to an agreement reached between the Debtor and the Claimant or upon an Order
14 approving the fees, if funds are present.

15
16 The Bankruptcy Court must approve all requests for the payment of professional
17 compensation and expenses to the extent incurred on or before the Confirmation Date. Each
18 Professional Person requesting compensation or reimbursement of expenses in the case pursuant to
19 Bankruptcy Code Sections 327, 328, 330, 331, 503(b) or 1103 shall file an application for
20 allowance of final compensation and reimbursement of expenses not later than twenty (20) days
21 after the Confirmation Date.

22
23 The Debtor has employed Parker Schwartz, PLLC ("Parker Schwartz") as General
24 Counsel for the Debtor-in-Possession. Parker Schwartz received a \$15,000.00 pre-petition retainer
25 from the Debtor. Additionally, the Cash Collateral Agreement provides a budget of \$7,000 per
26 month to be "carved out" to be used for the payment of fees to Parker Schwartz. Total approved

1 fees and costs were \$52,902.52 for services rendered through March 17, 2016. Of that, the Plan
2 Proponent understands that not less than \$45,000 has been paid, leaving approximately \$7,902.52
3 due as of 6/30/16. The Debtor is currently paying \$3,000 per month to satisfy the balance of the
4 approved fees and costs.

5
6 As previously noted, the Court has approved the employment of Lela Lawless as Auditor.
7 The Cash Collateral Agreement provides for a \$20,000 budget to cover the costs of the Audit. The
8 Debtor has stated that it does not believe that the costs will approach the allowed budget. (Debtor's
9 Amended Disclosure Statement at 10, lines 10-15.)

10 Debtor has retained the services of Law & Reed, CPAs to serve as accountants for the
11 Estate. Its employment has been approved. The Court has determined that fees can only be paid to
12 Law & Reed after a duly noticed fee application has been filed. The Cash Collateral Agreement
13 provides a monthly "allowance" of \$500 to cover accounting fees and costs. The Debtor is now
14 preparing monthly operating reports "in house" and will no longer incur Accounting expenses to
15 prepare the reports. (Id.) According to the Debtor, its total Administrative Expenses are estimated
16 at less than \$125,000, including those fees already incurred and approved. (Id.)

17
18 The Plan Proponent and its counsel reserve the right to apply to this Court to seek
19 allowance of an administrative expense claim under Bankruptcy Code §503, including for making
20 a substantial contribution to the case under Code §503(b)(3)(D) and (b)(4).

21
22 The Plan Proponent understands that (i) the Debtor has paid post-petition taxes to the
23 extent any have become due; and (ii) the Debtor does not believe that it is indebted to the Office of
24 the United States Trustee for any post-petition quarterly fee obligations. To the extent that such
25 fees are unpaid, they shall be paid no later than the Effective Date.
26

1 According to the Debtor's June 2016 Monthly Operating Report, there was a balance
2 owing as of June 30, 2016, for legal and professional fees of \$22,902.52. The Plan Proponent
3 estimates that the total allowed Administrative Expense claims in the case which must hereafter be
4 paid will be less than \$80,000.

5
6 **2. Class 2: Chase Secured Claim:** According to a 3/10/16 Proof of Claim filed in the
7 Case, JP Morgan Chase Bank ("Chase") is owed approximately \$6,611.23 for a loan secured by a
8 2007 350R Mercedes (the "Vehicle"). According to the Debtor, the car is worth approximately
9 \$12,000. The Plan Proponent understands that monthly post-petition payments have been made to
10 Chase. The remaining Allowed Claim of Chase shall be paid in full on the Effective Date. Chase
11 is impaired.

12
13 **3. Class 3: Farmers' Group Credit Union aka Extensia Financial ("Extensia"):**
14 Class 3 consists of the Allowed Claim of Extensia in the amount of approximately \$2,177,000
15 secured by a lien on the Motel. The Debtor is currently making adequate payments to Extensia
16 pursuant to the Cash Collateral Order and intends to continue to make those payments through the
17 Effective Date. Extensia's Allowed Claim shall be paid in full from a sale of the Motel, as
18 discussed in Article V *infra*, with such sale to occur between 45 days and 90 days after entry of the
19 Confirmation Order. The precise amount payable to Extensia will be calculated to include all
20 accrued interest and other amounts owing through and including the payoff date. Extensia is
21 impaired.

22
23 **3A. Class 3A: Executory contracts:**

24 Debtor is lessee on a lease with APS for a lighting contract on the Motel that is designed
25 to save energy. Debtor is current on its obligations to APS. Debtor will assume will assume and
26 assign its rights and obligations under the Agreement to the purchaser of the Motel.

1 Debtor is the franchisee on an executory contract (the "Franchise Agreement") with
2 Super 8 for the Motel's operation as a Super 8 Motel. The Franchise Agreement provides a
3 procedure for a Motel purchaser to obtain Super 8's consent to an assignment. Debtor is current
4 on its obligations to Super 8 and will assume and assign its rights and obligations under the
5 Franchise Agreement to the purchaser of the Motel.
6

7 **4. Class 4: General Unsecured Claims:**

8 Class 4 consists of General Unsecured Claims, including those with unpaid those for
9 goods, services or credit extended to the Debtor. The Plan Proponent estimates that Class 4
10 Allowed Claims will total \$125,849.73. (The Debtor believes that there are additional claims held
11 by three friends of Ranjit Singh totaling \$245,000 such that there will be total allowed claims of
12 \$370,849.73; but the Plan Proponent believes that these three claims are bogus and will be
13 disallowed.) After payment in full to the holders of Allowed Administrative Expense Claims, and
14 by not later than five (5) business days after the closing of the Motel sale, each Class 4 Allowed
15 Claim shall be paid in full.
16

17 The Class 4 claims are impaired.

18 **5. Class 5 Equity Interests:** Class 5 consists of all holders of Equity Interests in the
19 Debtor (Ranjit Singh and Mrs. Singh). Absent an agreement between the Singhs, the court's ruling
20 in the Divorce Action shall determine their relative interests in the Debtor and the disposition
21 between them of the funds remaining after payment of claims. Accordingly, all funds remaining
22 after the Allowed Claims in Classes 1 through 4 have been fully paid shall be distributed to or for
23
24
25
26

1 the benefit of the holders of Allowed Class 5 Equity Interest in accordance with either (i) the
2 court's order² in the Divorce Action or (ii) the written agreement of Mrs. Singh and Ranjit Singh.

3 Holders of Class 5 Equity Interests are impaired.

4 **4.2. APPLICATION OF THE ABSOLUTE PRIORITY RULE:**

5 Bankruptcy Law provides that Equity Holders may not retain their ownership interest in
6 the Debtor unless all Classes of creditors either approve the Plan or are unimpaired. In this case, all
7 creditors are being paid in full but nevertheless are, or may be, considered impaired. In order for
8 Equity Holders to retain their equity or receive distributions, the Court must approve the Plan,
9 finding that it is fair and equitable. The Plan Proponent believes that it is.
10

11 **4.3. LIQUIDATION ANALYSIS/BEST INTEREST OF CREDITORS TEST**

12 To confirm the Plan, the Court must find that all creditors will be paid as much as or
13 more than they would receive in Chapter 7 liquidation. In this case, all creditors are being paid in
14 full and therefore will receive as much as they would receive in a Chapter 7 liquidation. See the
15 analysis set forth in Article VI.
16

17 Additionally, in a Chapter 7 proceeding, a Trustee would conduct the liquidation and
18 would be entitled to compensation for his or her services at a rate set forth in the Bankruptcy Code.
19 The Trustee's fee might be as high as \$50,000 for the administration of the estate. The Plan avoids
20 these costs and therefore will leave the holders of Equity Interests with more value.
21

22 **V. IMPLEMENTATION OF THE PLAN**

23 The means of execution of the Plan are and will be as follows:
24

25
26 ² That includes (without limitation) an order directing the transfer of funds to an interest-bearing
account in Canada pending a substantive order by the court in the Divorce Action determining the
disposition of the funds.

1 **5.1 Plan Effective Date.** The “Effective Date,” as used in this Plan, means the first
2 Business Day that is fourteen (14) calendar days after the later of the date on which (a) the
3 Confirmation Order has been entered and (b) no stay of the Confirmation Order is in effect;
4 provided, however, the Effective Date may occur on such other date as agreed to in writing by the
5 Debtor, Extensia, and the Plan Proponent. Notwithstanding the foregoing, if the Confirmation
6 Order is not a Final Order, the Debtor and the Plan Proponent may waive the requirement that the
7 Confirmation Order shall have become a Final Order.
8

9 **5.2 Source of Funding.** Payments to Allowed Claims of Classes 1-4 and distributions to
10 Class 5 will be funded from (i) cash on hand; (b) the Net Proceeds from the sale (private or public)
11 of the Property of any kind belonging to the Debtor and/or its bankruptcy estate, including
12 (without limitation) the Motel and the Vehicle (collectively, the “Property”); and (c) Stockholder
13 Loans. (Note: “Net Proceeds,” as used in this Plan, shall mean an amount equal to the gross sale
14 proceeds less the associated sale costs, including (without limitation) any auctioneer’s fees,
15 brokers fees and/or real property tax liability of any kind arising out of or in connection with such
16 sale.) The Plan Proponent believes that these funding sources will be more than sufficient to fully
17 pay all Allowed Claims and still leave a substantial return for the holders of Equity Interests.
18

19 **5.3 Stockholder Loans.** If and to the extent needed to timely meet any Plan payment
20 obligations, either of the holders of Equity Interests may, but shall not be obligated to, make short-
21 term loans to the Debtor (the “Stockholder Loans”). Any Stockholder Loans shall be non-interest
22 bearing and shall be re-paid from the Net proceeds of the Motel sale remaining after payment of
23 Extensia’s Allowed Claim balance.
24

25 **5.4 Liquidating Agent.** On the Effective Date, Eric M. Haley (or, if unwilling or unable
26 to serve, such other Person as the Debtor and/or Plan Proponent recommend and the Bankruptcy

1 Court approves) shall be immediately appointed Liquidating Agent and authorized to liquidate on
2 behalf of the Debtor the Property in accordance with this Plan. Eric M. Haley is a licensed
3 Arizona attorney, a Chapter 7 panel bankruptcy trustee for the past six years or more, a member of
4 the National Association of Bankruptcy Trustees (NABT), and a Certified Fraud Examiner (CFE).
5 Without limitation, in addition to the Debtor's existing officers, the Liquidating Agent shall be
6 fully empowered and authorized (without further order of the Bankruptcy Court), to market for
7 sale and/or to sell and/or dispose of the Property, and shall have the power and authority (without
8 the need for a further hearing or order of the Bankruptcy Court) to execute all contracts of sale and
9 other documents necessary to effectuate the sale of Property.
10

