

**IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA**

In re

Gateway Medical Center II, LLC,

Jointly Administered with

Gateway Medical Center, LLC,
Case No. 17-41779-BDL,

Debtors.

Chapter 11

Case No. 17-41780-BDL

**DISCLOSURE STATEMENT FOR CREDITOR'S CHAPTER 11 PLAN FOR
ADMINISTRATIVELY CONSOLIDATED DEBTORS**

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THIS DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES NOR IS IT SOLICITING AN OFFER TO BUY ANY SECURITIES. INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT.

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Dated: November 28, 2017

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DISCLAIMER

CREDITOR OPUS BANK IS PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT¹ IN CONNECTION WITH THE CREDITOR'S CHAPTER 11 PLAN FOR ADMINISTRATIVELY CONSOLIDATED DEBTORS THAT OPUS IS SEEKING TO HAVE CONFIRMED BY THE BANKRUPTCY COURT PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE. YOU SHOULD NOT RELY UPON OR USE THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR ANY PURPOSE OTHER THAN MAKING AN INFORMED JUDGMENT ABOUT THE PLAN.

NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. OPUS URGES EACH HOLDER OF A CLAIM OR AN INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

EACH HOLDER OF A CLAIM OR INTEREST SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL HEREIN, IN ORDER TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN.

¹ Unless otherwise defined herein, capitalized terms contained in this Disclosure Statement shall have the same meanings provided in the Plan, or the Bankruptcy Code as the case may be.

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EXHIBIT A Creditor's Plan of Reorganization

EXECUTIVE SUMMARY

Opus Bank (“Opus”), as a creditor of Gateway Medical Center II, LLC and Gateway Medical Center LLC (collectively, the “Debtors”) proposes the Creditor’s Chapter 11 Plan for Administratively Consolidated Debtors (the “Creditor’s Plan”) for the resolution of the Claims against, and equity in (referred to as “Interests”) the Debtors pursuant to chapter 11 of the Bankruptcy Code.

On May 4, 2017 (the “Petition Date”), Gateway Medical Center II, LLC (“Gateway II” or “Debtor”) and Gateway Medical Center LLC (“Gateway,” or “Debtor”) each filed a voluntary petition for relief (the “Chapter 11 Case”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended or modified, the “Bankruptcy Code”) in the United States Bankruptcy Court for the Western District of Washington (the “Bankruptcy Court”).

On May 31, 2017, the Bankruptcy Court entered an order authorizing the joint administration of the Debtors’ Bankruptcy Cases. On November 22, 2017, the Debtors filed their Second Amended Plan for Consolidated Debtors (the “Debtors’ Plan”) which proposes to market and sell the Debtors’ property, but which provides no specific remedy for the Debtors’ failure to do so on or before April 30, 2018. The Debtors’ Plan does not become effective until April 30, 2018 and provides the Debtors with a unilateral right to revoke or withdraw the plan at any time prior to that effective date.

On November 27, 2017, Opus Bank filed the Creditor’s Plan with the Bankruptcy Court as an alternative to the Debtors’ Plan, which provides the means by which the Debtors’ assets will be liquidated to satisfy the Allowed Claims of creditors and which provides for a certain liquidation of the assets if not sold through traditional marketing actions before April 30, 2018. The Creditor’s Plan places responsibility for the liquidation of the assets of the Debtors in the hands of an independent plan administrator who will ensure that the assets are timely liquidated for the benefit of creditors.

This Disclosure Statement describes the terms of the Creditor’s Plan, including the treatment of Claims against and Interests in the Debtors. This Executive Summary is intended only to be a summary of the Creditor’s Plan. **FOR A COMPLETE UNDERSTANDING OF THE CREDITOR’S PLAN, YOU SHOULD READ THE DISCLOSURE STATEMENT, THE CREDITOR’S PLAN, AND ANY EXHIBITS THERETO IN THEIR ENTIRETY.**

Under the Creditor’s Plan, a Plan Administrator will be appointed to market and sell real Properties located at 2621 NE 134th Street, Vancouver, Washington (“Gateway II Building”) and 2501 NE 134th Street, Vancouver, Washington (“Gateway Building”) (collectively, the “Properties”) and the proceeds of those sales will be distributed to creditors. If the Plan Administrator can solicit an offer to sell the Properties on terms which will pay Opus in full before April 30, 2018, the Properties will be sold pursuant to section 363 of the Bankruptcy Code and sales proceeds paid to creditors in order of priorities established under the Bankruptcy Code and the Creditor’s Plan. If no offer to purchase on terms that pays Opus in full is received which will close on or before April 30, 2018, the Plan Administrator will move to sell the Properties to Opus as a stalking horse bidder, based on Opus’ credit bid and creditors and other parties will retain the right to overbid Opus Bank’s bid until the sale is approved by the Court.

Under the Creditor's Plan, Claims against and Interests in the Debtors are divided into five (5) Classes as summarized in the following table setting forth the classification and treatment of the prepetition Claims and Interests under the Creditor's Plan. Certain unclassified Claims will be paid in full in Cash to the extent they become Allowed Claims. The Clark County Treasurer, Opus Bank, Maxim, and holders of General Unsecured Claims will receive distributions if and when the assets of the Debtors are sold and based upon their priority under the Bankruptcy Code. Holders of Allowed Secured Claims will receive distributions only if holders of Allowed Secured Claims with senior priority are paid in full. Holders of Allowed General Unsecured Claims will receive distributions only if holders of Allowed Secured Claims are paid in full. Holders of Equity Interests in the Debtors will retain their interests following Confirmation but shall receive no distributions on account of such interests unless and until all payments owing to holders of Allowed Claims described in the Creditor's Plan have been made. The classification and treatment for all Classes is described in more detail in Article III.

Opus has not completed a detailed review of all Claims to determine their validity or any possible legal or equitable defenses, including claims of setoff and recoupment.

THERE CAN BE NO ASSURANCE THAT THE ACTUAL CLAIM AMOUNTS WILL NOT BE DIFFERENT, AND PERHAPS SIGNIFICANTLY DIFFERENT, FROM THE ESTIMATES SET FORTH HEREIN. The actual distribution to holders of Allowed Claims is dependent on numerous factors, including the Plan Administrator's level of success marketing the Properties for sale and the resolution of objections to Claims.

The table beginning on the following page is only a summary of the classification of treatment of Claims and Interests under the Creditor's Plan. Reference should be made to the entire Disclosure Statement and Creditor's Plan for a complete description and understanding of the classification and treatment of Claims and Interests.

**SUMMARY OF CLASSIFICATION AND TREATMENT
OF CLAIMS AND INTERESTS UNDER THE CREDITOR'S PLAN**

CLAIMS/INTERESTS & DESCRIPTION	ESTIMATED ALLOWED CLAIMS	TREATMENT	SOURCE OF RECOVERY
Clark County Treasurer Secured Claim against Gateway (Class 1a)	\$64,352.94	Impaired	Cash proceeds from sale of Gateway Property
Clark County Treasurer Secured Claim against Gateway II (Class 1b)	\$84,440.47	Impaired	Cash proceeds from sale of Gateway II Property
Secured Claim of Opus against Gateway (Class 2a)	\$12,730,263 as of Sept. 12, 2017	Impaired	Cash applied from Opus Account, cash collateral, and proceeds from sale of Properties and Gateway Assets
Secured Claim of Opus against Gateway II (Class 2b)	\$12,730,263 as of Sept. 12, 2017	Impaired	Cash collateral, and proceeds from sale of Properties and Gateway Assets
Secured Claim of Maxim (Class 3a)	\$3,317,139.98	Impaired	Cash collateral, and proceeds from sale of Properties and Gateway Assets
Secured Claim of Maxim against Gateway II (Class 3b)	\$3,317,139.98	Impaired	Cash collateral, and proceeds from sale of Properties and Gateway Assets
General Unsecured Claims (Class 4a & 4b)	\$27,883.25	Impaired	Proceeds from sale of Properties and Gateway Assets
Equity Interests (Class 5)	N/A	Impaired	Estimated Recovery Percentage: 0% Form of Recovery: Cash

I. INTRODUCTION.

1.1 PURPOSE OF THE DISCLOSURE STATEMENT.

Opus provides this Disclosure Statement pursuant to Bankruptcy Code section 1125(b) for the purpose of seeking confirmation of the Creditor's Plan. A copy of the Creditor's Plan is attached hereto as **Exhibit A**. By Order dated [____], 2017, the Disclosure Statement was approved by the Bankruptcy Court. A hearing on confirmation of the Creditor's Plan will be held on [____], 2018 at ____:____.m. (Pacific Time).

Opus strongly urges you to read this Disclosure Statement in its entirety before making any judgment on the Creditor's Plan because the Disclosure Statement contains a summary of the Creditor's Plan and other important information. The Disclosure Statement also provides information as to alternatives to the Creditor's Plan. Summaries of the Creditor's Plan are included herein for the purpose of seeking confirmation of the Creditor's Plan and soliciting acceptances of the Creditor's Plan and may not be relied upon for any purpose other than to make a judgment with respect to the Creditor's Plan.

PLEASE NOTE THAT MUCH OF THE INFORMATION CONTAINED HEREIN HAS BEEN TAKEN, IN WHOLE OR IN PART, FROM INFORMATION PROVIDED BY THE DEBTORS. STATEMENTS MADE IN THE DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE CREDITOR'S PLAN. ALTHOUGH OPUS HAS ATTEMPTED TO BE ACCURATE IN ALL MATERIAL RESPECTS, OPUS IS UNABLE TO WARRANT OR REPRESENT THAT ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT ERROR.

NO REPRESENTATION CONCERNING THE DEBTORS OR THE VALUE OF THE DEBTORS' ASSETS HAS BEEN AUTHORIZED BY THE BANKRUPTCY COURT OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. OPUS IS NOT RESPONSIBLE FOR ANY INFORMATION, REPRESENTATION OR INDUCEMENT MADE TO OBTAIN YOUR ACCEPTANCE, WHICH IS OTHER THAN, OR INCONSISTENT WITH, INFORMATION CONTAINED HEREIN AND IN THE CREDITOR'S PLAN.

1.2 CONFIRMATION OF THE CREDITOR'S PLAN.

1.2.1 Requirements. The requirements for Confirmation of the Creditor's Plan are set forth in detail in Bankruptcy Code Section 1129. The following summarizes some of the pertinent requirements:

(a) Acceptance by Impaired Classes. Except to the extent that the cram down provisions of Bankruptcy Code section 1129(b) may be invoked, each Class of Claims and each Class of Interests must either accept the Creditor's Plan *or* be deemed to accept the Creditor's Plan if Claims or Interests of such Class are Unimpaired.

(b) Feasibility. The Bankruptcy Court is required to find that the Creditor's Plan is likely to be implemented and not ultimately fail.

(c) **The “Best Interest” Test.** The Bankruptcy Court must find that the Creditor’s Plan is in the “best interest” of all creditors and equity holders. To satisfy this requirement, the Bankruptcy Court must determine that each holder of a Claim against, or Interest in, the Debtors: (i) has accepted the Creditor’s Plan; or (ii) will receive or retain money or other property which, as of the Effective Date, has a value not less than the amount such holder would receive if the Debtors’ property was liquidated under chapter 7 of the Bankruptcy Code on such date.

(d) **“Cramdown” Provisions.** Under the circumstances which are set forth in detail in Bankruptcy Code section 1129(b), the Bankruptcy Court may confirm the Creditor’s Plan even though a Class of Claims or Interests has not accepted the Creditor’s Plan, so long as one Impaired Class of Claims has accepted the Creditor’s Plan, excluding the votes of insiders, if the Creditor’s Plan is fair and equitable and does not discriminate unfairly against such non-accepting Classes. Opus will invoke the “cram down” provisions of Bankruptcy Code section 1129(b) if the voting Classes fail to accept the Creditor’s Plan and with respect to the Classes deemed to reject the Creditor’s Plan.

1.2.2 Procedure. To confirm the Creditor’s Plan, the Bankruptcy Court must hold a hearing to determine whether the Creditor’s Plan meets the requirements of Bankruptcy Code section 1129. The Bankruptcy Court has set ____, 2018 at __:___ __.m. (Pacific Time) for the hearing on confirmation of the Creditor’s Plan (the **“Confirmation Hearing”**).

1.2.3 Objections to Confirmation of the Creditor’s Plan. Any party in interest may object to confirmation of the Creditor’s Plan and appear at the Confirmation Hearing to pursue such objection. The Court has set ____, 2018, at 5:00 p.m. (Pacific Time), as the deadline for filing and serving objections to the final approval of the Disclosure Statement and confirmation of the Creditor’s Plan. Objections must be filed with the United States Bankruptcy Court for the Western District of Washington, Union Station, 1717 Pacific Avenue, Ste 2100, Tacoma, WA 98402-3233, with a copy served upon counsel for Opus at the following address:

Michael J. Gearin
Brian T. Peterson
K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104

1.2.4 Effect of Confirmation. Except as otherwise provided in the Creditor’s Plan or in the Confirmation Order, Consummation of the Creditor’s Plan vests title to all property of each of the Debtors’ Estates in the respective Reorganized Debtors to the same extent such assets were held by each Debtor, free and clear of all Claims, Liens, charges, encumbrances, rights and Interests of creditors and equity holders, subject to the provisions of the Creditor’s Plan. Confirmation serves to make the Creditor’s Plan binding upon the Debtors, all creditors, equity holders and other parties in interest,

regardless of whether they cast a ballot (“Ballot”) to accept or reject the Creditor’s Plan.

