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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In Re:

DEXTER DISTRIBUTING
CORPORATION, ET AL.

Debtors.

In Proceedings Under Chapter 11

(Jointly Administered)

Case No. 2:03-BK-03546-RJH

This Filing Applies to:

- All Debtors
- Specified Debtors

**JOINT PLAN OF REORGANIZATION
PROPOSED BY DEBTORS, ANMP,
OFFICIAL COMMITTEE OF
UNSECURED CREDITORS AND
MARK A. FRANKS DATED AUGUST
15, 2008**

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ARTICLE I

INTRODUCTION

ALL CREDITORS ARE ENCOURAGED TO CONSULT THE ACCOMPANYING DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. AMONG OTHER THINGS, THE DISCLOSURE STATEMENT CONTAINS DISCUSSIONS OF DEXTER DISTRIBUTING CORPORATION, NEW CASTLE MEGASTORE CORP., 1113 PROGRESS DRIVE, MEDFORD, LLC, AND CASTLE REALTY CORPORATION, THE HISTORICAL BACKGROUND OF THE CHAPTER 11 CASES AND THE PRE-PETITION PERIOD, THE PROJECTIONS GERMANE TO THE PLAN, AND A SUMMARY AND ANALYSIS OF THE PLAN. NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT AND RELATED MATERIALS TRANSMITTED THEREWITH, HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT OR BY THE BANKRUPTCY CODE FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THE PLAN.

ARTICLE II

DEFINITIONS

For purposes of the Plan, and except as expressly provided otherwise herein or unless the context otherwise requires, all of the capitalized terms not otherwise defined will have the meanings hereinafter stated. For purposes of the Plan and such defined terms, the singular and plural uses of such defined terms and the conjunctive and disjunctive uses thereof will be fungible and interchangeable (unless the context otherwise requires); and the defined terms will include masculine, feminine, and neuter genders. Any term used in this Plan that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules. The defined terms stated in Article II also are substantive terms of the Plan; and Article II will be deemed incorporated throughout the rest of the Plan to apply the substantive provisions included in the defined terms. Accordingly, the defined terms are as follows:

2.1 2003 Cases. This term will refer to any and/or all of the jointly administered Chapter 11 cases identified in Schedule 1 to this Plan.

2.2 2004 Plan. This term will refer to the plan of reorganization that was confirmed by the Bankruptcy Court's order (DE 745) on February 4, 2004 in the 2003 Cases.

2.3 Acquired Assets. This term will refer to all of the Debtors' assets, including without limitation, (i) all of the Estates' Assets; (ii) all assets listed in the Debtors' Schedules; (iii) all business licenses; (iv) all intellectual property, including trademarks, trade names, copyrights, and service marks; (v) all personal property located on or at the ANMP Collateral and Leased Properties; (v) all of the Debtors' Cash; (vii) all of the Debtors' rights, title and interest in the Leased Properties and Assumed Unexpired Real Property Leases; (viii) the Debtors' operations at the ANMP Collateral and Leased Properties; and (ix) Acquired Avoidance Actions and Acquired Litigation Claims. This term specifically excludes all of the Excluded Assets.

1 **2.4 Acquired Avoidance Actions.** This term will refer to all statutory causes
2 of actions under the Bankruptcy Code, including but not limited to §§ 506, 510, 542, 543,
3 544, 547, 548, 549, 550 and 1123(b), that the Debtors and their Estates may have against
4 Franks, Brett Frederick, Dave Hopkins, Stan Chernoff, Lyman Davis, James Spear, Jim
5 Sell, ANMP and/or Debtor's Professionals.

6 **2.5 Acquired Litigation Claims.** This term will refer to all rights, claims, torts,
7 liens, liabilities, obligations, actions, causes of action, avoiding powers, proceedings,
8 debts, contracts, judgments, offsets, damages and demands whatsoever in law or in equity,
9 whether known or unknown, contingent or otherwise, including, without limitations, any
10 legal malpractice claims or breach of fiduciary duty claims, that the Debtors and their
11 Estates may have against Franks, Brett Frederick, Dave Hopkins, Stan Chernoff, Lyman
12 Davis, James Spear, Jim Sell, ANMP and/or Debtor's Professionals.

13 **2.6 Administrative Claim or Claims.** This term will refer to and mean a
14 Claim for any cost or expense of administration of the Chapter 11 Cases allowed under
15 §§503(b), 507(b) or 546(c)(2) of the Bankruptcy Code and entitled to priority under
16 §507(a)(1) of the Bankruptcy Code.

17 **2.7 Administrative Claim Bar Date.** This term will refer to February 29,
18 2008. The Administrative Claim Bar Date does not apply to trade claims of vendors for
19 ordinary course business expenses.

20 **2.8 Allowed Claim.** This term will refer to and mean every Claim against the
21 Debtors: (a)(i) as to which a proof of such Claim has been filed within the time fixed by
22 the Bankruptcy Court or, if such Claim arises from the rejection of an Executory Contract,
23 on or before the first Business Day which is the earlier of thirty (30) days after the entry of
24 the order rejecting the Executory Contract or thirty (30) days after the Confirmation Date,
25 or (ii) which the Debtors have scheduled as liquidated in amount and undisputed; and in
26 either event: (b)(i) as to which no objection to the allowance of such Claim has been filed
within any applicable time period fixed by the Bankruptcy Court, or (ii) as to which the
order allowing such Claim has become final and non-appealable without any appeal,
review, or other challenge of any kind to that order having been taken or being still timely.
If any Claim or the Creditor holding such Claim is subject to any defense, set off,
counterclaim, recoupment, or other adverse claim of any kind of the Debtors, that Claim
will be deemed a Disputed Claim; and it will not become an Allowed Claim unless and
until all such matters are resolved or adjudicated fully and finally, with all appellate rights
and remedies having been exhausted. The term "Allowed," when used to modify a
reference in the Plan to any Claim or Class of Claims shall mean a Claim (or any Claim in
such Class) that is allowed, pursuant to the requirements of this definition.