11 The Liquidating Agent shall take any such other actions as are needed to assist the Debtor
12 in complying with this Plan, including (i) selling the Property; (ii) making Plan distributions to
13 creditors; and (iii) winding down operations. This includes such actions that the Debtor's sole
14 officer is unable or unwilling to timely take, including, without limitation, the actions described in
15 Sections 5.5, 5.6 (including 5.6.1-5.6.10), and 5.7 below. As compensation for his services, the
16 Liquidating Agent shall be entitled to receive from the Debtor a fee of \$300.00 per hour plus
17 reimbursement of actual out-of-pocket costs. If and to the extent necessary to perform any tasks
18 called for by the Plan, the Liquidating Agent shall be made an officer of the Debtor.
19

20 **5.5 Sale of Vehicle.** The Vehicle is listed by the Debtor as having a value of
21 approximately \$12,000, and Chase asserts (in its proof of claim) that it has a value of \$10,461.
22 The Vehicle shall be sold on an arms-length basis any time after entry of the Confirmation Order
23 without further court order, and the Net Proceeds therefrom shall be used to fund the Plan.
24

25 **5.6 Sale of the Motel.** Jaswant Singh Toor, uncle of the Plan Proponent, has provided a
26 letter of intent to purchase the Motel for the sum of \$3.125 million, a copy of which is attached

1 hereto as Exhibit C (the “Stalking Horse Bid”) and a Declaration attached hereto as Exhibit D
2 confirming that he has sufficient cash and other liquid resources to purchase the Motel without a
3 loan. Jaswant Singh Toor (or, if he is unwilling or unable to serve, such other Person as the Plan
4 Proponent recommends and the Bankruptcy Court approves) shall serve as the “Stalking Horse
5 Bidder.” Prior to the Plan confirmation hearing, the Stalking Horse Bidder shall deposit the sum
6 of \$250,000 (the “**Deposit**”) into an escrow account (the “**Segregated Account**”) with a licensed
7 local escrow agent that shall be opened for the purpose of concluding a sale of the Motel. The
8 Motel shall be sold free and clear of all liens; provided, however, that (i) any such liens shall attach
9 to the sale proceeds and (ii) the sale price must be sufficient to fully satisfy all liens. The Debtor
10 shall contact other parties the Debtor (including its officers and other agents) believes may
11 potentially be willing, qualified, and financially able to consummate a purchase of the Motel. The
12 Debtor may distribute an information package to any such parties with such materials as the
13 Debtor deems appropriate under the circumstances. The Debtor, Plan Proponent, and/or Court
14 shall incorporate such additional safeguards and procedures as are needed to give the Stalking
15 Horse and other interested parties appropriate access to information and opportunity to conduct
16 due diligence.

19 **5.6.1** The court shall schedule an auction sale (the “**Auction Sale**”) of the Motel not later
20 than 45 days or greater than 90 days after entry of the Confirmation Order. Any prospective
21 bidder other than the Stalking Horse Bidder (each a “**Potential Bidder**”) that wishes to participate
22 in the bidding process for the Motel must, no later than **ten calendar days prior to the Auction**
23 **Sale date at 5:00 p.m. (Prevailing Arizona Time)** (the “**Bid Deadline**”):

25 a. submit a bid (calling for payment in cash at closing) in an initial amount equal to
26 the sum of at least (i) \$3,125,000 plus (ii) an overbid amount of \$50,000;

1 b. agree to follow the procedure for obtaining Super 8's consent to the Franchise
2 Agreement and, if it is the Winning Bidder, assume the obligations under, and accept an
3 assignment of, the Franchise Agreement.

4 c. make a good faith cash deposit in the form of a cashier's check or wire transfer, in
5 the amount of \$250,000 (the "**Bid Deposit**") into a segregated, interest-bearing escrow account
6 (the "**Segregated Account**") that shall be opened by the Debtor for this purpose. The Bid Deposit
7 shall immediately become non-refundable and will be credited toward the purchase consideration
8 if and when the transaction with the Potential Bidder making such deposit is approved by the Court
9 as the winning bid (the "**Winning Bid**" and the "**Winning Bidder**") at the Auction Sale hearing
10 and such transaction is closed. If a Potential Bidder's bid is not approved as the Winning Bid or
11 the Back-Up Bid at the Sale Hearing, the Bid Deposit of such bidder, plus accrued interest, if any,
12 will be returned to such bidder within three (3) business days after the conclusion of the Sale
13 Hearing.
14

15 d. provide written evidence of its financial ability to fully and timely complete the
16 purchase of the Motel.
17

18 **5.6.2** If a Potential Bidder complies with all the requirements described in paragraph
19 5.6.1 above (including the Bid Deposit) by the Bid Deadline, the Debtor, in consultation with the
20 Plan Proponent, will determine whether (i) the Potential Bidder has demonstrated the legal
21 qualification and financial ability to consummate the proposed transaction, (ii) is reasonably likely
22 to be able to and willing to consummate the contemplated sale, and (iii) has otherwise satisfied all
23 of the requirements described in paragraph 2, above. If so, the Debtor shall designate the Potential
24 Bidder as a "**Qualified Bidder**" and such bid as a "**Qualified Bid.**" The Debtor shall (a) promptly
25 notify the Stalking Horse Bidder of the identity of any other Qualified Bidder. For the avoidance
26

1 of doubt, the Stalking Horse Bidder is deemed to be a Qualified Bidder and the Stalking Horse Bid
2 is deemed to be a Qualified Bid for all purposes.

3 **5.6.3** If the Debtor receives at least one (1) Qualified Bid from a Qualified Bidder
4 (other than the Stalking Horse Bidder) prior to the Bid Deadline, then the Debtor shall notify the
5 Stalking Horse Bidder and each other Qualified Bidder that the Debtor intends to conduct the
6 Auction Sale. The Auction Sale hearing shall be held on a date selected by the court not later than
7 45 days or greater than 90 days after entry of the Confirmation Order in Courtroom 601 in the
8 United States Bankruptcy Court for the District of Arizona, 230 North First Avenue, Phoenix, AZ
9 85003. Each Qualified Bidder participating at the Auction Sale will be required to confirm that (a)
10 it has not engaged in any collusion with respect to the bidding or the sale and (b) its Qualified Bid
11 does not contain any due diligence contingency. The Auction Sale will be conducted openly, and
12 any party in interest will be permitted to attend.
13
14

15 **5.6.4** Only the Stalking Horse Bidder and other Qualified Bidders may bid at the
16 Auction. Copies of all Qualified Bids shall be provided to Plan Proponent, the Stalking Horse
17 Bidder and each other Qualified Bidder by no later than one (1) business day prior to the Auction.
18 At the commencement of the Auction Sale, the Debtor and Plan Proponent shall identify the bid
19 that they have determined to be the highest and/or best offer and shall permit the Stalking Horse
20 Bidder and other Qualified Bidders to submit higher and/or better bids. Each subsequent bid must
21 exceed the amount of the preceding bid by not less than \$50,000 and shall not be modified in a
22 manner that causes it no longer to be a Qualified Bid.
23

24 **5.6.5** The Court will supervise the bidding process and conduct the Auction Sale in
25 such a manner as to provide the Stalking Horse Bidder and other Qualified Bidders a full, fair and
26 equal opportunity to participate in the Auction. The Court, after hearing from the Debtor and Plan

1 Proponent, shall (i) determine which Qualified Bid is the highest and/or best bid and (ii) authorize
2 the Debtor to consummate the sale of the Motel to such proposed Winning Bidder.

3 **5.6.6** If the Debtor does not receive at least one (1) Qualified Bid from a Qualified
4 Bidder other than the Stalking Horse Bidder, then no Auction Sale shall be conducted; and the
5 Court at the Auction Sale hearing shall solely consider the approval of the sale of the Motel to the
6 Stalking Horse Bidder and not any competing or alternative offers or proposals to purchase the
7 Motel.
8

9 **5.6.7** If the Debtor receives at least one (1) Qualified Bid from a Qualified Bidder
10 other than the Stalking Horse Bidder, then the Auction Sale shall be conducted; and the Court at
11 the Auction Sale Hearing shall determine the Winning Bidder, approve the Back-Up Bidder, if
12 necessary, and consider approval of the sale of the Motel to the Winning Bidder.
13

14 **5.6.8** Upon approval by the Court of a Winning Bidder other than the Stalking Horse
15 Bidder, the Bid Deposit of such Winning Bidder shall become non-refundable if the purchase
16 agreement of such Winning Bidder is thereafter terminated by the Debtor as a result of a breach by
17 the Winning Bidder of its obligations thereunder. If the Back-Up Bidder is a Qualified Bidder
18 other than the Stalking Horse Bidder, then the Bid Deposit of the Back-Up Bidder shall remain on
19 deposit in the Segregated Account pending the closing of the sale, and such deposit shall become
20 non-refundable if the Back-Up Bidder becomes the proposed Winning Bidder and its purchase
21 agreement is thereafter terminated by the Debtor as a result of a breach by such Back-Up Bidder.
22 If a dispute arises over whether a Bid Deposit is refundable or non-refundable, the Bid Deposit
23 shall remain in the Segregated Account pending a determination of the dispute by the Court or
24 written agreement of the parties.
25
26

1 **5.6.9** If the Stalking Horse Bidder becomes the Winning Bidder, but the purchase
2 agreement is terminated pursuant to its terms by the Debtor as a result of a breach by the Stalking
3 Horse Bidder of its obligations thereunder, the Stalking Horse Bidder shall forfeit its Deposit. If a
4 Qualified Bidder other than the Stalking Horse Bidder becomes the proposed Winning Bidder, but
5 the purchase agreement of such bidder is terminated pursuant to its terms by the Debtor as a result
6 of a breach by the proposed Winning Bidder of any of its obligations thereunder, such bidder shall
7 forfeit its Bid Deposit. In either case, the forfeiture of the Deposit or the Bid Deposit, as the case
8 may be, shall constitute liquidated damages and the Debtor shall retain no other rights, remedies,
9 claims, counterclaims and defenses against the Stalking Horse Bidder or such other Qualified
10 Bidder, as applicable.
11

12 **5.6.10** Upon completion of the Motel Sale, any and all compensation of any kind being
13 paid by the Debtor to Ranjit Singh shall cease; and the Debtor shall wind-up its operations.
14

15 **5.7 Preservation and Disposition of Estate Claims.** The Debtor shall retain any and all
16 of its claims under applicable non-bankruptcy and bankruptcy law (the "Estate Claims"), including
17 (without limitation) the avoiding powers of a statutory trustee appointed under Bankruptcy Code
18 §1106. In accordance with Bankruptcy Code §1123(b)(3)(B), all of the Debtor's claims and causes
19 of action will survive the entry of the Confirmation Order and the Effective Date; they will not be
20 discharged by the Plan; and they will become and remain Property of the Debtor after the Effective
21 Date.
22

23 The Auditor shall complete the Examination, and the Liquidating Agent shall review and
24 consider it in determining whether there are any Estate Claims identified therein. Except as the
25 Equity Interest holders otherwise agree and instruct the Liquidating Agent in writing, the
26 Liquidating Agent shall have the right to further investigate the Estate Claims as and to the extent

1 reasonably necessary and shall be authorized to retain litigation counsel to prosecute such Estate
2 Claims as it deems appropriate. (The amount of any reasonable legal fees and expenses incurred
3 by the Liquidating Agent on or after the Effective Date shall be paid from funds remaining after
4 the payment of all Allowed Claims in Classes 1 through 4.) The Liquidating Agent also shall have
5 the power to settle or abandon Estate Claims. Notwithstanding the foregoing or anything to the
6 contrary contained herein, the prosecution, settlement, or abandonment of any Estate Claim shall
7 be done in consultation with the Equity Interest Holders; provided, however, that with respect to
8 an Estate Claim against an Equity Interest holder, such Equity Interest holder shall not be
9 consulted with respect to the prosecution or settlement of that claim. In the event of a
10 disagreement between the Liquidating Agent and the consulted Equity Interest holder(s), the
11 latter's decision shall control.
12

13
14 Nothing contained herein is intended to address any claims that Mrs. Singh or Ranjit
15 Singh has in his/her personal capacity against the other (the "Individual Claims"), including
16 (without limitation) any claims that either may have in connection with the operation of the Debtor
17 or its financial affairs. On the contrary, any Individual Claims belong to the individual Singh
18 claimant and shall be addressed in the Divorce Action.