1.3 VOTING ON THE CREDITOR’S PLAN.

1.3.1 Impaired Claims or Interests. Pursuant to Bankruptcy Code section 1126, only the holders of Claims or Interests in Classes “Impaired” by the Creditor’s Plan may vote on the Creditor’s Plan. Pursuant to Bankruptcy Code section 1124, a Class of Claims or Interests may be “Impaired” if the Creditor’s Plan alters the legal, equitable, or contractual rights of the holders of such Claims or Interests treated in such Class. The holders of Claims or Interests not Impaired (referred to as Unimpaired) by the Creditor’s Plan are deemed to accept the Creditor’s Plan and do not have the right to vote on the Creditor’s Plan. The holders of Claims or Interests in any Class which will not receive any payment or distribution or retain any property pursuant to the Creditor’s Plan are deemed to reject the Creditor’s Plan, unless they have agreed otherwise, and, in either event, do not have the right to vote.

1.3.2 Eligibility. In order to vote on the Creditor’s Plan, a creditor must have timely filed or been assigned a timely filed proof of Claim, unless its Claim is scheduled by the Debtor(s) and is not identified as disputed, unliquidated, or contingent on the Schedules of Assets and Liabilities (as amended, the “Schedules”) filed by the Debtor(s). Creditors having a Claim in more than one Class that is entitled to vote may vote in each Class in which they hold a separate Claim or Interest by casting a Ballot in each Class.

1.3.3 Binding Effect. Whether a creditor votes on the Creditor’s Plan or not, such Person will be bound by the terms of the Creditor’s Plan if the Creditor’s Plan is confirmed by the Bankruptcy Court. Absent some affirmative act constituting a vote, a creditor will not be included in the vote: (i) for purposes of accepting or rejecting the Creditor’s Plan or (ii) for purposes of determining the number of Persons voting on the Creditor’s Plan.

1.3.4 Procedure. Members of Class 1 (Secured Claims of Clark County Treasurer, Class 2 (Secured Claims of Opus Bank), Class 3 (Secured Claims of Maxim), Class 4 (General Unsecured Claims), and Class 5 (Interests) are Impaired by the Creditor’s Plan and may vote to accept or reject the Creditor’s Plan. In order for your vote to count, you must complete, date, sign and properly mail the enclosed Ballot (please note that envelopes have been included with the Ballot) to:

Michael J. Gearin
Brian T. Peterson
K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104

BALLOTS SENT BY FACSIMILE, TELECOPY, ELECTRONIC MAIL OR OTHER FORM OF ELECTRONIC TRANSMISSION ARE NOT ALLOWED AND WILL NOT BE COUNTED.

Pursuant to Bankruptcy Rule 3017, the Bankruptcy Court has ordered that original Ballots for the acceptance or rejection of the Creditor's Plan must be received by mail or overnight delivery at the address set forth above on or before 11:59 p.m. (Pacific Time) on [____], 2018. Once you have delivered your Ballot, you may not change your vote, except for cause shown to the Bankruptcy Court after notice and hearing.

Any Ballot received that is incomplete in anyway shall be deemed to be cast as follows:

(a) Ballots received that do not evidence the amount or evidence an incorrect amount of such creditor's Claim shall be completed or corrected, as the case may be, based upon the Schedules if no proof of Claim has been filed by such creditor, or based upon timely filed proofs of Claim, and counted as a vote to accept or reject the Creditor's Plan;

(b) Ballots received that do not identify the creditor, whether or not signed by the creditor, shall not be counted as a vote to accept or reject the Creditor's Plan;

(c) Ballots received that do not reflect in which Class such Ballot is cast or incorrectly classify such creditor's Claim and that are otherwise properly completed shall be completed or corrected, as the case may be, based upon the Schedules if no proof of Claim has been filed by such Creditor or Interest holder, or based upon timely filed proofs of Claim, and counted as a vote to accept or reject the Creditor's Plan.

1.4 ACCEPTANCE OF THE CREDITOR'S PLAN.

1.4.1 Creditor Acceptance. As a creditor, your acceptance of the Creditor's Plan is important. In order for the Creditor's Plan to be accepted by an Impaired Class of Claims, a majority in number and two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must accept the Creditor's Plan, or the Creditor's Plan must qualify for cramdown of any non-accepting Class of Claims pursuant to Bankruptcy Code section 1129(b). In any case, either the Creditor's Plan must be fully consensual or at least one impaired Class, excluding the votes of insiders, must actually vote to accept the Creditor's Plan. To the extent you hold a claim in Class 1 (Secured Claims of Clark County Treasurer), Class 2 (Secured Claims of Opus Bank), Class 3 (Secured Claims of Maxim), Class 4 (General Unsecured Claims), and Class 5 (Interests), you are urged to complete, date, sign, and promptly mail the enclosed Ballot. Please be sure to complete the Ballot properly and legibly identify the exact amount of your Claim and the name of the creditor.

1.4.2 Cramdown Election. If all Classes do not accept the Creditor's Plan, but at least one Impaired Class votes to accept the Creditor's Plan, excluding the

votes of insiders, Opus may attempt to invoke the “cramdown” provisions. Cramdown may be an available remedy, because Opus believes that, with respect to each Impaired Class, the Creditor’s Plan is fair and equitable within the meaning of Bankruptcy Code section 1129(b)(2) and does not discriminate unfairly.

1.5 SOURCES OF INFORMATION.

The information contained in this Disclosure Statement has been obtained from Opus’ records, from property tax records of Clark County, from the Debtors’ filed Disclosure Statement, and from other pleadings filed by the Debtors and parties in interest in this Chapter 11 Case. Every reasonable effort has been made to present accurate information and such information is believed to be correct as of the date hereof. Any value given as to the assets of the Debtors is based upon an estimation of such value. You are strongly urged to consult with your financial, legal, and tax advisors to understand fully the Creditor’s Plan and the Disclosure Statement.

1.6 ADDITIONAL INFORMATION.

Should you have any questions regarding the Creditor’s Plan or this Disclosure Statement, or require clarification of any information presented herein, please contact one of the following attorneys for Opus:

Michael J. Gearin, Esq.
Brian T. Peterson, Esq.
K&L GATES LLP
925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158
206.623.7580

II. THE DEBTORS.

2.1 DESCRIPTION OF THE DEBTORS AND EVENTS LEADING TO BANKRUPTCY

The Debtors are affiliated entities. They are manager-managed Washington limited liability companies. The sole manager of each of the Debtors is Boverman. The Debtors are owned by the same interest holder, Michael DeFrees (“DeFrees”). The Debtors own adjacent medical office buildings located in Vancouver, Washington. More specifically, Gateway II owns the real property and improvements commonly known as 2621 NE 134th Avenue, Vancouver, Washington 98686 (“Gateway II Property”). The Gateway II Property includes an office building constructed in 2007 and has 32,041 rentable square feet on a 2.05-acre site. Gateway owns adjacent real property and improvements commonly known as 2501 NE 134th Avenue, Vancouver, Washington 98686 (the “Gateway Property”). The Gateway Property includes an office building that was constructed in 2001 and has 22,077 rentable square feet on a 1.56-acre site. The Gateway Property and Gateway II Property are collectively referred to herein as the “Properties.”

The Debtors have three secured creditors: Opus Bank (“Opus”), Maxim Commercial Capital, LLC (“Maxim”), and the Clark County Treasurer (collectively, the “Secured Creditors” and individually, a “Secured Creditor”).

Debtors and Opus Bank entered into certain Loan Agreements, Promissory Notes, Trust Deeds and Security Agreements (respectively, “Loan Agreements”, “Notes,” “Trust Deeds” and “Security Agreements” and collectively the “Loan Documents”). More particularly, on or about August 28, 2015, Opus Bank loaned Gateway the sum of \$5,200,000 (the “Gateway Loan”) which loan is evidenced by a Promissory Note (the “Gateway Note”) and further memorialized by a Loan Agreement dated August 28, 2015. Gateway’s obligations under the Gateway Loan are secured by a Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement)(the Gateway Deed of Trust”) recorded on August 28, 2015, a Pledge and Security Agreement dated August 28, 2015 and UCC-1 Financing Statement filed on September 3, 2015. Opus Bank holds a security interest and lien in Gateway’s assets as described in the Gateway Loan Documents including, but not limited to, the Gateway Property and Gateway’s rents, accounts receivable, cash, goods, equipment, fixtures, general intangibles, instruments, chattel paper, and certain intellectual property (the “Gateway Assets”), and all products, proceeds, rents and profits of the Gateway Assets (“Cash Collateral”). The Gateway Loan is in default and has been accelerated as of October 4, 2016 such that the entire loan balance is presently due and owing. Opus has filed a proof of claim in the Gateway case asserting amounts owed on the Gateway Loan as of the petition date of \$5,518,338.20 (including \$130,000 of default interest) and \$5,694,702.19 (including \$224,611.11 of default interest) as of September 12, 2017 on the Gateway Note.

On or about August 28, 2015, Opus Bank loaned Gateway II the sum of \$7,300,000 (the “Gateway II Loan”) which loan is evidenced by a Promissory Note (the “Gateway II Note”) and further memorialized by a Loan Agreement dated August 28, 2015. Gateway II’s obligations under the Gateway II Loan are secured by a Deed of Trust and Fixture Filing (with Assignment of Rents and Security Agreement)(the Gateway II Deed of Trust”) recorded on August 28, 2015, a Pledge and Security Agreement dated August 28, 2015 and UCC-1 Financing Statement filed on September 3, 2015. Opus Bank holds a security interest and lien in Gateway II’s assets as described in the Gateway II Loan Documents including, but not limited to, the Gateway II Property and Gateway II’s rents, accounts receivable, cash, goods, equipment, fixtures, general intangibles, instruments, chattel paper, and certain intellectual property (the “Gateway II Assets”), and all products, proceeds, rents and profits of the Gateway II Assets (“Cash Collateral”). The Gateway II Loan is in default and has been accelerated as of October 4, 2016 such that the entire loan balance is presently due and owing. Opus has filed a proof of claim in the Gateway II case asserting amounts owed on the Gateway II Loan as of the petition date of \$6,826,930.41 (including \$159,187.50 of default interest) and \$7,035,561.06 (including \$275,040.63 of default interest) as of September 12, 2017 on the Gateway II Note.

The Gateway Loan and the Gateway II Loan are cross collateralized and cross defaulted. Consequently, Opus holds a secured claim in each case in the amount of the

combined balance of both loans. As of September 12, 2017, the secured claim of Opus was \$5,694,702.19 + \$7,035,561.06 = \$12,730,263.25.

Maxim is a Secured Creditor of the Debtors by virtue of certain commercial guaranties and a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated November 24, 2015 (“Maxim Trust Deed”). More specifically, Debtors guaranteed and secured certain loan obligations owed by non-debtor, third party Gateway National Corporation (“Gateway National”) to Maxim. Non-debtor, third parties Vancouver RV Park, LLC (“Vancouver RV”) and DeFrees also guaranteed Gateway National’s obligations to Maxim.

The underlying loan transactions arose as follows. In 2015, Maxim entered into two loan transactions with Gateway National. On September 10, 2015, it entered into an Equipment Finance Agreement with Gateway National whereby Maxim loaned Gateway National the principal sum of \$750,000.00. Maxim further alleges that on or about November 24, 2015, Gateway National executed and delivered a promissory note in favor of Maxim in the principal amount of \$2,329,600.00. (Collectively, the above loans are referred to as the “Maxim Loans.”) Debtors and Vancouver RV Park, LLC (“Vancouver RV”) executed the Maxim Trust Deed which further secured the Maxim Loan with (1) real property and improvements owned by Vancouver RV (“Vancouver RV Property”), (2) the Gateway Property, and (3) the Gateway II Property. By virtue of the Maxim Trust Deed and the UCC-1 Financing Statement recorded on November 24, 2015, Maxim asserts that it holds a second priority lien and security interest in the Property, Debtors’ Assets, and Cash Collateral. Maxim filed a proof of claim in each case for the same guaranty obligation in the amount of \$3,317,139.98.

On June 15, 2016, Maxim, Gateway National, Vancouver RV, and DeFrees (the “Forbearance Parties”) entered into a Forbearance Agreement. Pursuant to that Forbearance Agreement, the Forbearance Parties agreed to pay Maxim from the proceeds of the sale of significant real property and improvements to fully satisfy the Maxim Loans. Gateway National is in the process of selling certain commercial construction equipment that secures the Maxim Loans valued at approximately \$700,000. Vancouver RV has real property and improvements valued at approximately \$6 million to \$7.2 million with a first lien encumbering the property held by Riverview Community Bank of approximately \$3.1 million, leaving equity of about \$2,600,000 to \$3,600,000 after commissions and closing costs. Maxim has a Stipulated Monetary Judgment and Judgment and Order of Foreclosure, for Appointment of General Receive, and Replevin from the Forbearance Defendants (the “Stipulated Judgment”) that gives Maxim the right to appoint a receiver for Gateway National and Vancouver RV. DeFrees also has equity in Yacht Harbor, LLC’s undeveloped real property.

Lastly, the Clark County Treasurer has a lien on the Property for unpaid property taxes. Specifically, the Clark County Treasurer has filed Proofs of Claim in both Bankruptcy Cases as follows: (1) Claim 1-2 for \$110,973.54 filed in the Gateway II Bankruptcy Case and secured by a statutory lien on the Gateway II Property, and (2) Claim 3-1 for \$84,585.38 filed in the Gateway Bankruptcy Case and secured by a statutory lien on the Gateway Property.

With this Court's approval, the Debtors hired Marcus & Millichap as their real estate broker ("Broker") to list, market and sell the Properties. The Properties have been actively marketed by the Debtors with the professional assistance of Marcus and Millichap between August and November of 2017. The Debtors have received multiple offers to purchase the Properties.