19
20 Upon a determination that the Estate Claims will be handled by the Liquidating Agent
21 and the Individual Claims between Mrs. Singh and Ranjit Singh will be handled in the Divorce
22 Action, the State Court Action shall be dismissed.

23 After the Plan has been fully consummated and the processing of Estate Claims has been
24 completed, the Equity Holders shall dissolve the Debtor or take such other action to wrap up or
25 conclude its corporate existence as they agree.
26

VI. FINANCIAL ANALYSIS/INFORMATION

1 The Debtor's primary asset is the Motel. As previously noted, the Plan will be funded
2 with (i) cash on hand; (b) the Net Proceeds of any and all sales (private or public) of the Property,
3 including the Motel and the Vehicle; and (c) Stockholder Loans. The Plan Proponent believes that
4 these funding sources will be more than sufficient to fully pay all Allowed Claims and leave a
5 return for the holders of Equity Interests. Assume, for example, (i) the cash on hand as of the
6 Effective Date is \$132,000; (ii) the Motel sale generates Net Proceeds of \$3,050,000;³ and (iii) the
7 Vehicle Sale generates Net Proceeds of \$9,000, total funds will be \$3,191,000. Estimated total
8 Allowed Claims, meanwhile, are \$2,389,460.73-\$2,634,460.73, consisting of (i) \$80,000 for Class
9 1 claims; (ii) \$6,611 on the Class 2 claim; \$2,177,000 on the Class 3 claim; and \$125,849.73 to
10 \$370,849.73⁴ for Class 4 claims. In sum, the liquidation will generate (i) enough to fully pay all
11 Allowed Claims and (ii) a projected surplus for Equity Interests of \$565,539.27-\$801,539.27.

12 Exhibits A-B come from the Debtor and may further assist creditors in evaluating the Plan:

13 Exhibit A: Excerpts from Appraisal of Lyons Valuation Group, LLC

14 Exhibit B: Schedule of Creditors and Comparison of Assets and Liabilities

15 **VII. TAX CONSEQUENCES OF THE PLAN**

16 The Debtor is treated as an S Corporation for income tax purposes. The Plan Proponent
17 does not believe that there are any tax consequences to the Debtor as a result of this Plan that will
18 impact distributions to creditors. **Notwithstanding the foregoing, neither the Debtor nor the**
19 **Plan Proponent makes any representation as to the tax consequences of the payments, if any,**
20 **to be received in accordance with the Plan. Those concerned about Plan's the tax**
21

22
23
24
25 ³ This amount assumes that there are no higher and better offers made at the Auction Sale, that the Stalking Horse
26 Bidder is the Winning Bidder at \$3,125,000, and that sales-related costs are \$75,000.

⁴ The difference in Class 4 claims is the \$245,000 in three purported claims in the name of Ranjit Singh's friends.

1 consequences should consult with their own tax advisors. Any Equity Interest holders
2 concerned about the Plan's tax consequences also should consult with their own tax advisors.

3 **VIII. APPROVAL OF PLAN/VOTING**

4 Creditors will receive a Ballot with the approved Disclosure Statement and Plan, on
5 which to vote to accept or reject the Plan. Instructions for completing and returning the Ballot are
6 set forth on the Ballot and should be reviewed carefully and followed. YOUR VOTE IS
7 IMPORTANT. If you do not vote on the Plan, the wishes of other Creditors or interested parties
8 may govern the treatment of your Claims or Interests. The Plan Proponent therefore highly
9 recommends that you participate in the voting process by timely providing your Ballot accepting
10 or rejecting the Plan as in the Ballot accompanying this Disclosure Statement.
11

12 At a hearing scheduled by the Bankruptcy Court, the Court will consider whether the
13 Plan meets the requirements of Bankruptcy Code § 1129 and, therefore, should be confirmed. THE
14 PLAN CANNOT BE CONFIRMED IF THE PLAN DOES NOT RECEIVE AT LEAST TWO-
15 THIRDS (2/3) IN AMOUNT AND MORE THAN ONE-HALF (1/2) IN NUMBER OF
16 ALLOWED CLAIMS VOTING IN EACH IMPAIRED CLASS, provided, however, if the
17 requisite acceptances are not obtained from one or more Impaired Classes, the Court may
18 nonetheless confirm the Plan pursuant to 11 U.S.C. § 1129(b) if one Impaired Class accepts the
19 Plan and the Court finds that the Debtor's Plan provides, among other things, fair and equitable
20 treatment of the Classes rejecting the Plan and that creditors receive as much or more under the
21 Plan than they would receive in a Chapter 7 liquidation.
22

23 **IX. CONFIRMATION**

24 **9.1 Confirmation by Non-Acceptance Method**

1 The Plan Proponent hereby requests, if necessary, confirmation of the Plan pursuant to
2 Section 1129(b) of the Bankruptcy Code with respect to any impaired Class of Claims that does
3 not vote to accept the Plan.

4 **9.2 Binding Effect Of Plan**

5 When confirmed, the provisions of the Plan shall bind the Debtor and any person or
6 entity holding a Claim against the Debtor and its Estate, whether asserted or non-asserted, and any
7 person asserting an interest in the Debtor, whether or not a Claim or Interest of such person or
8 entity arose before or after the Petition Date or the Effective Date, whether or not the Claim or
9 Interest is impaired under the Plan, and whether or not such person or entity has accepted the Plan.
10

11 **9.3 Effect Of Confirmation**

12 Except as otherwise provided herein, the rights afforded in the Plan shall be in exchange
13 for and in complete satisfaction, discharge and release of all claims against the Debtor of any
14 nature whatsoever. All such claims against the Debtor shall be satisfied, discharged and released in
15 full. Except as otherwise provided herein, all holders of claims against the Debtor shall be
16 precluded from asserting against the Debtor, its Estate, or the Property of the Debtor or its Estate
17 any other or further claim based upon any omission, transaction or other activity of any kind or
18 nature that occurred prior to the Effective Date. No third party shall obtain the benefit of the
19 discharge, and the injunctive relief barring suit against any co-Debtors shall not affect any co-
20 Debtors' liability to creditors. This discharge shall be effective as to each claim, regardless of
21 whether the claim is listed on the Debtor's Schedules filed in these Chapter 11 proceedings,
22 whether a proof of claim was filed, whether such proof of claim was withdrawn, whether the claim
23 is an Allowed Claim, in whole or in part, or whether the holder of the claim votes to accept or
24 reject the Plan. Upon the Effective Date, all the property of the Debtor will vest in the Debtor,
25
26

1 which, subject to the obligation set forth in the Plan, may utilize the property free of any burdens
2 of the Bankruptcy Code and without need to obtain Court approval of its actions.

3 **9.4 Modification or Plan**

4 The Plan may be modified in accordance with the provisions of the Bankruptcy Code and
5 Chapter 11 as follows:

6 **1. Pre-Confirmation**

7 In accordance with Section 1127(a) of the Bankruptcy Code, the modification of the Plan
8 may be proposed in writing by the Plan Proponent at any time before its Confirmation, provided
9 that the Plan, as thus modified, meets the requirements of Sections 1122 and 1123 of the Code and
10 the Proponent complies with Section 1125 of the Code.
11

12 **2. Post-Confirmation**

13 In accordance with Section 1127(b) of the Bankruptcy Code, the Plan also may be
14 modified at any time after its Confirmation and before its substantial consummation, provided that
15 the Plan as thus modified meets the requirements of Sections 1122 and 1123 of the Code, provided
16 further that the circumstances then existing justify such modification and the Court confirms the
17 Plan as thus modified under Section 1129 of the Code.
18

19 **3. Objections**

20 Any holder of a Claim or Interest that has accepted or rejected the Plan will be deemed to
21 have accepted or rejected, as the case may be, the Plan as modified unless, within the time fixed by
22 the Bankruptcy Court for doing so, such holder changes its previous acceptance or rejection.
23

24 **4. Effect**

25 Every modification of the Plan will supersede the previous version of the Plan as and
26 when ever each modification is effective. When superseded, the previous version of the Plan will

1 be in the nature of a withdrawn or rejected settlement proposal, and will be null, void and unusable
2 by the Proponent or any other party for any purposes whatsoever with respect to any of the
3 contents of such version of the Plan.

4 **X. CLAIMS ADJUDICATION AND DISTRIBUTION**

5 **10.1. Preservation of Debtor's Claims, Demands, and Causes of Action**

6
7 As discussed in Plan §5.7, the Debtor shall retain any and all of its claims under
8 applicable non-bankruptcy and bankruptcy law (the "Estate Claims"), including (without
9 limitation) the avoiding powers of a statutory trustee appointed under Bankruptcy Code §1106. In
10 accordance with Bankruptcy Code §1123(b)(3)(B), all of the Debtor's claims and causes of action
11 will survive the entry of the Confirmation Order and the Effective Date; they will not be
12 discharged by the Plan; and they will become and remain Property of the Debtor after the Effective
13 Date. The provisions of Plan §5.7 control the further handling and disposition of the Estate
14 Claims.
15

16 **10.2 Procedure for Determination of Claims**

17 **1. Objections to Claims**

18 Except as to any Claim that has been allowed prior to the Effective Date, no later than the
19 last business day prior to the Effective Date, the Debtor, Plan Proponent, or any party in interest
20 may object to the allowance of any Claim against the Debtor or seek estimation thereof on any
21 Claim (including any Claim amounts stated in the Plan).
22

23 **2. Disputed Claims**

24 No payments or other distributions will be made to holders of Claims unless and until such
25 Claims are Allowed Claims pursuant to a Final Order. If a Claim is not an Allowed Claim by or
26 on the Effective Date or when payment is otherwise due under the Plan, payment of the Allowed

1 Claim will be made when a Claim becomes an Allowed Claim after the Effective Date or as
2 otherwise specifically provided in the Plan.

3 **10.3 Provisions Governing Distributions**

4 **1. Distributions by Debtor**

5 All Allowed Claims against the Debtor will be paid by the Debtor according to the Plan.

6 **2. Delivery of Distributions**

7
8 Subject to Bankruptcy Rule 9010, distributions and deliveries to each holder of an Allowed
9 Claim will be made at the address of such holder as set forth on the respective Proof of Claim (or
10 at the last known address of such holder if no Proof of Claim is Filed or if the Debtor has been
11 notified of a change of address) as of the last business day prior to the Effective Date. If any
12 holder's distribution is returned as undeliverable, no further distribution to such holder will be
13 made unless and until the Debtor is notified of such holder's then current address, at which time all
14 missed distributions will be made to such holder without interest. The Debtor will be under no
15 obligation to attempt to locate the holder of any Allowed Claim or to recognize any purported
16 transfer or encumbrance on the rights of holders of Allowed Claims after the Confirmation Date.
17 Amounts of undeliverable distributions attempted by the Debtor will be retained by the Debtor
18 until such distributions are claimed or become unclaimed property. All Claims for undeliverable
19 distributions will be made on or before sixty (60) days following the first anniversary of the
20 Effective Date. After such date, all unclaimed property will revert to and become the property of
21 the Debtor.
22
23

24 **3. Means of Payment**

25
26

1 Payments made to holders of Allowed Claims pursuant to the Plan will be in United States
2 Dollars by checks drawn on the domestic bank selected by the Debtor, or by wire transfer from a
3 domestic bank, at the option of the Debtor.

4 **4. Interest**

5 Whenever interest is to be computed under the Plan, interest will be simple interest and not
6 compounded. Unless otherwise specifically provided for in the Plan or the Confirmation Order,
7 post-petition interest shall not accrue or be paid on Claims, and no holder of a Claim will be
8 entitled to interest accruing on or after the applicable Petition Date on any Claim.

9 **5. Extension of Payment Dates**

10 If any payment date falls due on any day that is not a Business Day, then such due date will
11 be extended to the next Business Day.

12 **XI. GENERAL PROVISIONS**

13 **A. Notices**

14 Any notice required or permitted to be provided under the Plan will be in writing and
15 served by regular postage prepaid first-class mail, hand-delivery, facsimile, or e-mail.

16 **B. General Injunction**

17 Except as otherwise expressly provided in the Plan, the Confirmation Order shall provide,
18 among other things, that all parties-in-interest who have held, hold, or may hold Claims against
19 the Debtor are permanently enjoined on and after the Effective Date from: (a) commencing or
20 continuing in any manner any action or other proceeding of any kind with respect to any such
21 Claim against the Debtor or any successor-in-interest of the Debtor, against property of the Debtor,
22 or against property of any successor-in-interest of the Debtor; (b) the enforcement, attachment,
23 collection, or recovery by any manner or means of any judgment, award, decree, or order against
24
25
26

1 the Debtor or any successor-in-interest of the Debtor, property of the Debtor, or against property of
2 any successor-in-interest of the Debtor with respect to any such Claim; (c) creating, perfecting, or
3 enforcing any encumbrance of any kind against the Debtor or any successor-in-interest of the
4 Debtor, against property of the Debtor, or against property of any successor-in-interest of the
5 Debtor with respect to any such Claim; (d) from asserting any setoff, right of subrogation, or
6 recoupment of any kind against any obligation due the Debtor or any successor-in interest of the
7 Debtor, against property of the Debtor, or against property of any successor-in-interest of the
8 Debtor, with respect to any such Claim; (e) conducting any form of discovery from the Debtor
9 with respect to any such Claim, or any successor-in-interest of the Debtor; and/or (f) harassing the
10 Debtor or any successor-in-interest of the Debtor.
11

12 Notwithstanding the foregoing or anything to the contrary contained herein, nothing shall
13 stay or prevent the continuance of the Divorce Action.
14

15 **C. Vesting**

16 As of the Effective Date, and except as otherwise provided in the Plan, the Debtor shall
17 retain and be vested with all of the Property of the Estate. All Property retained shall be free and
18 clear of all liens, claims, and interest of creditors and parties-in-interest, except as specifically
19 provided in the Plan.
20

21 **D. Successors and Assigns**

22 The rights and obligations of any Creditor or other party-in-interest referred to in the Plan
23 will be binding upon, and will inure to the benefit of, the successors, assigns, heirs, devisees,
24 executors, and personal representatives of such Creditor or party-in-interest.
25

26 **E. Withdrawal of Plan**

1 The Plan may be withdrawn or revoked by the Plan Proponent at any time before entry of
2 the Confirmation Order.

3 **F. Severability and Reformation**

4 It is the intention of Plan Proponent to comply fully with the Bankruptcy Code and
5 applicable non-bankruptcy law in proposing the Plan. Therefore, if any provision of the Plan is
6 determined by the Bankruptcy Court to be contrary to the Bankruptcy Code or applicable non-
7 bankruptcy law, that provision will be deemed severed and automatically deleted from the Plan, if
8 it cannot be reformed or the provision or its interpretation will be deemed reformed to ensure
9 compliance; provided, however, that nothing contained in this paragraph will prevent the Plan
10 Proponent from modifying the Plan in any manner whatsoever in accordance with and as set forth
11 in the Plan. Pursuant to any ruling by the Bankruptcy Court regarding the subject matter of this
12 paragraph, any such severance or reformation will be stated specifically in the Confirmation Order,
13 which then will control notwithstanding any contrary or inconsistent provisions of the Plan.
14

15
16 **G. Payment of Statutory Fees and Filing of Quarterly Reports**

17 All fees payable pursuant to 28 U.S.C. § 1980, as determined by the Bankruptcy Court at or
18 in conjunction with the Confirmation Hearing, will be paid on or before the Effective Date and,
19 thereafter, in accordance with applicable bankruptcy law. All quarterly reports of disbursements
20 required to be filed by applicable bankruptcy law will be filed in accordance with applicable
21 bankruptcy law.
22

23 **H. Governing Law**

24 Except to the extent that the Bankruptcy Code is applicable, the rights and obligations
25 arising under the Plan shall be governed by, construed, and enforced in accordance with, and
26

1 subject to, the laws of the State of Arizona, excluding any laws that result in the application of the
2 laws of another jurisdiction.

3 Notwithstanding the foregoing or anything to the contrary contained herein, the relative
4 ownership interests of the stockholders in the Debtor shall be determined in accordance with
5 applicable non-bankruptcy law, including the law of their marital domicile, British Columbia,
6 Canada.
7

8 **I. Conflicts Between Plan and Confirmation Order**

9 In the event the terms of the Plan and the Confirmation Order conflict, the terms of the
10 Confirmation Order shall govern.
11

12 **XII. RECOMMENDATION OF PLAN PROPONENT**

13 The Plan Proponent believes that the Plan provides the best available alternative for
14 maximizing the recoveries to Creditors and for accelerating the distributions to Creditors. The court
15 can confirm only one plan in this case, and the Plan proponent believes that creditors will be paid
16 sooner and be better off under this Plan. It therefore recommends that all Creditors entitled to vote on
17 the Plan vote to accept the Plan.

18 Dated as of October 5, 2016

19 SCHNEIDER & ONOFRY, P.C.

20 By /s/ Brian N. Spector 

21 Brian N. Spector
22 3101 N. Central Avenue, Suite 600
23 Phoenix, Arizona 85012-2658
24 Attorneys for Plan Proponent Sawaranjit Sarah
25 Singh
26

ALVAREZ & GILBERT, P.L.L.C.

By /s/ John T. Gilbert

John T. Gilbert
Alvarez & Gilbert, P.L.L.C.
14500 N. Northsight Blvd., Suite 216
Scottsdale, AZ 85260
Attorneys for Plan Proponent Sawaranjit Sarah
Singh

Exhibit A

APPRAISAL OF
SUPER 8 - GOODYEAR
840 N. DYSART ROAD
GOODYEAR, ARIZONA 85338

PREPARED FOR:
MR. RANJIT SINGH
SUPER-8 GOODYEAR
840 N. DYSART ROAD
GOODYEAR, ARIZONA 85338

MARKET VALUE AS OF:
DECEMBER 31, 2014

DATE OF REPORT:
DECEMBER 14, 2015

PREPARED BY:
LYONS VALUATION GROUP, LLC
16631 NORTH 91ST STREET
SUITE 106
SCOTTSDALE, ARIZONA 85260



December 14, 2015

Mr. Ranjit Singh
Super-8 Goodyear
840 N. Dysart Road
Goodyear, Arizona 85338

RE: Super 8 - Goodyear
840 N. Dysart Road
Goodyear, Arizona 85338

Dear Mr. Singh:

Pursuant to your request, I have inspected the site and appraised the above captioned property for the purpose of estimating its Market Value for potential litigation purposes, at its highest and best use, as of December 31, 2014. This is a retrospective appraisal report.

The property is a 90 unit, limited service motel property situated along the west side of Dysart Road just south of Interstate 10 in Goodyear, Arizona. The property contains 31,862 square feet of gross building area constructed in 1985 and is in overall average condition. The property features 43 rooms on the first floor and 47 rooms on the second floor. The improvements are situated on a site that contains 150,500 square feet, or 3.46 acres of land that is zoned C-2, General Commercial District and MF-24, Multi Family Residential District by the City of Goodyear, Arizona. Not all of the land area is needed for the operation of the subject property, and the southern parcel, containing 51,924 square feet of land, was considered to be excess land, that could be sold off and developed separately without impacting the subject motel operation. This land was valued separately with its value added to the results of the other valuation approaches.

Based upon the following analysis, contained in the attached report, it is our opinion that the Market Value of the subject property, free and clear of all encumbrances, as of December 31, 2014, is: **\$3,600,000.**

As requested the real estate only portion is estimated at \$3,240,000.

16631 N. 91st Street, Suite 106 - Scottsdale, Arizona 85260 - P: (480) 419-2992 - F: (480) 419-0904

E-Mail: Appraisal@LyonsValuation.com



Mr. Ranjit Singh
December 14, 2015
Page Two

This is a letter of transmittal for the accompanying appraisal report. It is not intended to be nor should it be construed as a letter appraisal report. Preparation of the accompanying appraisal report commenced on November 30, 2015 and was completed December 14, 2015. The date of value for the report is December 31, 2014, this is a retrospective appraisal report.