The Debtors have valued the Properties as follows: \$7 million for the Gateway Property and \$9.8 million for the Gateway II Property. Those values are based upon two main sources: (i) the appraisals that Opus obtained when Opus made its loans to the Debtors in August of 2015 at roughly \$7.5 million for Gateway and \$9.13 million "as is" and \$10.9 million stabilized for Gateway II; and (ii) the Broker's opinions of value in the amounts of \$7 million for Gateway and, ultimately, \$9.8 million for Gateway II, both of which were based in part on Argus Financial Models that Broker prepared. The Gateway Property has not been the subject of any formal marketing efforts prior to the Petition Date. The Gateway II Property was the subject of a listing agreement with real estate broker Collier's International WA LLC effective from June 15, 2016 to January 31, 2017 at a listing price of \$13.8 million. A letter of intent at a price of \$9.9 million was received during that time period. Opus submits that the Debtors' estimates of value may be unrealistic. The Debtor has reported that the highest offer received for the Properties substantially less than the Debtors' combined estimated value of \$16.8 million.

The Properties were the subject of Opus' non-judicial foreclosure sales scheduled for May 5, 2017. The Debtors filed for bankruptcy relief in order to delay the foreclosure.

The Debtors were both the subject of lawsuits commenced by Opus in Clark County Superior Court for the appointment of a custodial receiver under RCW 7.60.035 (Opus Bank v. Gateway Medical Center, LLC (Case No. 16-2-02503-3) and companion case Opus Bank v. Gateway Medical Center II, LLC (Case No. 16-2-02505-0), filed on or about December 30, 2016 (collectively, the "Receivership Cases")). At the request of Opus, Keith Kaiser of Kidder Matthews ("KM") was appointed custodial receiver to manage the Property on December 30, 2016. The Property has been managed by KM from December 30, 2016 to the Petition Date. The lease payments of both Gateway II and Gateway tenants have been made to KM from January 2017 to the Petition Date and expenses for the operation of both businesses have been paid/managed by KM for that same time period.

2.2 THE DEBTORS' BANKRUPTCY PROCEEDINGS.

2.4.1 The Petition Date. On May 4, 2017 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

2.4.2 Joint Administration of Cases. By order entered May 31, 2017 (Dkt. No. 33), the Court directed the joint administration of the Bankruptcy Cases of the Debtors.

2.4.3 Employment of Professional Persons. By order entered June 12, 2017 (Dkt. No. 48 in Jointly Administered Bankruptcy Case), the Court approved the employment of Farleigh Wada Witt as bankruptcy counsel for the Debtors.

2.4.4 Continued Management by Custodial Receiver. By orders of the courts entered on June 7, 2017 (Dkt. No. 41 in Gateway Bankruptcy and Dkt. No 44 in Gateway II Bankruptcy Case), the Custodial Receiver was permitted to continue in possession and control of the Debtors' assets. Those assets include the Properties as well as all leases, rents, issues, and profits of such Property and accrued proceeds and profits held by the Receiver.

2.4.5 Actions to Market and Sell the Properties. By order entered June 19, 2017 (Dkt. 55), the Court approved the employment of Broker as real estate broker for the Debtors. Since becoming employed, the Broker has worked to value the Properties and develop a marketing plan and offering memoranda for the listing of the Properties. The Broker has completed all of its due diligence, has drone video, offering memoranda, due diligence data room online, website etc. The Broker group the Debtors have employed are associated with Smelter Healthcare Real Estate Group, who are specialists in medical office properties and who possess a large database of active investors in the sector. The Broker originally contacted select potential buyers and begun obtaining confidentiality agreements. Commencing in August of 2017, the Broker has officially listed the Properties.

2.4.6 Claims Bar Date. The Court set a claims bar date of September 18, 2017. Other than Opus, Maxim, and Clark County, there have been five unsecured claims filed totaling approximately \$14,000. Total filed and scheduled unsecured claims are approximately \$28,000.

2.4.7 Leasing Agent. The Court authorized the employment of a leasing agent, Eric Fuller & Associates, Inc. (the "Leasing Agent") by order entered September 11, 2017. Since that time, a new tenant has signed a letter of intent to lease space at the Gateway Property.

2.3 ADMINISTRATIVE CLAIMS.

2.6.1 Administrative Expense Claims. Administrative Claims are Claims that are incurred in the ordinary course of the business during the pendency of the Debtor's case and the claims of professionals who provide services to the bankruptcy estate. Ordinary operating expenses have been timely paid during the bankruptcy case in the ordinary course of the business of the Debtors.

2.4 UNSECURED CLAIMS AGAINST THE DEBTOR.

2.7.1 Unsecured Priority Claims. There are no Priority Tax Claims in this case. The Debtors are limited liability companies. As a result, they are treated as "pass-through" entities for purposes of federal income taxes. Thus, the Debtors are not liable for such taxes. As of the filing of this Disclosure Statement, the Claims Bar Date

had passed and no taxing agency has filed a Proof of Claim. The Clark County Treasurer holds Claims for unpaid real property taxes against each of the Debtors. However, those claims are respectively secured by each of the Debtors' Properties. Such claims are therefore not Priority Tax Claims.

2.7.2 Unsecured Nonpriority Claims. Based on filed and scheduled Claims, Opus estimates that General Unsecured Claims against the Debtors total less than \$28,000. These claims may be subject to defenses which may reduce the allowed amount of such claims.

III. SUMMARY OF THE CREDITOR'S PLAN OF REORGANIZATION.

3.1 IN GENERAL.

Under the Creditor's Plan, a Plan Administrator will be appointed to market and sell the Properties. The Plan Administrator will have sole control of the marketing and sale of the Properties following confirmation. If the Plan Administrator can solicit an offer to sell the Properties on terms which will pay Opus in full before April 30, 2018 the Property will be sold pursuant to § 363 of the Bankruptcy Code and sales proceeds paid to creditors in order of priorities established under the Bankruptcy Code and the Creditor's Plan. Opus and Maxim shall retain their credit bid rights with respect to any such sales. If no offer to purchase on terms that pays Opus in full is received which will close on or before April 30, 2018, the Plan Administrator will move to sell the Properties to Opus as a stalking horse bidder, based on Opus' credit bid which bid shall be subject to overbid. Opus and Maxim shall retain their credit bid rights with respect to any such sales. Allowed Secured Claims will be paid only to the extent of their priority. Allowed Unsecured Claims will only be paid if Allowed Secured Claims are paid in full.

3.2 CLASSIFICATION OF CLAIMS AND INTERESTS.

3.2.1 Class 1: Secured Claims of Clark County Treasurer. Class 1 consists of the Secured Claims of the Clark County Treasurer for unpaid real property taxes assessed against the Properties (the "Class 1 Claims"). The Class 1(a) Claim is the claim of the Clark County Treasurer against Gateway, in the amount of \$64,352.94. The Class 1(b) Claim is the claim of the Clark County Treasurer against Gateway II, in the amount of \$84,440.47.

3.2.2 Class 2: Secured Claims of Opus Bank. Class 2 consists of the Secured Claims of Opus Bank based upon two commercial loans extended by Opus to the Debtors (the "Class 2 Claims"). The Class 2(a) Claim is the claim of Opus Bank against Gateway and the Class 2(b) Claim is the claim of Opus Bank against Gateway II. The Gateway Loan and the Gateway II Loan are cross collateralized and cross defaulted. Consequently, Opus holds a secured claim in each case in the amount of the combined balance of both loans.

3.2.3 Class 3: Secured Claims of Maxim. Class 3 consists of the Secured Claims asserted by Maxim (the "Class 3 Claims"). The Class 3(a) Claim is the

claim of Maxim against Gateway and the Class 3(b) Claim is the claim of Maxim against Gateway II.

3.2.4 Class 4: General Unsecured Claims. Class 4 consists of all General Unsecured Claims.

3.2.5 Class 5: Equity Interests. Class 5 consists of the Equity Interests in the Debtors.

3.3 TREATMENT OF UNIMPAIRED CLAIMS AND CLASSES.

3.3.1 Allowed Administrative Expense Claims. Allowed Administrative Expense Claims based on liabilities incurred by the Debtors or the estate in the ordinary course of business, including Administrative Claims arising from the sale of goods or provision of services on or after the Petition Date, Administrative Claims of for taxes incurred after the Petition Date and Administrative Claims arising under Executory Contracts and Unexpired Leases, shall be paid in the ordinary course of business by the Plan Administrator pursuant to the terms and conditions of the particular transactions giving rise to such Administrative Claims. Each holder of an Allowed Administrative Expense Claim, other than ordinary course Administrative Claims, shall be paid by the Plan Administrator in full in Cash on the Effective Date, or as soon thereafter as they are Allowed or as otherwise agreed. The Plan Proponent and the Plan Administrator shall have the right to object to any asserted request for payment of Administrative Claims. The Plan Administrator shall pay Professional Fees when Allowed as Administrative Expense Claims after entry of an Order approving the amount of the fees. Debtors shall pay all Allowed Professional Fees solely from the proceeds of the sale of the Property.

The deadline for submission of all claims entitled to priority pursuant to §§ 507(a)(1), (a)(2) and (b) of the Bankruptcy Code incurred prior to Confirmation, with the exception of fees and costs of Professional persons, shall be thirty (30) days following date upon which the Confirmation Order becomes a Final Order. Failure to file a claim by this date shall conclusively bar the claimant from asserting its claim, which claim shall be deemed disallowed and forever discharged.

3.4 TREATMENT OF IMPAIRED CLASSES.

3.4.1 Class 1: Secured Claims of the Clark County Treasurer. The Clark County Treasurer will retain its liens on the Properties until the Class 1 Claims are paid in full. The Class 1 Claims shall accrue interest at the statutory rate of twelve percent (12.0%) per annum until paid in full. The Plan Administrator shall pay the Class 1 Claims in full from the proceeds of the sale of each of the Properties securing such Claims. The Class 1(a) Claim shall be paid solely from the Proceeds of the sale of the Gateway Property and the Class 1(b) Claim shall be paid solely from the proceeds of the sale of the Gateway II Property.

3.4.2 Class 2: Secured Claims of Opus Bank. Class 2 consists of the Secured Claims asserted by Opus (the "Class 2 Claims"). Until the Allowed amount of

the Class 2 Claims has been paid in full, Opus shall retain its liens on the Gateway Properties, and Gateway's Assets and Cash Collateral and the Gateway II Property, and Gateway II's Assets and Cash Collateral. Opus shall retain its right to credit bid all or any portion of its debt with respect to any sale of the Properties. Upon confirmation, Opus shall be entitled to apply the balance of funds held in the Opus Account to the Gateway Loan in partial satisfaction of the Class 2(a) Claim. The Plan Administrator shall pay the Allowed amount of the Class 2 Claims in full from any sale of the Properties. If the Properties are not sold on or before April 30, 2018 on terms which the full amount of the Allowed Class 2 Claims, the unsold Properties shall be sold to Opus free and clear pursuant to § 363 of the Bankruptcy Code with Opus acting as the stalking horse bidder based on its credit bid. The Class 2 Claims shall accrue interest at the contract default rate until paid in full. The Debtors shall make monthly accrued nondefault interest payments to Opus until the Allowed amount of the Class 2 Claims are paid in full.

3.4.3 Class 3: Secured Claims of Maxim. Maxim shall retain its junior liens against the Properties, Assets, and Cash Collateral that secure the Class 3 Claims until the Class 3 Claims (to the extent they are Allowed) have been paid in full. Maxim shall retain its right to credit bid all or any portion of its debt with respect to any sale of the Properties.

The Plan Administrator shall pay the Allowed amount of the Class 3 Claims from the proceeds of the sale of the Properties after the payment of senior secured creditors. If the Properties (or either of them) are not sold by April 30, 2018, the unsold Properties shall be promptly sold by the Plan Administrator free and clear pursuant to §363 of the Bankruptcy Code on terms described in Exhibit 1 to the Creditor's Plan. Under such a sale Opus shall be the stalking horse bidder based on its credit bid of such amounts which are owed on the Opus Notes as it may elect in its sole discretion to bid and Maxim shall also be free to credit bid on a junior basis to Opus such amounts which are owed on the Maxim Notes as it may elect in its sole discretion to bid.

The Class 3 Claims shall accrue interest on the principal balances of the Maxim claims at the Maxim contract rate until paid in full.

3.4.4 Class 4: General Unsecured Claims. Class 4 consists of all General Unsecured Claims. The Class 4(a) Claims are claims against Gateway and the Class 4(b) Claims are claims against Gateway II. The Plan Administrator shall pay all Allowed Class 4 Claims from the proceeds of the sales of the Properties after payment in full of the Allowed Claims of all Secured Creditors and payment in full of all Administrative Expenses. In the event that proceeds from the sales of the Properties do not fully satisfy the senior claims of Secured Creditors and the Administrative Expenses, General Unsecured Creditors will not receive payments under the Creditor's Plan. The Plan Proponent and the Plan Administrator shall have the right to object to any claim including General Unsecured Claims.

3.4.5 Class 5: Equity Interests. Class 5 consists of the Equity Interests in the Debtors. The Holder of such Equity Interests shall retain such interests following

Confirmation but shall receive no distributions on account of such interests unless and until all payments owing to holders of Allowed Claims described in this Creditor's Plan have been made.

3.5 IMPLEMENTATION OF THE CREDITOR'S PLAN.

3.5.1 Corporate Action. Upon entry of the Confirmation Order by the Bankruptcy Court, all matters provided under the Creditor's Plan involving the corporate structure of the Debtors shall be deemed authorized and approved without any requirement of further action by the Debtors, the Debtors' members, or the Debtors' officers.

3.5.2 Vesting of Assets to Reorganized Debtors. Each of the Reorganized Debtors shall continue to exist in accordance with the laws of the State of Washington and pursuant to their respective Operating Agreements. Except as otherwise proved in the Creditor's Plan, on and after the Effective Date, all Assets of the respective Estates shall be vested in the respective Reorganized Debtors in accordance with 11 U.S.C. § 1141, under the control of the Plan Administrator.

3.5.3 Plan Administrator.

(a) Creation of Plan Administrator. Under the Creditor's Plan, a Plan Administrator will be appointed on confirmation to take control of the Assets vested in the Reorganized Debtors, market and the Property, and to distribute the proceeds therefrom for payment to holders of Allowed Claims according to the terms of the Creditor's Plan. The Assets under the control of the Plan Administrator shall include (i) all defenses, counterclaims and setoffs, whether equitable or legal, of the Joint Debtors to Claims held or asserted to be held against the Joint Debtors, or any of them, and all (ii) claims of the Joint Debtors for relief against any other party. The Plan Administrator shall be D. Keith Kaiser ("Kaiser") of Kidder Mathews. Under the Creditor's Plan, the Plan Administrator will have sole control of the marketing and sale of the Properties following confirmation. If the Plan Administrator can solicit an offer to sell the Properties on terms which will pay Opus in full before April 30, 2018 the Properties will be sold pursuant to § 363 of the Bankruptcy Code and sales proceeds paid to creditors in order of priorities established under the Bankruptcy Code and the Creditor's Plan. If no offer to purchase in terms that pays Opus in full is received which will close on or before April 30, 2018, the Plan Administrator will move to sell the Properties to Opus as a stalking horse bidder, based on Opus' credit bid.

(b) Employment of Professional Persons. The Plan Administrator shall be authorized to employ and compensate Professional Persons following Confirmation upon such terms as the Plan Administrator deems reasonable and appropriate without further order of the Court, provided that the compensation for such Professional Persons may not be paid from the proceeds of

the Properties, Assets and Cash Collateral absent the express written consent of Opus.

(c) **Timely Payments.** The Plan Administrator shall timely make all payments required under this Creditor's Plan. Without limiting the generality of the foregoing, the Plan Administrator shall be responsible for the timely payment of quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) following confirmation of the Creditor's Plan until the case is closed. After confirmation of the Creditor's Plan, the Plan Administrator shall serve on the U.S. Trustee a quarterly financial report for each quarter (or portion thereof) the case remains open. The quarterly financial report shall include a statement of all disbursements made during the course of the quarter, whether or not pursuant to the Creditor's Plan.

3.6 EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

3.7.1 Assumption and Rejection of Executory Contracts and Unexpired Leases. Pursuant to 11 U.S.C. § 365(a), the Creditor's Plan constitutes a motion to authorize Debtors to assume and assign the unexpired leases set forth in Exhibit 2 (individually, "Lease," collectively, "Leases") to the purchaser(s) of the Properties in conjunction with and effective upon the closing of a sale of any of the Properties ("Closing"), and contingent on the purchaser(s)' request for such assignment. The Debtors are the lessors under each Lease. None of the lessees under the Leases have filed a Proof of Claim. Debtors have asserted that there are no cure payments under Section § 365(b)(1)(A) which will become due upon assumption. **Any party to an unexpired lease scheduled for assumption as provided in this paragraph shall, within the same deadline and in the same manner established for objections to confirmation, file any claim for arrearage required to be cured by § 365(b)(1) of the Bankruptcy Code and any objections to the assumption. Failure to assert such arrearage or to file any objections shall constitute consent to the assumption and assignment of the lease as set out herein and a conclusive acknowledgment that no defaults or claims exist under said lease (on the part of the Debtor) that require a cure.**

To the extent that the Purchaser(s) do not request an assignment of one or more of the Leases, those specific leases shall be deemed rejected effective upon Closing ("Rejection"). The seller shall provide notice of any such Rejection to lease counterparties. **Any entity holding a claim based upon the Rejection of an unexpired lease pursuant to this Section VI must file a Proof of Claim with the Bankruptcy Court within thirty (30) days after Rejection if the Bankruptcy Case is open at that time or submit a Proof of Claim to Debtors if the Bankruptcy Case is closed at that time. Any Claim based upon the Rejection of an executory contract or unexpired lease shall be a Class 5 Claim to the extent it is an Allowed Claim. The failure of any such entity to submit a Proof of Claim as required herein within the specified time period will result in the disallowance of such Claim.**

On the Effective Date, and except for Assumed Unexpired Leases, the Assumed Executory Contracts, and the Insurance Policies which are dealt with below, all Executory Contracts and Unexpired Leases shall be deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease: (i) was assumed or rejected previously by the Debtors; (ii) previously expired or terminated pursuant to its own terms; or (iii) is the subject of a motion to assume Filed on or before the Effective Date. .

3.7 RESOLUTION OF CLAIMS

3.8.1 Administration of Claims. Except as otherwise provided for herein, each Claim shall be allowed or disallowed, as the case may be, in such amount as the Court shall determine, whether prior to or following Confirmation, and whether pursuant to this Creditor's Plan or otherwise, upon such notice as the Bankruptcy Court or Bankruptcy Rules shall permit. Any creditor shall have standing to object to Claims and Administrative Expenses. Any objection to a Claim must be filed and served in accordance with Bankruptcy Rule 3007 and the timeline under Local Bankruptcy Rule 3007-1(a) shall apply.

3.8.2 Affirmative Claims, Defenses and Counterclaims Assigned to the Plan Administrator. On the Effective Date, the Debtors shall be deemed to have assigned to the Plan Administrator, and the Plan Administrator shall be deemed to have acquired and become the successor to, (i) all defenses, counterclaims and setoffs, whether equitable or legal, of the Joint Debtors to Claims held or asserted to be held against the Joint Debtors, or any of them, and all (ii) claims of the Joint Debtors for relief against any other party.

3.8.3 No Distribution on Disputed Claims. Notwithstanding any provision of the Creditor's Plan specifying the time for payment of distributions to holders of Claims, no payment or distribution shall be made to the holder of any Disputed Claim until the time such Claim has been determined to be an Allowed Claim. Notwithstanding the existence of a Disputed Claim in a Class to which a distribution under this Creditor's Plan is due, such distribution to other creditors shall not be affected by any delay in the resolution of the Disputed Claim. Upon the allowance of any Disputed Claim, the holder shall be paid the amount that such holder would have received had its Claim been an Allowed Claim on the Effective Date.

3.8 SATISFACTION OF INDEBTEDNESS AND DISCHARGE OF CLAIMS

The distribution made to the various classes of creditors and equity security holders as provided for in this Creditor's Plan shall be in full and complete satisfaction of their Allowed Claims and Allowed Interests.

3.9 RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT.

Notwithstanding Confirmation, until entry of a final decree, the Bankruptcy Court shall retain jurisdiction to ensure that the purposes and intent of

the Creditor's Plan are carried out. Without limiting the generality of the foregoing, the Court shall retain jurisdiction for the following purposes:

- (a) Fixing and allowing any Claim as a cost and expense of the administration of the Reorganization Case;
- (b) Hearing and determining objections to a Claim or determining the validity, priority or extent of any claim or claim of lien. The failure of any party to object to, or to examine any claim for the purpose of voting, shall not be deemed to be a waiver of the right to object to, or re-examine any claim in whole or in part;
- (c) Adjudicating adversary proceedings and contested matters pending or hereafter commenced in the Bankruptcy Case;
- (d) Hearing and determining all causes of action, controversies, disputes, or conflicts between or among the Debtors and any other party, including those that were pending prior to Confirmation;
- (e) Hearing and determining all questions and disputes regarding title to any property of the Debtors or the Estate;
- (f) Correcting any defect, curing any omission, or reconciling any inconsistency in the Creditor's Plan or the Order of Confirmation as may be necessary to carry out the purpose and intent of the Creditor's Plan;
- (g) Hearing and determining any action brought by the Debtors to protect the Debtors and the Estate from actions of creditors, or other parties-in-interest;
- (h) Issuing any order necessary to implement the Creditor's Plan or Order of Confirmation, including, without limitation, such declaratory and injunctive orders as are appropriate to protect the Debtors, the Estate and the Reorganized Debtors from actions of creditors, or other parties-in-interest;
- (i) Hearing and determining any dispute relating to the terms or implementation of the Creditor's Plan or Order of Confirmation, or to the rights or obligations of any parties-in-interest with respect thereto;
- (j) The modification of the Creditor's Plan after Confirmation pursuant to the Bankruptcy Rules and the Bankruptcy Code in accordance with this Creditor's Plan;
- (k) Hearing and determining any action brought by the Debtors or the Debtors-in-Possession seeking to avoid any transfer of an interest of the Debtors in, or any obligation incurred by Debtors, that is avoidable pursuant to applicable law; and

- (l) Hearing and determining any motion by the Debtors for sale of any property of the Estate.

3.10 MISCELLANEOUS PROVISIONS.

3.6.1 Waiver of Avoidance Actions. Notwithstanding any provision to the contrary in this Creditor's Plan, all rights, claims and causes of action, whether equitable or legal, of the Debtors, Debtors-in-Possession or the Reorganized Debtors against all persons arising under §§ 544, 545, 547, 548 and 549 of the Bankruptcy Code, or under any other applicable non-bankruptcy law for the recovery of avoidable fraudulent conveyances or other transfers, are waived.

3.6.2 Unnegotiated Distribution Checks. Pursuant to § 347(b) of the Bankruptcy Code, ninety (90) days after any distribution by the Plan Administrator provided for herein, the Plan Administrator shall stop payment on any such check remaining unpaid to a holder of an Allowed Claim and funds shall be returned to the Plan Administrator. From and after the date the Plan Administrator stops payment on any distribution check pursuant to this paragraph, the holder of the claim on account of which such check was issued shall be entitled to receive no further distributions on account of his claim and such holder's Allowed Claim shall thereupon be deemed satisfied in full.

3.6.3 Mailing List; Returned Distribution Checks. The official listing of creditor identities and mailing addresses (the "Official Mailing List") is maintained by the Clerk of the Bankruptcy Court, United States Bankruptcy Court, 1717 Pacific Ave., #2100, Tacoma, WA 98402-3233. It shall be the obligation of each creditor and/or party-in-interest to assure that the Official Mailing List is current and accurate as to each such person or entity. In the event that a distribution check, that has been properly posted to the creditor's address as set forth in the Official Mailing List, is returned as undeliverable by the United States Postal Service, the Plan Administrator shall be authorized, but not required, to void such check with the applicable funds becoming unencumbered funds subject to distribution as otherwise provided for pursuant to this Creditor's Plan, and deem the Claim of such creditor to be satisfied in full.

3.6.4 Stay of Confirmation Order Shall Not Apply. The stay of enforceability of the order of Confirmation pursuant to Bankruptcy Rule 3020(e) shall not apply, and the order of Confirmation shall be enforceable according to its terms immediately upon entry absent further order of the Court.

3.6.5 Event of Default; Consequence of Default. An event of default shall occur if the Plan Administrator shall fail to comply with a material provision of this Creditor's Plan. In such an event, the party alleging such default shall provide written notice of the alleged default to the Plan Administrator and the attorneys for the Plan Administrator.

To be effective, any notice of default must (a) conspicuously state that it is a notice of default; (b) describe with particularity the nature of the default, including a reference to the specific provision(s) of the Creditor's Plan as to which a default or defaults is alleged to have occurred; and (c) describe any action the party believes is required to cure the default, including the exact amount of any payment required to cure such default, if applicable. An event of default occurring with respect to one Claim shall not be an event of default with respect to any other Claim. If, after fifteen (15) days following the Plan Administrator's and his counsel's receipt of the notice of default, the Plan Administrator and such party have been unable to resolve, or the Reorganized Debtors have been unable to cure, the asserted default, such party may proceed with any remedies available to it under applicable law, provided that nothing herein shall limit or affect the Reorganized Debtors' right to seek appropriate relief from any court of competent jurisdiction.

3.6.6 Right to Revoke. Opus reserves the right to revoke or withdraw the Creditor's Plan at any time prior to Confirmation.

3.6.7 Effect of Withdrawal or Revocation. If Opus revokes or withdraws the Creditor's Plan prior to Confirmation, then the Creditor's Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims against the Debtors or any other Entity or to prejudice in any manner the rights of Opus in any further proceeding involving the Debtors.

3.6.8 Modifications of the Creditor's Plan. Pursuant to and consistent with the provisions of §§ 1127(b) and (e) of the Bankruptcy Code and Bankruptcy Rule 3019, Opus reserves the right to modify or alter the provisions of the Creditor's Plan at any time prior to Confirmation.

3.13.1 Conflicts. Except as set forth in the Creditor's Plan, to the extent that any provisions of the Disclosure Statement, or any order (other than the Confirmation Order) referenced in the Creditor's Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Creditor's Plan, the Confirmation Order shall govern and control and then the Creditor's Plan.

3.13.2 Entry of Closing Order by Bankruptcy Court. The Bankruptcy Court shall enter an order concluding and terminating the Reorganization Case upon application of the Plan Administrator.

3.13.3 Successors and Assigns. The rights, benefits and obligations of any Entity named or referred to in the Creditor's Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, if any, of such Entity.

3.13.4 Votes Solicited in Good Faith. Once the Confirmation Order becomes a Final Order, then Opus will be deemed to have solicited votes on the Creditor's Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to Bankruptcy Code section 1125(e), Opus and its agents, representatives, members, principals, shareholders, officers, directors, employees, advisors and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale and purchase of Securities offered and sold under the Creditor's Plan and any previous plan and, therefore, no such parties, individuals or Opus will have any liability for the violation of any applicable law, rule or regulation governing the solicitation of votes on the Creditor's Plan or the offer, issuance, sale or purchase of the Securities offered and sold under the Creditor's Plan or any previous plan.