I certify that I have no present or prospective interest in the property being appraised; that my employment is in no way contingent upon the amount of value reported; that I have personally inspected the property and surrounding area; that the statements made and the information contained in this report are true to the best of my knowledge and belief; and that this appraisal has been made in accordance with the Code of Professional Ethics of the Appraisal Institute and in compliance with USPAP.

Respectfully submitted,

David M. Lyons, MAI
Certified General Real
Estate Appraiser - Arizona
Cert.#30928
Exp. May 31, 2016

151105A

16631 N. 91st Street, Suite 106 - Scottsdale, Arizona 85260 - P: (480) 419-2992 - F: (480) 419-0904

E-Mail: Appraisal@LyonsValuation.com



SUMMARY OF SALIENT FACTS AND CONCLUSIONS

ADDRESS:	Super 8 - Goodyear 840 N. Dysart Road Goodyear, Arizona 85338
CENSUS TRACT:	0610.03
PURPOSE OF APPRAISAL:	Estimate market value for potential litigation purposes
PROPERTY RIGHTS APPRAISED:	Fee Simple Interest
REPORT FORMAT:	Appraisal Report
SITE AREA:	150,500 square feet or 3.46 acres
BUILDING IMPROVEMENTS:	The subject property contains 31,842 square feet, divided between a lobby, office, breakfast room, staff laundry, and guest rooms. The subject building is a two-story, wood frame constructed interior corridor motel with 90 rooms.
AGE:	1985
ACTUAL AGE:	30 years
EFFECTIVE AGE:	20 years
GROSS BUILDING AREA:	31,892 square feet
SITE AREA:	150,500 square feet
LAND TO BUILDING RATIO:	4.72 to 1 - Total Land Area
ZONING:	C-2, General Commercial District - 34.2% MF-24, Multi Family Residential District - 65.8%
CONDITION:	Average
HIGHEST AND BEST USE:	As Vacant - Hold for future commercial development As Improved - Its current use as a limited service motel
<u>VALUE INDICATIONS:</u>	
Cost Approach	\$250,000 - Excess Land Only
Income Approach	\$3,500,000
Sales Comparison Approach	\$3,700,000
FINAL OPINION OF VALUE:	\$3,600,000
DATE OF VALUE ESTIMATE:	December 31, 2014 - Retrospective Appraisal Report
DATE OF INSPECTION:	September 10, 2015



IDENTIFICATION OF THE SUBJECT PROPERTY

A full legal description was requested but obtained within county records. The legal description is contained in the Addenda of this appraisal report. The property is known as the Super 8 - Goodyear with the common address of: 840 N. Dysart Road in Goodyear, Arizona. The assessor's parcel numbers are 500-03-269L and -269X.

HISTORY OF THE PROPERTY

According to the county records, the most recent sale took place on April 4, 2011, where MCA Financial Group, Ltd. (as receiver) sold the property to Regency Park Capital 2011, Inc., for \$3,400,000 as recorded in document number 11-0285044.

No other transfer history within the past three years is known.

EXPOSURE PERIOD

The subject property is a motel which has been operating as such since it was constructed. Due to this, its desirability in the market is limited to a specific target group of potential buyers. I have discussed the property with commercial real estate professionals in the area, and also reviewed the sale history of a number of properties.

There have been few sales of motel properties in the subject area which could be used to estimate an exposure period. Properties in this overall area appear to have a moderate exposure period with the majority of the properties being marketed for sale over a period of 6 and 12 months. As with any property, the listing price has a large influence on the marketing period with a low asking price, in relation to the market, usually indicating a short exposure period and a high price, a longer exposure period. The marketing period for motels that are listed for sale is normally slightly longer due to the fact that the decision to purchase is prolonged as a result of the due diligence needed to determine if the operation is profitable.

I have also looked to national publications concerning the exposure periods for hospitality properties. I consulted the PwC Investor Survey from the 1st Quarter of 2015. This study indicates that the national investors are reporting marketing times for limited service properties in the range of 2 to 12 months with an average of 7.0 months to successfully market a property. The full service lodging segment reports a slightly shorter period, ranging from 3 to 9 months and averaging 6.6 months.

Overall, if offered for sale, I project a slightly longer period based on the attributes of the subject property, namely its location in a small market, and an exposure period of between 6 and 9 months.

Exposure period differs from marketing period in that the exposure period represents the amount of time needed for the property to sell at the appraised value on the date of valuation. Marketing period addresses the amount of time needed to sell the property after the date of valuation.

CAPITALIZATION ANALYSIS

The selection of the overall capitalization rate will consider rates extracted from the market, Band of Investment analysis and rates from published sources.

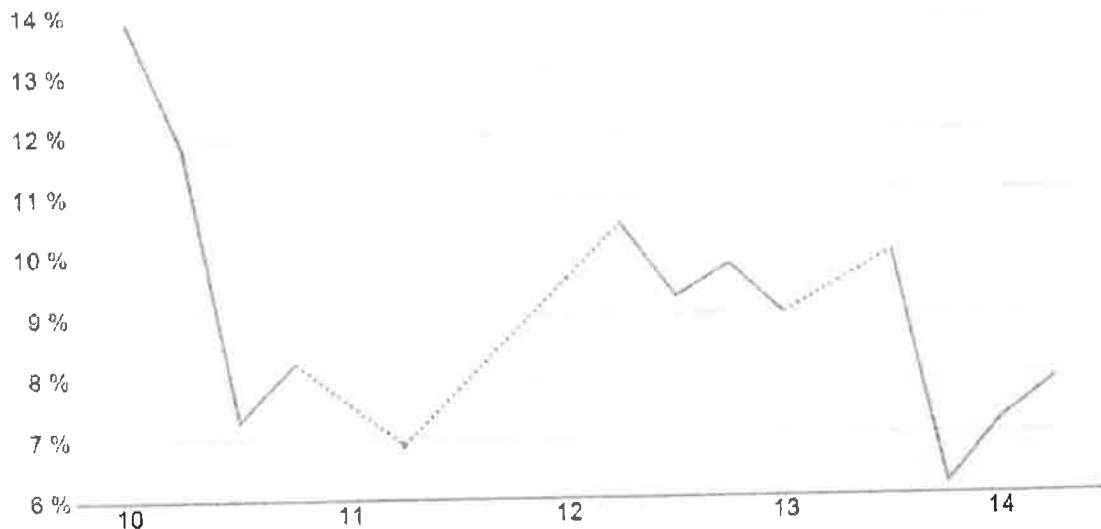
Market Extraction Method

This is the simplest method of capitalization as it involves direct capitalization with a rate obtained from known sales prices and net income. Utilization of this method requires that income and sales data be obtained for properties comparable to the subject in characteristics of age, usage and size. This rate has the least subjective aspects of any of the rates available for the capitalization methods. It does not require an assumption of a rate of return to equity. None of the comparable sales included in the report indicated a market capitalization rate.

I also reviewed a number of sales in the Phoenix metropolitan area and reviewed the data for capitalization rates. Since the first quarter of 2013, only seven comparable property sales have reported capitalization rates. The capitalization rates range from 6.18% and 10.38%. The two most recent sales that reported rates, indicated capitalization rates of 8.45% and 9.00%. The Hampton Inn in Yuma, Arizona was listed for sale based on a capitalization rate of 7.18%. This is not the cap rate based on the sale price, however, which will be higher.

As additional support, I have provided the following graph which shows the trend in capitalization rates for Phoenix area hospitality properties over the past few years between the start of 2010 and the end of 2014.

Cap Rate





CAPITALIZATION ANALYSIS (CONT'D)

Band of Investment Analysis

A method for estimating an overall capitalization rate is the use of the Band of Investment method wherein the rates sought by the lender and the investor are weighed. Current mortgage rates for properties such as the subject with a typical investors qualifications range between 3.39% and 13.46%. This is based on a survey of local lenders active in this type of financing market. Based on the foregoing analysis, a mortgage with a 25-year term, bearing interest at an annual rate of 5.5%, was considered reasonable.

The second component of the Band of Investment is the "return on" capital. This "return on" capital reflects the requirement of an investor to get a rate of return on the equity portion commensurate with the risk involved. As in all investments, the higher the perceived risk, the higher the rate of return required by an investor. As investors have a wide variety of investment mediums from which to choose, with varying degrees of risk and rates of return, it is prudent to analyze these competing investment opportunities.

In examining an investment situation, a hypothetical investor would weigh the perceived levels of financial and business risk against the return he expects to receive from the subject investment. The investor would compare his expected return to the return available for alternative investment opportunities such as government securities or minority interests in publicly traded common stock. The table on the following page presents some of these alternative investment opportunities as of the date of valuation.

In examining an investment situation, a hypothetical investor would weigh the perceived levels of financial and business risk against the return he expects to receive from the subject investment. The investor would compare his expected return to the return available for alternative investment opportunities such as government securities or minority interests in publicly traded common stock. The table on the following page presents some of these alternative investment opportunities as of the date of valuation.

KEY INTEREST RATES

- as of December 31, 2014 -

MARKET RATES AND BONDS YIELDS - %

Reserve Bank Discount Rate.	0.75
Prime Rate (monthly average).	3.25
Federal Funds Rate.	0.06
1-Year Treasury Bills.	0.22
3-Month Eurodollars	0.30
U.S. 5 Yr. Treasury Notes.	1.65
U.S. 10 Yr. Treasury Notes.	2.17
U.S. 30 Yr. Treasury Bonds.	2.75

Annualized interest rates on certain investments as reported by the Federal Reserve Statistical Release.



CAPITALIZATION ANALYSIS (CONT'D)

The prior interest rates reviewed will assist us in developing an overall capitalization rate via the Band of Investment technique. This method involves synthesis of mortgage and equity rates and represents a weighted average, which is a percentage assigned to mortgage and equity positions. The overall rate in this particular instance is, therefore, developed by using the mortgage constant and the market's expected equity dividend rate in a weighted average calculation.

According to the January 2015 publication of REITWatch, published by NAREIT (National Association of Real Estate Investment Trusts) which reports rates as of December 31, 2014, the Equity Dividend Rate for All Equity REITs over the past 15 years has been 12.68%. I have included a Dividend Rate of 12% based on the level of perceived risk associated with the subject property, an older motel property in a growing community.

Therefore, utilizing the band of investment technique of weighted percentages for the mortgage and equity position, the following capitalization rate was derived:

Financing:	65% mortgage	x .07369 mortgage constant	=	.04479
Equity:	35% down payment	x .12000 return	=	.04200
			Total	.08679

Overall Rate 8.7% as Rounded

This analysis does not, however, account for market participants' expectation of appreciation, which would act to lower the rate.

PwC (formerly Korpacz) Real Estate Investment Survey

As explained in the PwC Real Estate Investment Survey, the survey reports data on income-producing properties bought and sold by nearly 250 Standard and Poor's Primary Real Estate Market Makers representing the nation's largest buyers and sellers of real estate, plus other publicly-reported transactions. The primary market makers include pension plans, real estate investment trusts, banks, savings and loans, commercial real estate brokers, and investment program sponsors. The properties analyzed in the survey include office buildings, warehouse/distribution properties, retail centers, and apartments.

For the 3rd Quarter of 2014, the National Limited-Service / Midscale and Economy Lodging segment had a range and average capitalization rates as follows:

Economy/Limited-Service Hotel	Range = 8.00% - 10.00%	Average = 9.0%
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CAPITALIZATION ANALYSIS (CONT'D)

Conclusion - Overall Capitalization Rate

The band of investment analysis generated a rate of 8.7%. Published sources generally reflect investment grade properties and are appropriate for the subject property. Giving effect to all factors considered, but mostly the actual rates seen in the subject market, and given the location of the property in a location along the western border of development in the Phoenix metropolitan area, an overall capitalization rate of between 8.75% and 9.25% was considered appropriate.

Utilizing the estimated income and expenses for the subject property and the overall capitalization rate, the value indication for the property is developed below.

Net Operating Income for Capitalization	\$292,245	\$292,245
Divided by Capitalization Rate	<u>9.25%</u>	<u>8.75%</u>
Indicated Value	\$3,159,405	\$3,339,943
Rounded	\$3,250,000	

In addition to the above value, the excess land value needs to be added. This was previously estimated at \$250,000, yielding a total value for the property at \$3,500,000.



CONTRIBUTORY VALUE OF THE FF&E

According to HVS International, the leading authority on hotel valuation, the minimum cost per room for FF & E's in a mid-scale hotel with food and beverage facilities is \$6,800, and the maximum is \$20,700, with an average of \$10,900 per room. These costs include case goods, upholstered seats, bedding and frames, pool and lobby furniture, carpeting throughout the building, wall coverings throughout the building, drapery and bedspreads, fixtures and lamps, televisions, art work and interior graphics.

The subject property features a typical level of personalty given the fact that the property does not have a full kitchen and has mostly only standard amenities. When a Comfort Inn in Sierra Vista, Arizona transferred in April of 2014, it did so along with a reported \$160,000 or \$2,462 per room in FF&E. A new hotel in the west valley is soon to be completed with a budget for FF&E which includes a cost of just over \$1,125,000 for furnishings and FF&E. This equates to roughly \$12,875 per room, however, this is the cost, not the contributory value.

In the subject property, the estimate of contributory value is approximately \$360,000 for the FF & E's of the subject, which equates to approximately \$4,000 per room, and includes value for the fixtures for the lobby, office, laundry area, Etc..

CORRELATION, ANALYSIS AND CONCLUSIONS

The property is a 90 unit, limited service motel property situated along the west side of Dysart Road just south of Interstate 10 in Goodyear, Arizona. The property contains 31,862 square feet of gross building area constructed in 1985 and is in overall average condition. The property features 43 rooms on the first floor and 47 rooms on the second floor. The improvements are situated on a site that contains 150,500 square feet, or 3.46 acres of land that is zoned C-2, General Commercial District and MF-24, Multi Family Residential District by the City of Goodyear, Arizona. Not all of the land area is needed for the operation of the subject property, and the southern parcel, containing 51,924 square feet of land, was considered to be excess land, that could be sold off and developed separately without impacting the subject motel operation. This land was valued separately with its value added to the results of the other valuation approaches.

Analysis of the subject property by the Cost Approach, Income Approach, and the Sales Comparison Approach has resulted in the following range in value indications as of December 31, 2014.

Cost Approach:	\$250,000 - Excess Land Value
Income Approach:	\$3,500,000
Sales Comparison Approach:	\$3,700,000

The Cost Approach typically reflects the value of the subject property based on an analysis of the current reproduction cost of the subject improvements, less the estimated physical depreciation and economic obsolescence, plus the estimated market value of the site (as vacant), as indicated by a market analysis of comparable vacant properties. This approach to value usually provides an excellent method of estimating the value of recently constructed properties, however, determining the appropriate level of depreciation on properties like the subject is difficult. This value indication, however, is based on the cost of the real estate and not the market value of the property in an open market. This method provides a reliable estimate of value for newer properties due to the lower amounts of depreciation effecting newer properties, however, the subject is 25 years old, warranting higher levels of depreciation estimates. Also, investors of this type of property do not look at the cost approach for an indication of value, but to the income and sales comparison approaches. Therefore, the cost approach was not performed.

The Income Approach reflects the value of the subject property based upon its income producing capabilities. The theory of the Income Approach is that the current value of a property is reflected by the present worth of the net income it will produce over its remaining economic life. An analysis of the available market data indicated that properties of this type are either owner/user properties or investment properties. The value indicated by this approach is therefore based upon an investment analysis and reflects what a purchaser/investor would pay predicted upon the property's net income-producing capabilities. Real estate investors base their decisions upon economic factors that are market oriented, and are concerned with the net income and its durability. Depreciation in the form of tax shelter is usually considered independently of the real estate by each investor as it applies to his/her financial status.



CORRELATION, ANALYSIS AND CONCLUSIONS (CONT'D)

Since properties of this type are normally purchased for investment purposes based on their income producing capabilities, the value given by the Income Approach is usually given moderate consideration by the investor when purchasing the same. Based on the moderate amount of data concerning similar type properties in the area, this approach was afforded the most weight in our final analysis.

The Sales Comparison Approach reflects the range of value of the subject property based upon an analysis of recent sales of similarly improved properties within the subject area. The Sales Comparison Approach is considered to be the most reliable approach to value because it reflects the actions of buyers and sellers of comparable properties, including both owner/users and investors, and exemplifies the basic "Principle of Substitution: which states that "No purchaser will pay more for a property than the cost of acquiring a comparable property."

The value indicated by the Sales Comparison Approach comprises a cross section of purchasers in the market ranging from owner/users to investors. This approach reflects the market conditions by owner/users together with a cross section of investors in various brackets having varying tax shelter and equity return requirements. Due to the moderate to large amount of reliable and comparable sale information in the subject area, it is my opinion that this approach was very useful in determining value, and was also given ample consideration in our value.

Therefore, based on the analysis of the aforementioned approaches to value and the data contained in this report, it is our opinion that the Fair Market Value, in fee simple title ownership, free and clear of all encumbrances, as of December 31, 2014 is: \$3,600,000.

***** THREE MILLION SIX HUNDRED THOUSAND DOLLARS *****

The estimated value of the property as it pertains to the Real Estate Only is estimated at **\$3,240,000.**



LEGAL DESCRIPTION

PARCEL NO. 1:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 3;

THENCE NORTH 00 DEGREES 33 MINUTES 17 SECONDS EAST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 1940.20 FEET TO A POINT ON SAID EAST LINE FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 3 BEARS NORTH 00 DEGREES 33 MINUTES 17 SECONDS EAST, A DISTANCE OF 680.50 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 44.96 FEET;

THENCE CONTINUING NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 225.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 75.00 FEET;

THENCE SOUTH 00 DEGREES 00 MINUTES 12 SECONDS WEST, A DISTANCE OF 104.57 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 296.90 FEET;

THENCE NORTH 00 DEGREES 33 MINUTES 17 SECONDS EAST, A DISTANCE OF 153.62 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 199.14 FEET TO A POINT ON THE EASTERLY BOUNDARY OF VISTA DEL CAMINO CONDOMINIUMS, A HORIZONTAL PROPERTY REGIME, AS RECORDED IN BOOK 240 OF MAPS, PAGE 13, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00 DEGREES 33 MINUTES 17 SECONDS EAST ALONG SAID EASTERLY BOUNDARY, A DISTANCE OF 86.95 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN PARCEL AS DESCRIBED IN DOCKET 14457, PAGES 26 THROUGH 28, INCLUSIVE, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 89 DEGREES 59 MINUTES 48 SECONDS EAST ALONG SAID SOUTH LINE, A DISTANCE OF 566.85 FEET;

THENCE SOUTH 00 DEGREES 47 MINUTES 16 SECONDS WEST, A DISTANCE OF 136.01 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 2:

AN EASEMENT FOR INGRESS AND EGRESS OVER THE FOLLOWING DESCRIBED PROPERTY:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 3;



LEGAL DESCRIPTION (CONT'D)

THENCE NORTH 00 DEGREES 33 MINUTES 17 SECONDS EAST ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 1940.20 FEET TO A POINT ON SAID EAST LINE FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 3 BEARS NORTH 00 DEGREES 33 MINUTES 17 SECONDS EAST, A DISTANCE OF 680.50 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 44.96 FEET;

THENCE NORTH 00 DEGREES 47 MINUTES 16 SECONDS WEST, A DISTANCE OF 86.01 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 65.00 FEET;

THENCE NORTH 00 DEGREES 47 MINUTES 16 SECONDS EAST, A DISTANCE OF 15.00 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 48 SECONDS WEST, A DISTANCE OF 160.00 FEET;

THENCE NORTH 00 DEGREES 47 MINUTES 16 SECONDS EAST, A DISTANCE OF 35.00 FEET TO A POINT ON THE SOUTH LINE OF THE CERTAIN PARCEL AS DESCRIBED IN DOCKET 14457, PAGES 26 TO 28 INCLUSIVE, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 89 DEGREES 59 MINUTES 48 SECONDS EAST ALONG SAID SOUTH LINE, A DISTANCE OF 225.00 FEET;

THENCE SOUTH 00 DEGREES 47 MINUTES 16 SECONDS EAST, A DISTANCE OF 50.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 3:

A PARCEL OF LAND LOCATED ON THE SOUTHEAST QUARTER OF SECTION 3, TOWNSHIP 1 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE EAST LINE OF SAID SOUTHEAST QUARTER OF SECTION 3, WHICH BEARS NORTH 00 DEGREES 08 MINUTES 25 SECONDS EAST, A DISTANCE OF 1720.11 FEET AND BEARS SOUTH 00 DEGREES 08 MINUTES 25 SECONDS WEST, A DISTANCE OF 900.59 FEET FROM THE NORTHEAST CORNER THEREOF;

THENCE SOUTH 89 DEGREES 35 MINUTES 20 SECONDS WEST, A DISTANCE OF 342.84 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 89 DEGREES 35 MINUTES 20 SECONDS WEST, A DISTANCE OF 120.00 FEET;

THENCE SOUTH 00 DEGREES 08 MINUTES 25 SECONDS WEST, A DISTANCE OF 100.00 FEET;

THENCE SOUTH 89 DEGREES 35 MINUTES 20 SECONDS WEST, A DISTANCE OF 177.27 FEET;

THENCE NORTH 00 DEGREES 10 MINUTES 16 SECONDS EAST, A DISTANCE OF 215.42 FEET;

THENCE NORTH 89 DEGREES 35 MINUTES 20 SECONDS EAST, A DISTANCE OF 296.05 FEET;

THENCE SOUTH 00 DEGREES 24 MINUTES 40 SECONDS EAST, A DISTANCE OF 115.43 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT AN UNDIVIDED ONE-HALF INTEREST IN AND TO ALL OIL, GAS, SALT, SULFUR, POTASH AND OTHER MINERALS AS RESERVED AS DOCKET 190, PAGE 53, RECORDS OF MARICOPA COUNTY, ARIZONA.