3.13.5 No Admission Against Interest. Neither the filing of the Creditor's Plan, the Disclosure Statement, nor any statement contained therein, is or shall be deemed an admission against interest. In the event that this Creditor's Plan is not consummated, neither this Creditor's Plan, the Disclosure Statement nor any statement contained therein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside the Bankruptcy Court involving Opus.

3.13.6 Headings. The article and section headings used in the Creditor's Plan are inserted for convenience and reference only and neither constitutes a part of the Creditor's Plan nor any manner affects the terms, provisions or interpretation of the Creditor's Plan.

3.13.7 Governing Law. Except to the extent the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent otherwise provided in the Creditor's Plan, the rights and obligations arising under the Creditor's Plan, shall be governed by, and construed and enforced in accordance with the laws of Washington, without giving any effect to the principles of conflicts of law or such jurisdiction.

IV. FEASIBILITY.

5.1 FINANCIAL FEASIBILITY ANALYSIS.

5.1.1 The Bankruptcy Code Standard. The Bankruptcy Code requires that, in order to confirm the Creditor's Plan, the Bankruptcy Court must find that Confirmation of the Creditor's Plan is not likely to be followed by the liquidation or the need for further financial reorganization unless contemplated by the Creditor's Plan. As the Creditor's Plan is a liquidating plan, it will not be followed by additional liquidation or further financial reorganization.

V. ALTERNATIVES TO THE CREDITOR'S PLAN.

6.1 CHAPTER 7 LIQUIDATION.

6.1.1 The Bankruptcy Code Standard. Notwithstanding acceptance of the Creditor's Plan by the requisite number of creditors and equity holders of any Class, the Bankruptcy Court must still independently determine that the Creditor's Plan provides each member of each Impaired Class of Claims and Interests a recovery that has a value at least equal to the value of the distribution that each such Person would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

In chapter 7 liquidation cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior Class receiving any payments until all amounts due to senior Classes have been paid fully or any such payment is provided for: (i) secured creditors (to the extent of the value of their collateral); (ii) Administrative and other priority creditors; (iii) Unsecured creditors; (iv) Debt expressly subordinated by its terms or by order of the Bankruptcy Court; and (v) equity holders.

6.1.2 The Creditor's Plan is in the Best Interests of Creditors. Opus believes the Creditor's Plan satisfies this standard because Creditors will be paid as much under the terms of the Creditor's Plan as they would under a chapter 7 liquidation. The Creditor's Plan is a liquidating plan which will provide the same value to creditors as would be provided under a chapter 7 liquidation. Opus believes that the Creditor's Plan provides creditors with a degree of certainty that would not exist if the Debtors' Assets were subject to liquidation outside of the Creditor's Plan. In this regard, in the event of liquidation under chapter 7, creditors will not receive as great and as prompt payment of their Allowed Claims and as they would under the Creditor's Plan and the following is likely to occur: (i) additional administrative expenses, including trustee's commissions, fees for the trustee's accountant, attorneys and other professionals likely to be retained, would be incurred with priority over general unsecured claims under Bankruptcy Code section 507(a)(1) and (ii) final distribution of the assets would likely be substantially delayed. Accordingly, Opus believes that the Creditor's Plan is in the best interests of creditors.

VI. RISK FACTORS.

Holders of Claims or Interests should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement, before making a judgment with respect to the Creditor's Plan.

7.1 CERTAIN BANKRUPTCY CONSIDERATIONS

Even if all Impaired voting classes vote to accept the Creditor's Plan and the requirements for "cramdown" are met; the Court may exercise its discretion and may choose not to confirm the Creditor's Plan. Section 1129 of the Bankruptcy Code requires, among other

things, that the value of distributions to dissenting holders of Claims or Interests may not be less than the value such holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Although Opus believes that the Creditor's Plan will meet such requirement, there can be no assurance that the Court will reach the same conclusion.

Any objection to the Creditor's Plan by a member of a class of Claims or Interests could also prevent confirmation of the Creditor's Plan or delay such Confirmation for a significant period of time.

If the Creditor's Plan were not to be confirmed or is confirmed but does not go effective, it is unclear what distribution, if any, holders of Allowed Claims ultimately would receive with respect to their Claims and Interests.

7.2 CLAIMS ESTIMATION & CASH AVAILABLE AFTER DISTRIBUTION.

There can be no assurance that the estimated amount of Claims and Interests set forth herein are correct, and the actual allowed amounts of Claims and Interests may differ from the estimates. The estimated amounts are subject to certain risks, uncertainties and assumptions, including, without limitation, that unanticipated proofs of claim are filed against the Debtors' Estates prior to any applicable bar date and are either not subject to a valid objection or such objection(s) are overruled by the Bankruptcy Court.

VII. CONCLUSION.

It is important that you exercise your right to vote on the Creditor's Plan. It is Opus' belief and recommendation that the Creditor's Plan fairly and equitably provides for the treatment of all Claims against the Debtors.

EXHIBIT A

The Creditor's Plan

1 Michael J. Gearin, WSBA # 20982
K&L Gates LLP
2 925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158
3 (206) 623-7580

Honorable Brian D. Lynch
Chapter 11

4
5
6
7
8 IN THE UNITED STATES BANKRUPTCY COURT
9 FOR THE WESTERN DISTRICT OF WASHINGTON AT TACOMA

10 In re:

11 GATEWAY MEDICAL CENTER II, LLC

12 Jointly Administered with
13 GATEWAY MEDICAL CENTER, LLC,
Case No. 17-41779-BDL

14 Debtors.

No.: 17-41780-BDL

CREDITOR'S CHAPTER 11 PLAN FOR
ADMINISTRATIVELY
CONSOLIDATED DEBTORS

15
16 Opus Bank ("Opus" or the "Plan Proponent"), a secured creditor of Debtors and debtors-in-
17 possession, Gateway Medical Center II, LLC ("Gateway II") and Gateway Medical Center, LLC
18 ("Gateway") (collectively, "Debtors"), proposes the following Plan of Reorganization for
19 Administratively Consolidated Debtors ("Plan") pursuant to 11 U.S.C. §§ 101 *et seq.* The Plan
20 proposes independent treatment and satisfaction of the claims of creditors of each Debtor by means
21 of independent liquidation of each Debtor's assets.

22 **I. INTRODUCTION**

23 Under the Plan, a Plan Administrator will be appointed to market and sell real Properties
24 located at 2621 NE 134th Street, Vancouver, Washington ("Gateway II Building") and 2501 NE
25 134th Street, Vancouver, Washington ("Gateway Building") (collectively, the "Properties") and the
26 proceeds of those sales will be distributed to creditors. The Properties consist of adjacent medical

office buildings. The Gateway II Building was constructed in 2007 and has 32,041 rentable square feet on a 2.05 acre site. The Gateway building was constructed in 2001 and has 22,077 rentable square feet on a 1.56 acre site. The Gateway Building is owned by Gateway and the Gateway II Building is owned by Gateway II. The buildings share a parking lot. Together the buildings comprise the Gateway Medical Campus. At the request of Opus, D. Keith Kaiser (“Kaiser”) of Kidder Mathews (“KM”) was appointed as custodial receiver for each of the Debtors on December 30, 2016 and currently manages the Properties. With the Bankruptcy Court’s approval, the Debtors hired Marcus & Millichap (“Broker”) to list and market the Properties to obtain the highest and best price. Under the Plan, the Plan Administrator will have sole control of the marketing and sale of the Properties following confirmation. If the Plan Administrator can solicit an offer to sell the Properties on terms which will pay Opus in full before April 30, 2018 the Properties will be sold pursuant to § 363 of the Bankruptcy Code and sales proceeds paid to creditors in order of priorities established under the Bankruptcy Code and the Plan. If no offer to purchase on terms that pays Opus in full is received which will close on or before April 30, 2018, the Plan Administrator will move to sell the Properties to Opus as a stalking horse bidder, based on Opus’ credit bid.

Proceeds from the sale of Properties may be sufficient to pay all Allowed Claims or may be sufficient only to pay the Allowed Claims of senior secured creditors. Opus believes that the Plan provides the best avenue to provide a return for creditors in the nearest term and at the lowest cost and to provide certainty that the Debtors' assets will be timely liquidated to satisfy creditors' claims. Opus asks that you support the Plan. Enclosed you will find a ballot for the Plan for creditors of each Debtor. Opus asks that you return a ballot voting in favor of the Plan only if you hold a claim against that particular Debtor.

II. DISCLOSURE STATEMENT

Enclosed is a Disclosure Statement to assist you in understanding the Plan and making an informed decision regarding its terms. Pursuant to 11 U.S.C. § 1125 and Bankruptcy Rule 3016(c), Opus filed and the Bankruptcy Court approved the Disclosure Statement prior to this Plan being

1 submitted to creditors. The Disclosure Statement provides information to aid and assist creditors in
2 voting on the Plan. YOU ARE URGED TO CAREFULLY READ THE DISCLOSURE
3 STATEMENT IN EVALUATING THE IMPACT OF THE PLAN UPON YOUR CLAIMS.

4 **III. DEFINITION OF TERMS AND RULES OF INTERPRETATION**

5 Definitions of certain terms used in this Plan are set forth below. Other terms are defined in
6 the text of this Plan or the text of the Disclosure Statement. Terms used and not defined in this Plan
7 or the Disclosure Statement shall have the meanings given in the Bankruptcy Code or Bankruptcy
8 Rules, or otherwise as the context requires. The meanings of all terms shall be equally applicable to
9 both the singular and plural, and masculine and feminine, forms of the terms defined. The words
10 “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import, refer to the Plan as a whole
11 and not to any particular section, subsection or clause contained in the Plan. Captions and headings
12 to articles, sections and exhibits are inserted for convenience of reference only and are not intended
13 to be part of or to affect the interpretation of the Plan. The rules of construction set forth in
14 Section 102 of the Bankruptcy Code shall apply. In computing any period of time prescribed or
15 allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. When used in this Plan,
16 the following terms shall have the meanings specified below, unless the context otherwise requires:

17 3.1 Administrative Expense Claim: An Allowed Claim entitled to priority under
18 § 507(a)(2) of the Bankruptcy Code, including (a) claims incurred by the Debtors since the Petition
19 Date and allowed by the Court of a type described in § 503(b) of the Code; (b) all Allowed Claims of
20 Professional Persons pursuant to §§ 330 and 331 of the Code and Bankruptcy Rule 2016; and (c) all
21 substantial contribution claims of Opus; and (d) all fees and charges assessed against the Estate
22 under 28 U.S.C. § 1930.

23 3.2 Allowed: Allowed means, when used to modify the term Claim or Administrative
24 Expense Claim, either a proof of which has been properly filed or, if no Proof of Claim was so filed,
25 which was or hereafter is listed on the Schedules as liquidated in amount and not disputed or
26 contingent or an Administrative Expense Claim that the Debtors have received by the applicable bar

1 date, and, in each case, a Claim or Administrative Expense Claim as to which no objection to the
2 allowance thereof, or motion to estimate for purposes of allowance, shall have been filed on or
3 before any applicable period of limitation that may be fixed by the Bankruptcy Code, the Bankruptcy
4 Rules and/or the Bankruptcy Court, or as to which any objection, or any motion to estimate for
5 purposes of allowance, shall have been so filed, to the extent (a) such objection is resolved between
6 such Claimant and either the Debtors or the Reorganized Debtors or (b) such claim is allowed by a
7 Final Order.

8 3.3 Allowed Secured Claim: An Allowed Claim that is secured by a lien, security interest
9 or other charge against or interest in property in which the Debtors have an interest or that is subject
10 to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (as set forth in the
11 Plan, or if no value is specified, as determined in accordance with Section 506(a) of the Bankruptcy
12 Code or, if applicable, Section 1111(b) of the Bankruptcy Code) of the interest of the holder of such
13 Claim in Debtors' interest in such property or to the extent of the amount subject to setoff, as the
14 case may be.

15 3.4 Avoidance Action: Any causes of action, liabilities, obligations, rights, suits, debts,
16 sums of money, damages, judgments, claims and demands whatsoever, whether known or unknown,
17 of the Estate(s) arising out of or maintainable pursuant to Chapter V of the Bankruptcy Code or
18 under any other similar applicable law, regardless of whether or not such action has been
19 commenced prior to the Effective Date.

20 3.5 Bankruptcy Case(s), Gateway Bankruptcy and Gateway II Bankruptcy: As the
21 context requires the Chapter 11 bankruptcy case of one of the Debtors, or collectively the jointly
22 administered cases of the Debtors. The "Gateway Bankruptcy" refers to and means the above
23 captioned Chapter 11 Bankruptcy Case filed on behalf of Gateway. The "Gateway II Bankruptcy"
24 refers to and means the above captioned, Chapter 11 Bankruptcy Case filed on behalf of Gateway II.

25 3.6 Bankruptcy Code or Code: The Bankruptcy Reform Act of 1978, as amended from
26 time to time, set forth in Sections 101 *et seq.* of Title 11 of the United States Code.

1 3.7 Bankruptcy Court or Court: The United States Bankruptcy Court for the Western
2 District of Washington, before which the Bankruptcy Case is pending, or if that Court ceases to
3 exercise jurisdiction over the Bankruptcy Case, the Court that does exercise jurisdiction.

4 3.8 Bankruptcy Rules: Collectively, the Federal Rules of Bankruptcy Procedure, as
5 amended and promulgated under Section 2075, Title 28, of the United States Code, and the local
6 rules and standing orders of the Bankruptcy Court.

7 3.9 Boverman: Manager of each of the Debtors, Daniel J. Boverman.

8 3.10 Business Day: Any day, other than a Saturday, Sunday or a “legal holiday” within the
9 meaning of Bankruptcy Rule 9006(a)(6).