Exhibit B

PARKER SCHWARTZ PLLC
7310 NORTH 16TH STREET, SUITE 330
PHOENIX, ARIZONA 85020
MAIN LINE: (602) 282-0477
FACSIMILE: (602) 282-00478
E-MAIL: LHIRSCH@PSAZLAW.COM

LAWRENCE D. HIRSCH (#004982)
ATTORNEYS FOR DEBTOR

**UNITED STATES BANKRUPTCY COURT
IN AND FOR THE DISTRICT OF ARIZONA**

In re:

REGENCY PARK CAPITAL 2011,
INC. dba SUPER 8 GOODYEAR,

Debtor-in-Possession.

In Proceedings Under Chapter 11

Case No.: 2:15-bk-15280 PS

EXHIBIT ' TO DISCLOSURE
STATEMENT

SUMMARY OF CREDITOR CLAIMS

CLASS 1 ADMINISTRATIVE CLAIMS	Estimated	\$75,000.00
CLASS 2 - SECURED CLAIMS		
Chase Auto Finance		\$6,583.98
Farmer's Group Credit Union		\$2,177,000.00
CLASS 4 - EXECUTORY CONTRACTS (Franchise/Utilities) leases and contracts to be assumed		
CLASS 5 - GENERAL UNSECURED CREDITORS		\$379,723.63
CLASS 6 - EQUITY INTERESTS - Retain their interest		
TOTAL CLAIMS		\$2,638,307.50

ASSETS AND LIABILITIES (as of Petition date)

ASSETS:

Motel and land located in Goodyear, Arizona operated as a Super 8 Motel: \$3,125,000-\$3,600,000 based upon letter of intent and appraisal (secured debt of approximately \$2,177,000)

Tangible Personal Property: (\$257,308)

Bank accounts: \$20,321.03

Accounts Receivable: \$10,965

Motel supplies: \$1,000 (replacement value)

Furniture, Fixtures and Equipment: \$128,733.51 (replacement value)

Office Equipment, software, etc. \$38,289.00 (replacement value)

Vehicles \$12,000 (replacement value) (secured debt of approximately \$6583)

Intellectual Property and Franchise Value \$45,000 (replacement value for franchise)

Contingent claim against Sarah Singh for indemnification on fees: unknown at this time

DEBTS:

SECURED DEBTS:

Extensia Financial on behalf of Farmer's Credit Group: approximately \$2,177,000

Chase Auto Finance: approximately \$6,538

PRIORITY DEBTS:

NONE

GENERAL UNSECURED DEBTS:

\$379,723.63 (PER SCHEDULES)

Exhibit C

LETTER OF INTENT FOR PURCHASE OF REAL PROPERTY

August 15, 2016

Regency Park Capital 2011, Inc.
840 N. Dysart Road
Goodyear, Arizona 85338

Re: Letter of Intent to Purchase Real Property located at 840 N. Dysart Road, Goodyear, Arizona 85338

Greetings:

This letter sets forth the undersigned's desire and intent to purchase the Subject Property (as defined herein) in accordance with the following terms:

1. Seller: Regency Park Capital 2011, Inc.
2. Buyer: Jaswant Singh Toor ("Buyer"), with contact information as follows: 11255 Pegasus Avenue, San Diego, CA 92126 (858-586-0609). Buyer reserves the right to assign its interest hereunder to a corporation or limited liability company which he owns or controls.
3. Subject Property: The property which is the subject of this offer ("Subject Property") is identified as that real property located at 840 N. Dysart Road in Goodyear, Arizona on which is situated a 90-unit Super 8 Motel (the "Motel") (Tax Parcel Nos. 500-03-269L and 500-03-269X). Buyer understands that the Motel is situated on a site that contains 150,500 square feet (3.46 acres). Together with the real property, Buyer is also purchasing all of Seller's rights, title and interest in all of the personal property, fixtures, inventory, and improvements having to do with the Subject Property, including the Motel.
4. Purchase Price: Three Million One Hundred and Twenty Five Thousand Dollars (\$3,125,000).
5. Terms of Purchase: The full purchase price shall be paid at closing.
6. Buyer's pending bankruptcy case: Buyer understands that the Seller is this debtor in a Chapter 11 bankruptcy case, *In re Regency Park Capital 2011, Inc. dba Super 8 Goodyear*, Case No. 15-15280 PS and that the sale of the Subject Property must occur within the framework of the bankruptcy laws. Buyer further understands that a Chapter 11 plan (the "Plan") will be proposed for confirmation by the bankruptcy court that will provide for an auction sale of the Subject Property. Buyer therefore understands that its offer may be subject to higher and better offers.
7. Opening of Escrow: Buyer shall open an escrow account ("the Escrow") at Stewart Title Company or such other acceptable licensed local escrow agent ("Escrow Holder") not later than five (5) business days prior to the bankruptcy court hearing on confirmation of the Plan. A

form of Purchase Agreement and Mutual Escrow Instructions shall be prepared for execution by Buyer and Seller if Buyer is approved by the bankruptcy court ("Court Approval") to be the purchaser of the Subject Property.

8. Deposit Toward Purchase Price: Concurrently with the opening of escrow, Buyer shall place therein the sum of Two Hundred and Fifty Thousand Dollars (\$250,000) as a deposit toward and applicable to the Purchase Price ("the Deposit"). Escrow Holder shall deposit such sum in an interest-bearing, federally insured account with interest accruing for the benefit of Buyer. Buyer understands that the Deposit shall become non-refundable upon Court Approval of the sale of the Subject Property to Buyer.

9. Franchise Agreement: Buyer understands that Seller is the franchisee under a Franchise Agreement with Super 8 Worldwide, Inc., and Buyer intends, as part of its purchase of the Subject Property, to take the necessary steps to obtain an assignment of the Franchise Agreement.

10. Buyer's Condition Precedent to Closing: Buyer's obligation to complete the purchase of the Subject Property shall be subject only to the following conditions:

A. Title Company shall be in position to issue a policy of title insurance to Buyer in the full amount of the Purchase Price showing good and marketable title vested in Buyer.

B. Seller to provide Buyer title to property free and clear of liens.

C. Court Approval

11. Close of Escrow: Buyer agrees to close the purchase of the Subject Property within five (5) business days of Court Approval.

BUYER:

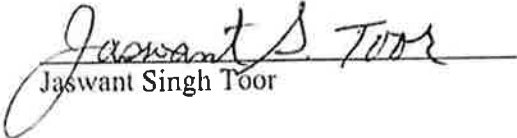

Jaswant Singh Toor

Exhibit D

1 Brian N. Spector - 010112
2 **SCHNEIDER & ONOFRY, P.C.**
3 3101 North Central Avenue, Suite 600
4 Phoenix, Arizona 85012-2658
5 Telephone: (602) 200-1295
6 Fax: (602) 230-8985
7 E-mail: bspector@soarizonalaw.com
8 minute-entries@soarizonalaw.com

9 John T. Gilbert Esq.
10 **ALVAREZ & GILBERT, PLLC**
11 14500 N. Northsight Blvd., Suite 216
12 Scottsdale, AZ 85260

13 Co-Counsel for Sawaranjit Sarah Singh

14 **IN THE UNITED STATES BANKRUPTCY COURT**
15 **IN AND FOR THE DISTRICT OF ARIZONA**

16 In Re:

17 REGENCY PARK CAPITAL 2011, INC.
18 dba SUPER 8 GOODYEAR,
19 Debtor,

Chapter 11 Proceedings

No. 2:15-bk-15280-PS

**DECLARATION OF JASWANT
SINGH TOOR**

20 I, JASWANT SINGH TOOR, declare (or certify, verify, or state) under penalty of perjury
21 under the laws of the United States of America that the foregoing is true and correct:

22 1. My name is Jaswant Singh Toor. I have personal knowledge of the
23 statements set forth in this Declaration.

24 2. I reside in San Diego, California with my wife. I was employed as an
25 aerospace engineer from approximately 1972 until approximately 2011, at which time I
26 retired from full-time employment.

3. I have submitted a Letter of Intent for Purchase of Real Property for that real
property located at 840 N. Dysart Road in Goodyear, Arizona on which is situated a 90-
unit Super 8 Motel (the "Motel") (Tax Parcel Nos. 500-03-269L and 500-03-269X). I have

1 become familiar with the Motel through my niece, Sarah Singh. I further am aware that the
2 company which holds title to and operates the Motel is Regency Park Capital 2011, Inc.
3 (the "Debtor"), the subject of the above-captioned bankruptcy case (the "Case") and the
4 owners of which are Sarah Singh and Ranjit Singh.

5 4. As set forth in my Letter of Intent, I have offered to pay a purchase price of
6 \$3,125,000 (the "Purchase Price") for the Motel, payable in full at closing. I have offered
7 to pay \$250,000 of this amount down as a deposit. My offer is not contingent upon
8 financing.

9 5. I understand that Sarah Singh has proposed a Chapter 11 plan (the "Plan") in
10 the Case which, if confirmed by the bankruptcy court, will provide for an auction sale of
11 the Motel. I therefore understand that my offer may be subject to higher and better offers.

12 6. I have a net worth in excess of \$12 million. Some of my assets consist of
13 real estate holdings, but a substantial portion of my assets consist of cash and other liquid
14 resources, consisting of publicly traded securities.

15 7. Among my assets, I have cash and other liquid resources totaling in excess of
16 \$6 million. As evidenced by letters or account statements attached hereto as Exhibit A, my
17 holdings are as follows: (i) \$1,786, 871.90 at Wells Fargo; (ii) \$1,495,676.66 at Charles
18 Schwab; (iii) \$477,423.99 at American Express Bank, and (iv) \$2,321,550.68 in my
19 General Dynamics Corporation Retirement Savings Account. I therefore have more than
20 ample resources to pay the Motel's Purchase Price at closing. I do not need a loan to
21 complete the purchase.

22 8. I have reviewed financial information provided to me regarding the Motel and
23 believe that the Motel would be a good investment. If I am the high bidder, I intend to
24 complete the purchase of the Motel and hire someone to manage it for me.