10 3.11 Cash: Lawful currency of the United States of America and equivalents, including,
11 without limitation, checks, wire transfers and drafts.

12 3.12 Claim: A claim as defined in § 101(5) of the Bankruptcy Code.

13 3.13 Claims Bar Date: The deadline of September 18, 2017 set by the Bankruptcy Court
14 by which Proofs of Claim must have been timely filed in the Bankruptcy Case(s).

15 3.14 Class: A class of Claims or Interests as defined in this Plan.

16 3.15 Collateral: Any property in which Debtors has an interest that is subject to a lien or
17 security interest securing the payment of an Allowed Secured Claim.

18 3.16 Confirmation: The entry of the Confirmation Order by the Bankruptcy Court.

19 3.17 Confirmation Date: Date on which the Confirmation Order is entered on the docket
20 by the Clerk of the Bankruptcy Court.

21 3.18 Confirmation Hearing: The hearing or hearings conducted by the Bankruptcy Court in
22 connection with Confirmation of the Plan.

23 3.19 Confirmation Order: The order of the Bankruptcy Court confirming the Plan pursuant
24 to § 1129 of the Bankruptcy Code.

25 3.20 Creditor: Any entity holding a Claim against the Debtor.
26

1 3.21 KM: D. Keith Kaiser, CPM of Kidder Mathews (“KM”), appointed to act as custodial
2 receiver of the Properties under RCW 7.60.035 by the Clark County Superior Court in *Opus Bank v.*
3 *Gateway Medical Center, LLC* (Case No. 16-2-02503-0) and case, *Opus Bank v. Gateway Medical*
4 *Center II, LLC* (Case No. per appointment orders entered on or about December 30, 2016
5 (collectively, the “Receivership Cases”).

6 3.22 Custodial Receiver’s Accounts: Those certain bank accounts maintained by the
7 Custodial Receiver in his administration of the Properties in connection with the Receivership Cases.

8 3.23 Debtors: Debtors-in-possession, Gateway Medical Center, LLC (“Gateway”) and
9 Gateway Medical Center II, LLC (“Gateway II”).

10 3.24 Disputed Claim: A Claim of an alleged creditor that was listed in any of the Joint
11 Debtors’ Schedules as “disputed” and which has not subsequently become an Allowed Claim, or as
12 to which an objection has been filed by a party-in-interest that has not been resolved pursuant to a
13 Final Order. If an objection related to the allowance of only a part of a Claim has been timely Filed
14 or deemed timely Filed, such Claim shall be a Disputed Claim only to the extent of the objection.

15 3.25 Effective Date: The Effective Date is one Business Day after the Confirmation Order
16 becomes a Final Order.

17 3.26 Equity Interests: The equity interests held in each of the Debtors as of the Effective
18 Date.

19 3.27 Estate(s): The estates created pursuant to § 541 of the Bankruptcy Code as to each of
20 the Debtors.

21 3.28 Federal Judgment Rate: The interest rate allowed on judgments entered in Federal
22 court pursuant to 28 U.S.C. § 1961(a), defined as the weekly average 1-year constant maturity
23 Treasury yield, as published by the Board of Governors of the Federal Reserve System, for the
24 calendar week immediately preceding the date of the entry of the order of Confirmation.

25 3.29 Final Order: An order or judgment entered on the docket by the Clerk of the
26 Bankruptcy Court or any other court exercising jurisdiction over the subject matter and the parties

1 that has not been reversed, stayed, modified or amended and as to which the time for filing a notice
2 of appeal, or petition for certiorari or request for certiorari, or request for rehearing shall have
3 expired.

4 3.30 Forbearance Defendants: Collectively refers to Maxim, Gateway National, Vancouver
5 RV, and DeFrees who each entered into that certain Forbearance Agreement with Maxim on or
6 about June 15, 2016.

7 3.31 Gateway: Debtor-in-possession, Gateway Medical Center, LLC.

8 3.32 Gateway II: Debtor-in-possession, Gateway Medical Center II, LLC.

9 3.33 General Unsecured Claim: An Unsecured Claim that is not entitled to priority under
10 the Bankruptcy Code.

11 3.34 Holder: The holder of a Claim or Equity Interest, as the case may be.

12 3.35 Impaired: Impaired within the meaning of § 1124 of the Bankruptcy Code.

13 3.36 Leasing Agent. Leasing agent, Eric Fuller & Associates, Inc. (the “Leasing Agent”)
14 whose employment was approved by the Bankruptcy Court by order entered September 11, 2017.

15 3.37 Maxim: Refers to and means Creditor, Maxim Commercial Capital, LLC.

16 3.38 Maxim Loans: Collectively refers to the two loans Maxim asserts it entered into with
17 non-debtor, third party Gateway National Corporation (“Gateway National”) as follows. Maxim
18 asserts it entered into an Equipment Finance Agreement with Gateway National whereby Maxim
19 loaned Gateway National the principal sum of \$750,000 on or about September 10, 2015. Maxim
20 further alleges that on or about November 24, 2015, Gateway National executed a promissory note
21 in favor of Maxim in the principal amount of \$2,329,600.

22 3.39 Notice and Hearing: Proceedings as contemplated under Bankruptcy Code § 102(2).

23 3.40 Opus: Refers to and means Opus Bank.

24 3.41 Opus Account: That certain bank account of Gateway at Opus Bank (account number
25 ending in 9868), containing approximately \$63,000, which is subject to restrictions under the
26 applicable loan documents.

1 3.42 Payments: Collectively refers to all payments by Debtors to third parties as provided
2 in the Plan.

3 3.43 Petition Date: May 4, 2017, the date upon which each of the Joint Debtors
4 commenced their respective Bankruptcy Cases.

5 3.44 Plan: This plan in its present form or as it may be amended or modified from time to
6 time.

7 3.45 Plan Administrator: D. Keith Kaiser (“Kaiser”) of Kidder Mathews.

8 3.46 Priority Tax Claim: An Allowed Claim of a Taxing Agency for the principal amount
9 of a tax within the meaning of § 507(a)(8) of the Code, and statutory interest accruing thereon prior
10 to the Petition Date. Any amount that comprises a penalty on such Allowed Claim shall not be a
11 Priority Tax Claim but shall be deemed to be and treated as an Unsecured Claim.

12 3.47 Pro Rata: Proportionally so that the ratio of the amount distributed on account of a
13 particular Allowed Claim to the amount of such Allowed Claim is the same as the ratio of the
14 amount distributed on account of all Allowed Claims in the Class of which such particular Allowed
15 Claim is a member to the total amount of all Allowed Claims in such Class.

16 3.48 Professional Persons: A person retained or to be compensated by the Joint Debtors, or
17 any of them, pursuant to §§ 326, 327, 328, and/or 330 of the Bankruptcy Code.

18 3.49 Proof of Claim: A proof of claim as defined in Bankruptcy Rule 3001(a).

19 3.50 Properties, Gateway II Property and Gateway Property: Properties shall mean
20 collectively, (1) the real property and improvements located at 2621 NE 134th Street, Vancouver,
21 Washington and owned by Gateway II (“Gateway II Property”) and (2) the real property and
22 improvements located at 2501 NE 134th Street Vancouver, Washington and owned by Gateway
23 (“Gateway Property”).

24 3.51 Rejection Claim: A Claim entitled to be filed as a result of a Debtor rejecting an
25 executory contract in these Bankruptcy Cases.

1 3.52 Reorganized Debtor(s): Following the Effective Date, separately, each of the Debtors
2 as reorganized pursuant to the terms of the Plan.

3 3.53 Schedules: The schedules of assets, liabilities and executory contracts and the
4 statement of financial affairs of each of the Debtors filed pursuant to § 521 of the Bankruptcy Code,
5 and in accordance with the Bankruptcy Rules, as each has been, or may be, amended and
6 supplemented from time to time.

7 3.54 Secured Claim: An Allowed Claim that is a secured claim against Properties, Assets
8 or Cash Collateral of the Debtors determined in accordance with § 506(a) of the Bankruptcy Code,
9 or that is deemed allowed as a secured claim pursuant to this Plan.

10 3.55 Secured Creditors: Collectively, the Holders of Allowed Secured Claims.

11 3.56 Taxing Agency(ies): Any governmental or municipal agency holding a Claim that is
12 not a Secured Claim and that is otherwise entitled to treatment as a Priority Tax Claim.

13 3.57 Unclassified Claim: An Allowed Claim that is not within the definition of any Class.

14 3.58 Unimpaired: With respect to any Claim or Interest, not impaired within the meaning
15 of § 1124 of the Bankruptcy Code.

16 3.59 Unsecured Claim: A Claim that is (a) based upon (i) a Proof of Claim executed and
17 timely filed in accordance with Bankruptcy Rule 3003(c) prior to the Claims Bar Date, or (ii) the
18 listing of the claim in the Debtor's Schedules as other than disputed, contingent or unliquidated, and
19 (b) not a Secured Claim, Administrative Claim, Priority Tax Claim, or Other Priority Claim.

20 **IV. CLASSIFICATION OF CLAIMS AND INTERESTS**

21 All Claims against the Debtors are classified as set forth herein. There are four (4) Classes of
22 Claims and one (1) Class of Equity Interests, and certain other Claims are Unclassified Claims
23 pursuant to applicable provisions of the Bankruptcy Code. The Classes of Claims are as follows:

24 Class 1: Secured Claims of the Clark County Treasurer (Impaired)

25 Class 2: Secured Claims of Opus Bank (Impaired)

26 Class 3: Secured Claims of Maxim (Impaired)

Class 4: General Unsecured Claims (Impaired)

Class 5: Equity Interests (Impaired)

V. PROVISIONS FOR SATISFYING CLAIMS AND SPECIFYING TREATMENT OF EACH CLASS

If the Court confirms the Plan, on the Effective Date the Class into which each Allowed Claim and Allowed Interest fits will determine the manner in which such Claim or interest will be treated. Unless otherwise specified below, each Class is impaired under the Plan. In the event that a Class does not accept the Plan, the Debtors will request that the Court confirm the Plan without the consent of such Class pursuant to Code § 1129(b). The definition of each class and its treatment of Claims are as follows.

5.1 Unclassified Claims.

A. Administrative Expense Claims. Allowed Administrative Claims based on liabilities incurred by the Debtors or the estate in the ordinary course of business, including Administrative Claims arising from the sale of goods or provision of services on or after the Petition Date, Administrative Claims of for taxes incurred after the Petition Date and Administrative Claims arising under Executory Contracts and Unexpired Leases shall be paid in the ordinary course of business by the Reorganized Debtors pursuant to the terms and conditions of the particular transactions giving rise to such Administrative Claims. Holders of such ordinary course administrative claims shall not be required to file any request for payment of such Administrative Claims. Each holder of an Allowed Administrative Expense Claim, other than ordinary course Administrative Claims, shall be paid by the Plan Administrator in full in Cash on the Effective Date, or as soon thereafter as they are Allowed or as otherwise agreed. The Plan Proponent and the Plan Administrator shall have the right to object to any asserted request for payment of Administrative Claims.

B. Priority Tax Claims. There are no Priority Tax Claims in this case. The Debtors are limited liability companies. As a result, they are treated as “pass-through” entities for the

1 purpose of federal income taxes. Thus, the Debtors are not liable for such taxes. As of the filing of
2 this Plan, the Claims Bar Date had passed and no taxing agency has filed a Proof of Claim.

3 The Clark County Treasurer holds Claims for unpaid real property taxes against each of the
4 Debtors. However, those claims are respectively secured by each of the Debtors' Properties. Since
5 the Clark County Treasurer holds Secured Claims to the extent they are Allowed Claims, the claims
6 are not Priority Tax Claims. The Allowed Claims of the Clark County Treasurer are provided for as
7 secured claims under Section 5.2 of the Plan. Pursuant to Code §1129(a)(9)(D), the Clark County
8 Treasurer claims shall receive treatment not less favorably under Section 5.2 than they would have
9 received if its Claims were treated as Priority Tax Claims and paid pursuant to the provisions of
10 Code Section 1129(a)(9)(C).

11 **C. Bankruptcy Fees.** The Plan Administrator shall be responsible for timely
12 payment of fees incurred pursuant to 28 USC § 1930(a)(6) until the case is closed, converted or
13 dismissed. After confirmation, the Plan Administrator shall file with the Court a monthly financial
14 report for each month, or portion thereof, that the case remains open. The monthly financial report
15 shall include a statement of all disbursements made during the course of the month, whether or not
16 pursuant to the Plan.

17 **D. Professional Fees.** The Plan Administrator shall pay Professional Fees when
18 Allowed as Administrative Expense Claims after entry of an Order approving the amount of the fees.
19 The Plan Administrator shall pay all Allowed Professional Fees solely from the proceeds of the sale
20 of the Properties.

21 **E. Substantial Contribution Claim of Opus.** The Plan Administrator shall pay
22 the substantial contribution claim of Opus pursuant to § 503(b)(3)(D) to the extent Allowed as
23 Administrative Expense Claim solely from the proceeds of the sale of the Properties.

24 5.2 Class 1: Secured Claims of Clark County Treasurer.

25 Class 1 consists of the Secured Claims of the Clark County Treasurer for unpaid real
26 property taxes assessed against the Properties (the "Class 1 Claims"). The Class 1(a) Claim is the

1 claim of the Clark County Treasurer against Gateway and the Class 1(b) Claim is the claim of the
2 Clark County Treasurer against Gateway II. The Plan Administrator shall pay the Class 1 Claims
3 according to the following terms:

4 **A. Description of Class 1 Claims.** The Clark County Treasurer has filed Proofs
5 of Claim in both Bankruptcy Cases as follows: (1) Claim 3-1 for \$84,585.38 filed in the Gateway
6 Bankruptcy Case and secured by a statutory lien on the Gateway Property; and Claim 1-2 for
7 \$110,973.54 filed in the Gateway II Bankruptcy Case and secured by a statutory lien on the Gateway
8 II Property. In October, 2017, KM paid postpetition 2017 taxes in the amount of \$23,202.62 for
9 Gateway and \$30,430.38 for Gateway II which reduced the amounts under the Clark County claims.
10 As of November 27, 2017, the Clark County Treasurer lists unpaid taxes of \$64,352.94 for Gateway
11 and \$84,440.47 for Gateway II.

12 **B. Allowance of Class 1 Claims.** Upon Confirmation, the Class 1(a) Claim shall
13 be deemed allowed in the amount of \$64,352.94 in the Gateway Bankruptcy Case. Upon
14 Confirmation, the Class 1(b) Claim shall be deemed allowed in the amount of \$84,440.47 in the
15 Gateway II Bankruptcy Case.

16 **C. Retention of Security Interests.** Clark County holds first-position statutory
17 liens against each of the Properties pursuant to RCW 84.60.010. Clark County shall retain its lien on
18 the Gateway Property until the Class 1(a) Claim secured by that property is paid in full. Clark
19 County shall retain its lien on the Gateway II Property until its Class 1(b) Claim secured by that
20 property is paid in full.

21 **D. Payment.** The Plan Administrator shall pay the Class 1 Claims in full from
22 the proceeds of the sale of each of the Properties securing such Claims. The Class 1(a) Claim shall
23 be paid solely from the Proceeds of the sale of the Gateway Property and the Class 1(b) Claim shall
24 be paid solely from the proceeds of the sale of the Gateway II Property.

25 **E. Interest Rate.** The Class 1 Claims shall accrue interest at the statutory rate of
26 twelve percent (12.0%) per annum until paid in full.

1 5.3 Class 2: Secured Claims of Opus Bank.

2 Class 2 consists of the Secured Claims of Opus Bank based upon two commercial loans
3 extended by Opus to the Debtors (the “Class 2 Claims”). The Class 2(a) Claim is the claim of Opus
4 Bank against Gateway and the Class 2(b) Claim is the claim of Opus Bank against Gateway II. The
5 Debtors shall pay the Class 2 Claims according to the following terms:

6 **A. Description of Class 2 Claims.** Debtors and Opus Bank entered into certain
7 Loan Agreements, Promissory Notes, Trust Deeds and Security Agreements (respectively, “Loan
8 Agreements”, “Notes,” “Trust Deeds” and “Security Agreements” and collectively the “Loan
9 Documents”). More particularly, on or about August 28, 2015, Opus Bank loaned Gateway the sum
10 of \$5,200,000 (the “Gateway Loan”) which loan is evidenced by a Promissory Note (the “Gateway
11 Note) and further memorialized by a Loan Agreement dated August 28, 2015. Gateway’s obligations
12 under the Gateway Loan are secured by a Deed of Trust and Fixture Filing (with Assignment of
13 Rents and Security Agreement)(the Gateway Deed of Trust”) recorded on August 28, 2015, a Pledge
14 and Security Agreement dated August 28, 2015 and UCC-1 Financing Statement filed on
15 September 3, 2015. Opus Bank holds a security interest and lien in Gateway’s assets as described in
16 the Gateway Loan Documents including, but not limited to, the Gateway Property and Gateway’s
17 rents, accounts receivable, cash, goods, equipment, fixtures, general intangibles, instruments, chattel
18 paper, and certain intellectual property (the “Gateway Assets”), and all products, proceeds, rents and
19 profits of the Gateway Assets (“Cash Collateral”). The Gateway Loan is in default and has been
20 accelerated as of October 4, 2016 such that the entire loan balance is presently due and owing. Opus
21 has filed a proof of claim in the Gateway case asserting amounts owed on the Gateway Loan as of
22 the petition date of \$5,518,338.20 (including \$130,000 of default interest) and \$5,694,702.19
23 (including \$224,611.11 of default interest) as of September 12, 2017 on the Gateway Note.

24 On or about August 28, 2015, Opus Bank loaned Gateway II the sum of \$7,300,000 (the
25 “Gateway II Loan”) which loan is evidenced by a Promissory Note (the “Gateway II Note) and
26 further memorialized by a Loan Agreement dated August 28, 2015. Gateway II’s obligations under

1 the Gateway II Loan are secured by a Deed of Trust and Fixture Filing (with Assignment of Rents
2 and Security Agreement)(the Gateway II Deed of Trust”) recorded on August 28, 2015, a Pledge and
3 Security Agreement dated August 28, 2015 and UCC-1 Financing Statement filed on September 3,
4 2015. Opus Bank holds a security interest and lien in Gateway II’s assets as described in the
5 Gateway II Loan Documents including, but not limited to, the Gateway II Property and Gateway II’s
6 rents, accounts receivable, cash, goods, equipment, fixtures, general intangibles, instruments, chattel
7 paper, and certain intellectual property (the “Gateway II Assets”), and all products, proceeds, rents
8 and profits of the Gateway II Assets (“Cash Collateral”). The Gateway II Loan is in default and has
9 been accelerated as of October 4, 2016 such that the entire loan balance is presently due and owing.
10 Opus has filed a proof of claim in the Gateway II case asserting amounts owed on the Gateway II
11 Loan as of the petition date of \$6,826,930.41 (including \$159,187.50 of default interest) and
12 \$7,035,561.06 (including \$275,040.63 of default interest) as of September 12, 2017 on the
13 Gateway II Note.

14 The Gateway Loan and the Gateway II Loan are cross collateralized and cross defaulted.
15 Consequently, Opus holds a secured claim in each case in the amount of the combined balance of
16 both loans. As of September 12, 2017, the secured claim of Opus in each case was \$5,694,702.19
17 +\$7,035,561.06 = \$12,730,263.25.

18 **B. Retention of Security Interests/Credit Bid Rights.** Opus shall retain its liens
19 on the Gateway Properties, and Gateway’s Assets and Cash Collateral and the Gateway II Property,
20 and Gateway II’s Assets and Cash Collateral until Opus’ Class 2 Claims secured by such Properties,
21 Assets and Cash Collateral has been paid in full. Opus shall retain its right to credit bid all or any
22 portion of its debt with respect to any sale of the Properties.

23 **C. Continued Use of Cash Collateral.** The Plan Administrator is authorized to
24 use Cash Collateral to service the operational needs of the Properties pending sale and to make
25 interest payments to Opus. The Plan Administrator shall continue to make monthly interest payments
26 at the nondefault rate to Opus until the Allowed Claims of Opus are paid in full. With the written

1 consent of Opus, the Plan Administrator may use Cash Collateral to make tenant improvements to
2 facilitate the leasing or sale of the Properties.

3 **D. Application of Opus Account Balance to Gateway Loan.** Upon the
4 Effective Date, Opus shall be entitled to apply the balance of funds held in the Opus Account to the
5 Gateway Loan in partial satisfaction of the Class 2(a) Claim.

6 **E. Payment.** The Plan Administrator shall pay the Allowed amount of the Class
7 2 Claims in full from the proceeds of the sale of the Properties. If the Properties (or either of them)
8 are not sold by April 30, 2018, the unsold Properties shall be promptly sold by the Plan
9 Administrator free and clear pursuant to §363 of the Bankruptcy Code on terms described in
10 Exhibit 1 to the Plan. Under such a sale Opus shall be the stalking horse bidder based on its credit
11 bid of such amounts which are owed on the Opus Notes as it may elect in its sole discretion to bid.

12 **F. Interest Rate and Monthly Interest Rate Payments.** The Class 2 Claims
13 shall accrue interest on the principal balances of the Gateway Note and the Gateway II Note at the
14 contract default rate of 5% per annum over the nondefault contract rate until paid in full.

15 5.4 Class 3: Secured Claims of Maxim.

16 Class 3 consists of the Secured Claims asserted by Maxim (the “Class 3 Claims”). The
17 Class 3(a) Claim is the claim of Maxim against Gateway and the Class 3(b) Claim is the claim of
18 Maxim against Gateway II. The Debtors shall pay the Class 3 Claims according to the following
19 terms:

20 **A. Description of Class 3 Claims.** In 2015, Maxim entered into two loan
21 transactions with non-debtor, third party Gateway National Corporation (“Gateway National”). On
22 September 10, 2015 it entered into an Equipment Finance Agreement with Gateway National
23 whereby Maxim loaned Gateway National the principal sum of \$750,000. Maxim further alleges that
24 on or about November 24, 2015, Gateway National executed a promissory note in favor of Maxim in
25 the principal amount of \$2,329,600. Collectively the above loans are referred to herein as the
26 “Maxim Loans.”

1 Debtors and non-debtor, third parties, Vancouver RV Park, LLC (“Vancouver RV”) and
2 DeFrees guaranteed Gateway National’s obligations to Maxim. Debtors and Vancouver RV also
3 executed certain and trust deeds in favor of Maxim regarding the Maxim Loans. By virtue of the
4 Deed of Trust, Assignments of Rents, Security Agreement and Fixture Filing (“Maxim Trust Deed”)
5 dated November 25, 2015 and the UCC-1 Financing Statement recorded on the same day, Maxim
6 asserts that it holds a third priority lien and security interest in the Properties, Debtors’ Assets and
7 Cash Collateral, junior to the Secured Claims of the Clark County Treasurer and Opus Bank. Maxim
8 filed a proof of claim in each case for the same obligation in the amount of \$3,317,139.98.

9 **B. Retention of Security Interest.** Maxim shall retain its junior liens against the
10 Properties, Assets, and Cash Collateral that secure the Class 3 Claims until the Class 3 Claims (to the
11 extent they are Allowed) have been paid in full after application of amounts received by Maxim
12 from any other collateral or source. Maxim shall retain its right to credit bid all or any portion of its
13 debt with respect to any sale of the Properties whether by the Debtor, or by the Plan Administrator.

14 **C. Continued Use of Cash Collateral.** The Plan Administrator shall be
15 authorized to use Cash Collateral to service the operational needs of the Properties pending sale and
16 to make interest payments to Opus.

17 **D. Payment.** The Plan Administrator shall pay the Allowed amount of the
18 Class 3 Claims from the proceeds of the sale of the Properties after the payment of senior secured
19 creditors. If the Properties (or either of them) are not sold by April 30, 2018, the unsold Properties
20 shall be promptly sold by the Plan Administrator free and clear pursuant to §363 of the Bankruptcy
21 Code on terms described in Exhibit 1 to the Plan. Under such a sale Opus shall be the stalking horse
22 bidder based on its credit bid that are owed on the Opus Notes of such amounts as it may elect in its
23 sole discretion to bid and Maxim shall also be free to credit bid on a junior basis to Opus such
24 amounts that are owed on the Maxim Notes as it may elect in its sole discretion to bid.

1 **E. Interest Rate and Monthly Interest Rate Payments.** The Class 3 Claims
2 shall accrue interest on the principal balances of the Maxim claims at the contract rate under the
3 Maxim loan agreement until paid in full.

4 5.5 Class 4: General Unsecured Claims.

5 Class 4 consists of all General Unsecured Claims. The Class 4(a) Claims are claims against
6 Gateway and the Class 4(b) Claims are claims against Gateway II. Filed and scheduled general
7 unsecured claims against Gateway total approximately \$9,690.00. Filed and scheduled general
8 unsecured claims against Gateway II total approximately \$18,193.25. All Allowed Class 4 Claims
9 shall be paid according to the following terms:

10 **A. Treatment of Class 4 Claims.** The Plan Administrator shall pay all Allowed
11 Class 4 Claims from the proceeds of the sales of the Properties after payment in full of the Allowed
12 Claims of all Secured Creditors and payment in full of all Administrative Expenses, provided that
13 the Plan Administrator may apply any distributions payable to Gateway National Corporation to
14 satisfy unpaid rents owed to debtor Gateway by Gateway National Corporation. In the event that
15 proceeds from the sales of the Properties do not fully satisfy the senior claims of Secured Creditors
16 and the Administrative Expenses, General Unsecured Creditors will not receive payments under the
17 Plan. The Plan Proponent and the Plan Administrator shall have the right to object to any claim
18 including General Unsecured Claims.

19 5.6 Class 5: Equity Interests.

20 Class 5 consists of the Equity Interests in the Debtors. The Holder of such Equity Interests
21 shall retain such interests following Confirmation but shall receive no distributions on account of
22 such interests unless and until all payments owing to holders of Allowed Claims described in this
23 Plan have been made.

1 **VI. CLAIMS OBJECTIONS AND TREATMENT OF DISPUTED CLAIMS**

2 6.1 Administration of Claims.

3 Except as otherwise provided for herein, each Claim shall be allowed or disallowed, as the
4 case may be, in such amount as the Court shall determine, whether prior to or following
5 Confirmation, and whether pursuant to this Plan or otherwise, upon such notice as the Bankruptcy
6 Court or Bankruptcy Rules shall permit. The Plan Administrator and any creditor shall have standing
7 to object to Claims and Administrative Expenses. Any objection to a Claim must be filed and served
8 in accordance with Bankruptcy Rule 3007 and the timeline under Local Bankruptcy Rule 3007-1(a)
9 shall apply.

10 6.2 Affirmative Claims, Defenses and Counterclaims Assigned to the Plan Administrator.

11 On the Effective Date, the Debtors shall be deemed to have assigned to the Plan
12 Administrator, and the Plan Administrator shall be deemed to have acquired and become the
13 successor to, (i) all defenses, counterclaims and setoffs, whether equitable or legal, of the Joint
14 Debtors to Claims held or asserted to be held against the Joint Debtors, or any of them, and all (ii)
15 claims of the Joint Debtors for relief against any other party.