25 9. As acknowledged in my Letter of Intent, I intend to take an assignment of the
26 Debtor's Franchise Agreement with Super 8 Worldwide, Inc. I am informed that there is

1 an application process for obtaining the franchisor's consent, and I intend to follow it when
2 the time is right; but I have been informed and understand that beginning that process
3 before a confirmation hearing on the Plan has even been set would be premature and is
4 unnecessary. I further understand that the Plan contains a sale procedure timeline which
5 provides ample time for such consent to be requested and obtained.

6
7 Dated as of September 30, 2016

8
9 /s/ Jaswant Singh Toor
Jaswant Singh Toor

Exhibit A

WELLS
FARGO

Mira Mesa Office
MAC E2434-011
10707 Camino Ruiz
San Diego, CA 92126
858 566-0021
858 586-6251 Fax
800 869-3557 24 Hr. Customer Service

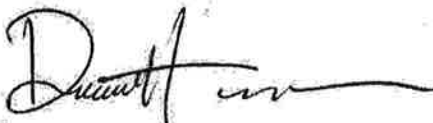
September 28th, 2016

Jaswant S Toor
11255 Pegasus Avenue
San Diego, CA 92126

To whom this may concern,

The letter is verification that the Customer named above has a portfolio of accounts with Wells Fargo that currently has a total balance of \$1,786,871.90. The balance of the accounts are liquid and able to be used for immediate withdraw.

This letter is strictly confidential and the information herein is solely for the Customer's lawful use. This letter is given in good faith, without legal legality. Wells Fargo does not represent and warrant that this information is complete or accurate and any errors or omissions in the information shall not be a basis for a claim against Wells Fargo. Wells Fargo does not undertake or accept any duty, responsibility, liability, or obligation that may arise from providing this letter and/or for any reliance being placed upon information in this letter or for any loss or damage that may result from reliance being placed upon it. Wells information is subject to change without notice to you. Wells Fargo does not undertake any duty to update in the event any deposit account relationship referenced above is, or is the process of being, modified, terminated or cancelled. By requesting and utilization this information, you agree to indemnify, defend, and hold Wells Fargo harmless from and against any claim resulting from the disclosure and use of the information by you, or from breach by you of any agreement, representation or warranty herein.



Dorian Herrero
Assistant Manager
858-566-0021



charles SCHWAB

September 28, 2016

Jaswant Toor
11255 Pegasus Ave
San Diego, CA 92126

Account #:
Questions: +1 (866) 564-1335

Here is the account balance information you requested.

Dear Jaswant Toor,

I'm writing in response to your request for balance information on the accounts for which you have ownership.

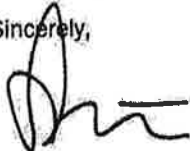
On September 27, 2016, the total value of cash and marketable securities of your Schwab accounts was \$1,495,676.66.

The balance is based on our records at the time this letter was written, and may include cash and securities. The value of the account(s) is subject to change depending upon market conditions and/or activities in your account(s).

Charles Schwab doesn't restrict client access to IRA funds, and distributions are processed according to Internal Revenue Service (IRS) regulations and reporting requirements. Please refer to IRS Publication 590 for information regarding the tax treatment of your distribution.

Thank you for choosing Schwab. We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or any Client Service Specialist at +1 (866) 564-1335.

Sincerely,



Augustine Saldana
Partner Support
2423 E Lincoln Dr
Phoenix, AZ 85016-1215



PERSONAL SAVINGS

American Express Bank, FSB
P.O. Box 30384
Salt Lake City, UT 84130-0384

Account Statement For:

JASWANT S TOOR

Statement Period: August 1, 2016 - August 31, 2016

Number of Days in Statement Period: 31

Page 1 of 3

00000407 TAMXDS090116005506 07 000000000 003
JASWANT S TOOR
11255 PEGASUS AVE
SAN DIEGO CA 92126

Summary of My Accounts

Product Name	Number	Ending Balance
High Yield Savings Account	xxxxxxx	\$477,423.99
Total		\$477,423.99

Customer Service Information

Customer Care:

Contact us 24/7 at 1-800-446-6307

Visit Us Online:

personalsavings.americanexpress.com

Written Inquiries:

American Express Bank, FSB
PO Box 30384
Salt Lake City, UT 84130-0384

Summary For: JASWANT S TOOR
High Yield Savings Account xxxxxxxx P.O.D.

Account Summary

Date	Transactions	Amount
08/01/2016	Balance Last Statement	\$477,061.82
	Total Debits This Period	\$0.00
	Total Credits This Period	\$362.17
08/31/2016	Ending Balance	\$477,423.99
	Interest Credited This Period	\$362.17
	Interest Credited Year-to-Date	\$2,843.23
	Annual Interest Rate*	0.89599%
	Annual Percentage Yield (APY)*	0.90%
	Annual Percentage Yield Earned This Period	0.90%

* Please note that the Interest Rate and the Annual Percentage Yield (APY) noted above reflect the rates in effect as of the last day of this statement period. If rates were adjusted during the statement period, the rates reflected above may not have been the rate applied throughout the entire statement period.

Accounts offered by American Express Bank, FSB, Member FDIC.



PERSONAL SAVINGS

American Express Bank, FSB
P.O. Box 30384
Salt Lake City, UT 84130-0384

Account Statement For:
JASWANT S TOOR
Page 2 of 3

In Case of Errors or Questions About Your Electronic Transfers (EFTs).

If you think your statement or receipt is wrong or if you need more information about a transfer listed on your statement or receipt, please contact us as soon as you can.

Direct Inquiries To:

Customer Care Telephone Number:

1-800-446-6307

Written Inquiries:

P.O. Box 30384, Salt Lake City, UT 84130-0384

We must hear from you no later than 60 calendar days after we sent the FIRST statement on which the problem or error appeared.

- (1) Tell us your name and account number.
- (2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- (3) Tell us the dollar amount of the suspected error.

If you notify us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.



PERSONAL SAVINGS

American Express Bank, FSB
P.O. Box 30384
Salt Lake City, UT 84130-0384

Account Statement For:
JASWANT S TOOR
Page 3 of 3

Summary For: JASWANT S TOOR
High Yield Savings Account xxxxxxxx P.O.D. (continued)

Account Activity

Date	Transactions	Debits	Credits	Balance
08/01/2016	Beginning Balance			\$477,061.82
08/31/2016	Interest Payment		\$362.17	\$477,423.99
08/31/2016	Ending Balance			\$477,423.99

**GENERAL DYNAMICS
SERVICE CENTER**

General Dynamics Corporation
401(k) Plan 3.0

JASWANT S TOOR
11255 PEGASUS AVE
SAN DIEGO, CA 92126-1532

Retirement Savings Statement

Customer Service: (888) 432-3633
Fidelity Brokerage Services LLC
900 Salem Street, Smithfield, RI 02917

Your Account Summary

Statement Period: 09/26/2016 to 09/26/2016

Beginning Balance	\$2,320,720.40
Change in Market Value	\$830.28
Ending Balance	\$2,321,550.68
Additional Information	
Vested Balance	\$2,321,550.68

Your Personal Rate of Return

This Period 0.0%

Your Personal Rate of Return is calculated with a time-weighted formula, widely used by financial analysts to calculate investment earnings. It reflects the results of your investment selections as well as any activity in the plan account(s) shown. There are other Personal Rate of Return formulas used that may yield different results. Remember that past performance is no guarantee of future results.

Your Asset Allocation

Statement Period: 09/26/2016 to 09/26/2016



88.14% Stock Investments: \$2,046,182.95
11.86% Bond Investments: \$275,367.73

Your account is allocated among the asset classes specified above as of 09/26/2016. Percentages and totals may not be exact due to rounding.

Account Value

Statement Period: 09/26/2016 to 09/26/2016

This section displays the value of your account for the period, in both shares and dollars.

INDEXED FUNDS

Investment	Shares as of 09/26/2016	Shares as of 09/26/2016	Price as of 09/26/2016	Price as of 09/26/2016	Market Value as of 09/26/2016	Market Value as of 09/26/2016
Bond Investments					\$35,733.37	\$35,765.76
Income						
Domestic Bond Index	3,239.852	3,239.852	\$11.03	\$11.04	\$35,733.37	\$35,765.76

ACTIVELY MANAGED FUNDS

Investment	Shares as of 09/26/2016	Shares as of 09/26/2016	Price as of 09/26/2016	Price as of 09/26/2016	Market Value as of 09/26/2016	Market Value as of 09/26/2016
Bond Investments					\$239,601.97	\$239,601.97
Fixed Income Fund	10,161.237	10,161.237	\$23.58	\$23.58	\$239,601.97	\$239,601.97

SPECIALTY OPTIONS

Investment	Shares as of	Shares as of	Price as of	Price as of	Market Value as of	Market Value as of
------------	--------------	--------------	-------------	-------------	--------------------	--------------------

	09/25/2016	09/26/2016	09/25/2016	09/26/2016	09/25/2016	09/26/2016
Stock Investments					\$2,045,385.06	\$2,046,182.95
GD Stock Fund	13,298.126	13,298.126	\$153.81	\$153.87	\$2,045,385.06	\$2,046,182.95
Account Totals					\$2,320,720.40	\$2,321,550.66

Remember that a dividend payment to fund shareholders reduces the share price of the fund, so a decrease in the share price for the statement period does not necessarily reflect lower fund performance.

Please refer to NetBenefits and other Plan information, such as your SPD, for a description of your right to direct investments under the Plan. For information on any plan restrictions or limitations on those rights visit NetBenefits and click on "Plan Information".

To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals. Visit the Department of Labor website <http://www.dol.gov/ebsa/investing.html> for information on individual investing and diversification.

Your Contribution Elections as of

As of 09/27/2016

This section displays the funds in which your future contributions will be invested.

Your Current Investment Elections as of 09/27/2016

All Eligible Sources

Investment Option	Current %
SPECIALTY OPTIONS	
Stock Investments	
GD STOCK FUND	100%
Total	100%

Your Contribution Summary

Statement Period: 09/26/2016 to 09/26/2016

Contributions	Before-Tax	Company Match
Period to date	\$0.00	\$0.00
Inception To Date	\$0.00	\$0.00
Vested Percent	100%	100%
Total Account Balance	\$1,293,567.66	\$1,027,983.02
Total Vested Balance	\$1,293,567.66	\$1,027,983.02

Your Account Activity

Statement Period: 09/26/2016 to 09/26/2016

Use this section as a summary of transactions that occurred in your account during the statement period.

Activity	GD Stock Fund	Domestic Bond Index	Fixed Income Fund	Total
Beginning Balance	\$2,045,385.06	\$35,733.37	\$239,601.97	\$2,320,720.40
Change in Market Value	\$797.89	\$32.39	\$0.00	\$830.28
Ending Balance	\$2,046,182.95	\$35,765.76	\$239,601.97	\$2,321,550.66

Questions? Call (888) 432-3633

NetBenefits® provided by



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IA=3 UM=1 DC=2 PT=3 AT=1 CL=1 MX=1 MZ=1 SZ=5