16 6.3 No Distribution on Disputed Claims.

17 Notwithstanding any provision of the Plan specifying the time for payment of distributions to
18 holders of Claims, no payment or distribution shall be made to the holder of any Disputed Claim
19 until the time such Claim has been determined to be an Allowed Claim. Notwithstanding the
20 existence of a Disputed Claim in a Class to which a distribution under this Plan is due, such
21 distribution to other creditors shall not be affected by any delay in the resolution of the Disputed
22 Claim. Upon the allowance of any Disputed Claim, the holder shall be paid the amount that such
23 holder would have received had its Claim been an Allowed Claim on the Effective Date.

1 **VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

2 7.1 Assumption and Rejection of Executory Contracts and Unexpired Leases.

3 Pursuant to § 365(a) of the Bankruptcy Code, the Plan constitutes a motion to authorize the
4 Plan Administrator to assume and assign the unexpired leases set forth in Exhibit 2 (individually,
5 “Lease,” collectively, “Leases”) to the purchaser(s) of the Properties in conjunction with and
6 effective upon the closing of a sale of any of the Properties (“Closing”), and contingent on the
7 purchaser(s)’ request for such assignment. The Debtors are the lessors under each Lease. As of the
8 date of this Plan, none of the lessees under the Leases have filed a Proof of Claim. Debtors have
9 asserted that there are no cure payments under Section § 365(b)(1)(A) which will become due upon
10 assumption. Any party to an unexpired lease scheduled for assumption as provided in this paragraph
11 shall, within the same deadline and in the same manner established for objections to confirmation,
12 file any claim for arrearage required to be cured by § 365(b)(1) of the Bankruptcy Code and any
13 objections to the assumption. Failure to assert such arrearage or to file any objections shall constitute
14 consent to the assumption and assignment of the lease as set out herein and a conclusive
15 acknowledgment that no defaults or claims exist under said lease (on the part of the Debtor) that
16 require a cure.

17 To the extent that the Purchaser(s) do not request an assignment of one or more of the
18 Leases, those specific leases shall be deemed rejected effective upon Closing (“Rejection”). The
19 Plan Administrator shall provide notice of any such Rejection to lease counterparties. Any entity
20 holding a claim based upon the Rejection of an unexpired lease pursuant to this Section VI must file
21 a Proof of Claim with the Bankruptcy Court within thirty (30) days after Rejection if the Bankruptcy
22 Case is open at that time or submit a Proof of Claim to the Plan Administrator if the Bankruptcy
23 Case is closed at that time. Any Claim based upon the Rejection of an executory contract or
24 unexpired lease shall be a Class 5 Claim to the extent it is an Allowed Claim. The failure of any such
25 entity to submit a Proof of Claim as required herein within the specified time period will result in the
26 disallowance of such Claim.

1 **VIII. MEANS FOR EXECUTION OF THE PLAN**

2 8.1 Sale of Properties.

3 As detailed in the Plan, the Plan Administrator will sell the Properties to pay the Allowed
4 Claims of creditors free and clear pursuant to § 363 of the Bankruptcy Code. **Such sales of the**
5 **Properties shall be free from obligations to pay real estate excise tax or other obligations under**
6 **§ 1146 of the Bankruptcy Code.** Opus and Maxim shall retain their credit bid rights with respect to
7 any such sales. The Plan provides for payment of Allowed Unsecured Claims only if the Allowed
8 Secured Claims are paid in full. The Plan Administrator shall execute a noncontingent, purchase and
9 sale agreement with a credit-worthy buyer for each of the Properties on or before February 28, 2018.
10 If the Properties are not under contract with a noncontingent, purchase and sale agreement with a
11 credit-worthy buyer by February 28, 2018, the Properties that are not under such contract shall be
12 sold free and clear pursuant to §363 of the Bankruptcy Code on terms described in Exhibit 1 to the
13 Plan. Under such a sale, Opus shall be the stalking horse bidder based on its credit bid of the
14 amounts it is owed on the Opus Notes, in such amounts as it may elect in its sole discretion. The
15 Plan Administrator shall close the sale of the Properties on or before April 30, 2018. If the sales of
16 the Properties (or either of them) are not closed by April 30, 2018, the unsold Properties shall be sold
17 free and clear pursuant to §363 of the Bankruptcy Code on terms described in Exhibit 1 to the Plan.
18 **Such sale of the Properties shall be free from obligations to pay real estate excise tax or other**
19 **obligations under § 1146 of the Bankruptcy Code.** Under such a sale, Opus shall be the stalking
20 horse bidder based on its credit bid of the amounts it is owed on the Opus Notes, in such amounts as
21 it may elect in its sole discretion.

22 8.2 Corporate Existence and Vesting of Assets.

23 Each of the Reorganized Debtors shall continue to exist in accordance with the laws of the
24 State of Washington and pursuant to their respective Operating Agreements. Except as otherwise
25 provided in this Plan, on and after the Effective Date, all assets of the respective Estates shall be
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1 vested in the respective Reorganized Debtors in accordance with 11 U.S.C. § 1141, under the control
2 of the Plan Administrator.

3 KM shall continue to manage the Debtors' Properties through the collection of rents and
4 maintenance of accounts that contain such rents until the Properties are sold. The bankruptcy cases
5 shall remain open until the Plan Administrator files applications to close the case(s).

6 IX. MISCELLANEOUS PROVISIONS

7 9.1 Waiver of Avoidance Actions.

8 Notwithstanding any provision to the contrary in this Plan, all rights, claims and causes of
9 action, whether equitable or legal, of the Debtors, Debtors-in-Possession or the Reorganized Debtors
10 against all persons arising under §§ 544, 545, 547, 548 and 549 of the Bankruptcy Code, or under
11 any other applicable non-bankruptcy law for the recovery of avoidable fraudulent conveyances or
12 other transfers, are waived.

13 9.2 Unnegotiated Distribution Checks.

14 Pursuant to § 347(b) of the Bankruptcy Code, ninety (90) days after any distribution by the
15 Plan Administrator provided for herein, the Plan Administrator shall stop payment on any such
16 check remaining unpaid to a holder of an Allowed Claim and funds shall be returned to the Plan
17 Administrator. From and after the date the Plan Administrator stops payment on any distribution
18 check pursuant to this paragraph, the holder of the claim on account of which such check was issued
19 shall be entitled to receive no further distributions on account of his claim and such holder's
20 Allowed Claim shall thereupon be deemed satisfied in full.

21 9.3 Mailing List; Returned Distribution Checks.

22 The official listing of creditor identities and mailing addresses (the "Official Mailing List") is
23 maintained by the Clerk of the Bankruptcy Court, United States Bankruptcy Court, 1717 Pacific
24 Ave., #2100, Tacoma, WA 98402-3233. It shall be the obligation of each creditor and/or party-in-
25 interest to assure that the Official Mailing List is current and accurate as to each such person or
26 entity. In the event that a distribution check, that has been properly posted to the creditor's address

1 as set forth in the Official Mailing List, is returned as undeliverable by the United States Postal
2 Service, the Plan Administrator shall be authorized, but not required, to void such check with the
3 applicable funds becoming unencumbered funds subject to distribution as otherwise provided for
4 pursuant to this Plan, and deem the Claim of such creditor to be satisfied in full.

5 9.4 Administrative Claims Bar Date.

6 The deadline for submission of all claims entitled to priority pursuant to §§ 507(a)(1), (a)(2)
7 and (b) of the Bankruptcy Code incurred prior to Confirmation shall be thirty (30) days following
8 date upon which the Confirmation Order becomes a Final Order. Failure to file a claim by this date
9 shall conclusively bar the claimant from asserting its claim, which claim shall be deemed disallowed
10 and forever discharged.

11 9.5 Employment of Professional Persons.

12 The Plan Administrator shall be authorized to employ and compensate Professional Persons
13 following Confirmation upon such terms as the Plan Administrator deems reasonable and
14 appropriate without further order of the Court, provided that the compensation for such Professional
15 Persons may not be paid from the proceeds of the Properties, Assets and Cash Collateral absent the
16 express written consent of Opus.

17 9.6 Payments Shall Be Timely.

18 The Plan Administrator shall timely make all payments required under this Plan. Without
19 limiting the generality of the foregoing, the Plan Administrator shall be responsible for the timely
20 payment of quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6) following confirmation of the
21 Plan until the case is closed. After confirmation of the Plan, the Plan Administrator shall serve on the
22 U.S. Trustee a quarterly a financial report for each quarter (or portion thereof) the case remains
23 open. The quarterly financial report shall include a statement of all disbursements made during the
24 course of the quarter, whether or not pursuant to the Plan.

1 9.7 Stay of Confirmation Order Shall Not Apply.

2 The stay of enforceability of the order of Confirmation pursuant to Bankruptcy Rule 3020(e)
3 shall not apply, and the order of Confirmation shall be enforceable according to its terms
4 immediately upon entry absent further order of the Court.

5 9.8 Event of Default; Consequence of Default.

6 An event of default shall occur if the Plan Administrator shall fail to comply with a material
7 provision of this Plan. In such an event, the party alleging such default shall provide written notice
8 of the alleged default to the Plan Administrator and the attorneys for the Plan Administrator and
9 Opus and the attorneys for Opus.

10 To be effective, any notice of default must (a) conspicuously state that it is a notice of
11 default; (b) describe with particularity the nature of the default, including a reference to the specific
12 provision(s) of the Plan as to which a default or defaults is alleged to have occurred; and (c) describe
13 any action the party believes is required to cure the default, including the exact amount of any
14 payment required to cure such default, if applicable. An event of default occurring with respect to
15 one Claim shall not be an event of default with respect to any other Claim. If, after fifteen (15) days
16 following the receipt of the notice of default, the Plan Administrator and such party have been
17 unable to resolve, or the Plan Administrator has been unable to cure, the asserted default, such party
18 may proceed with any remedies available to it under applicable law, provided that nothing herein
19 shall limit or affect the Plan Administrator's' right to seek appropriate relief from any court of
20 competent jurisdiction.

21 9.9 Right to Revoke.

22 Opus reserves the right to revoke or withdraw the Plan at any time prior to Confirmation.

23 9.10 Effect of Withdrawal or Revocation.

24 If Opus revokes or withdraws the Plan prior to Confirmation, then the Plan shall be deemed
25 null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or
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1 release of any claims against the Debtors or any other Entity or to prejudice in any manner the rights
2 of Opus in any further proceeding involving the Debtors.

3 **X. SATISFACTION OF INDEBTEDNESS AND DISCHARGE OF CLAIMS**

4 The distribution made to the various classes of creditors and equity security holders as
5 provided for in this Plan shall be in full and complete satisfaction of their Allowed Claims and
6 Allowed Interests.

7 **XI. MODIFICATIONS OF THE PLAN**

8 Pursuant to and consistent with the provisions of §§ 1127(b) and (e) of the Bankruptcy Code
9 and Bankruptcy Rule 3019, Opus reserves the right to modify or alter the provisions of the Plan at
10 any time prior to Confirmation.

11 **XII. RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT**

12 Notwithstanding Confirmation, until entry of a final decree, the Bankruptcy Court shall retain
13 jurisdiction to ensure that the purposes and intent of the Plan are carried out. Without limiting the
14 generality of the foregoing, the Court shall retain jurisdiction for the following purposes:

15 12.1 Fixing and allowing any Claim as a cost and expense of the administration of the
16 Reorganization Case;

17 12.2 Hearing and determining objections to a Claim or determining the validity, priority or
18 extent of any claim or claim of lien. The failure of any party to object to, or to examine any claim for
19 the purpose of voting, shall not be deemed to be a waiver of the right to object to, or re-examine any
20 claim in whole or in part;

21 12.3 Adjudicating adversary proceedings and contested matters pending or hereafter
22 commenced in the Bankruptcy Case;

23 12.4 Hearing and determining all causes of action, controversies, disputes, or conflicts
24 between or among the Debtors and any other party, including those that were pending prior to
25 Confirmation;

1 12.5 Hearing and determining all questions and disputes regarding title to any property of
2 the Debtors or the Estate;

3 12.6 Correcting any defect, curing any omission, or reconciling any inconsistency in the
4 Plan or the Order of Confirmation as may be necessary to carry out the purpose and intent of the
5 Plan;

6 12.7 Hearing and determining any action brought by the Plan Administrator to protect the
7 Estate;

8 12.8 Issuing any order necessary to implement the Plan or Order of Confirmation,
9 including, without limitation, such declaratory and injunctive orders as are appropriate to protect the
10 Estate and the Reorganized Debtors from actions of creditors, or other parties;

11 12.9 Hearing and determining any dispute relating to the terms or implementation of the
12 Plan or Order of Confirmation, or to the rights or obligations of any parties-in-interest with respect
13 thereto;

14 12.10 The modification of the Plan after Confirmation pursuant to the Bankruptcy Rules
15 and the Bankruptcy Code in accordance with this Plan;

16 12.11 Hearing and determining any action brought by the Debtors or the Debtors-in-
17 Possession seeking to avoid any transfer of an interest of the Debtors in , or any obligation incurred
18 by Debtors, that is avoidable pursuant to applicable law; and

19 12.12 Hearing and determining any motion by the Debtors for sale of any property of the
20 Estate.

21 **XIII. ENTRY OF CLOSING ORDER BY THE BANKRUPTCY COURT**

22 The Bankruptcy Court shall enter an order concluding and terminating the Reorganization
23 Case upon application of the Plan Administrator.

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Respectfully submitted this 27th day of November, 2017.

OPUS BANK

By: /s/ David McDermott
David McDermott, First Vice President

K&L GATES LLP

By: /s/ Michael J. Gearin
Michael J. Gearin, WSBA #20982
Attorneys for Opus Bank