2.9 ANMP. This term will refer to American National Mortgage Partners, a
secured creditor of the Debtors.

2.10 ANMP Collateral. This term will refer to the land and improvements
thereon identified on Schedule 2 to this Plan, excluding the Debtors' businesses,
operations and any personal property of Debtors on the land. For purposes of this Plan,
the ANMP Collateral also includes the proceeds from the sale of a portion of the property
known as I-17/Dunlap in the amount of approximately \$337,873.47, net of any sums
required to satisfy property taxes relating to the I-17/Dunlap property.

1 **2.11 ANMP Collateral Appraised Value.** This term will refer to the aggregate
2 value of the ANMP Collateral as reflected in the appraisals obtained by the Debtors,
which value is summarized in Schedule 3 to this Plan.

3 **2.12 ANMP Collateral Equity Value.** This term will refer to the difference
4 between the ANMP Collateral Gross Value and the amount of the Permitted Liens.

5 **2.13 ANMP Collateral Gross Value.** This term will refer to the ANMP
6 Collateral Appraised Value or the value of the ANMP Collateral as determined by the
7 Bankruptcy Court at the Valuation Hearing.

8 **2.14 [Intentionally Omitted]**

9 **2.15 ANMP Leases.** This term will refer to those certain real property lease
10 agreements with respect to the ANMP Collateral that are identified in Schedule 4 to this
11 Plan. The ANMP Leases shall be for an initial term of five years and contain four five-
12 year options to extend.

13 **2.16 ANMP Claim.** This term will refer to the claim of ANMP that will be
14 classified and paid under the Plan as the Plan provides for Class 3 Claims. The Plan
15 Proponents have agreed that for purposes of the Plan, the ANMP Allowed Claim shall be
16 \$13,866,024.00.

17 **2.17 Assumed Administrative Claim.** This term will refer to and mean a Claim
18 for any cost or expense of administration of the Chapter 11 Cases allowed under §§
19 503(b), 507(b) or 546(c)(2) of the Bankruptcy Code and entitled to priority under §
20 507(a)(1) of the Bankruptcy Code, including but not limited to: (a) all post-petition
21 accounts payable of the Debtors and (b) all fees and costs of Debtors' Professionals
22 approved by the Bankruptcy Court pursuant to interim and final allowances in accordance
with Bankruptcy Code §§ 330, 331, and 503(b).

23 **2.18 Assumed Executory Contract or Contracts.** This term will refer to and
24 mean every unexpired lease and other contract that is being assumed under 11 U.S.C.
§ 365 pursuant to this Plan that are identified on Schedule 5 to this Plan.

25 **2.19 Assumed Liabilities.** This term will refer to all of the Debtors' liabilities
26 that will be assumed by Newco pursuant to the terms of this Plan and that are more
specifically identified in Schedule 6 to this Plan.

2.20 Assumed Unexpired Real Property Leases. This term will refer to the
unexpired real property leases on the Leased Properties that are more specifically
identified in Schedule 7 to this Plan that are being assumed by Newco pursuant to this
Plan.

2.21 Assumed Unsecured Claim. This term will refer to the Franks Claim that
are being assumed by Newco pursuant to this Plan.

2.22 Assumption and Payment Agreement. This term will refer to the
Assumption and Payment Agreement by and between the Debtor's Professionals, Franks
and Newco that is attached hereto as Schedule 8 to this Plan.

1 **2.23 Ballot**. This term will refer to and mean the ballot for accepting or rejecting
the Plan which will be distributed to Creditors entitled to vote on the Plan.

2 **2.24 Bankruptcy Code**. This term will refer to and mean Title 11 of the United
3 States Code, 11 U.S.C. §§101, *et seq.*, as it may be amended from time to time during the
4 Chapter 11 Cases, and applicable portions of Title 18 and 28 of the United States Code, as
amended.

5 **2.25 Bankruptcy Court or Court**. These terms are completely synonymous and
interchangeable, and will refer to and mean the United States Bankruptcy Court for the
6 District of Arizona, or such other court which exercises jurisdiction over part or all of the
7 Estates, including the United States District Court for the District of Arizona to the extent
that the reference of part or all of the Chapter 11 Cases are withdrawn.

8 **2.26 Bankruptcy Estates or Estates**. This term will refer to and mean the
Estates created pursuant to 11 U.S.C. §541 when the Debtors filed their Chapter 11 Cases.

9 **2.27 Bankruptcy Rules**. This term will refer to and mean the Federal Rules of
10 Bankruptcy Procedure.

11 **2.28 Bar Date**. This term will refer to and mean the last day for filing proofs of
claims, which (except as to Castle Realty) is June 20, 2007, the date previously set by the
12 Bankruptcy Court, or shall be the date set by the Bankruptcy Court with respect to Castle
13 Realty. All Creditors (except Creditors with Administrative Claims that arise after the
Administrative Claim Bar Date, and Creditors holding Claims from the rejection of
14 unexpired leases or Executory Contracts) must have filed proofs of claim by the Bar Date,
or their Claim shall be forever barred and discharged.

15 **2.29 Business Day**. This term will refer to and mean every day except
Saturdays, Sundays, and legal holidays, as defined in Federal Rule of Bankruptcy
16 Procedure 9006.

17 **2.30 Cash**. This term will refer to and mean cash, cash equivalents, bank
deposits, and negotiable instruments payable on demand.

18 **2.31 Causes of Action**. This term will refer to and mean the Retained Avoidance
19 Actions and Retained Litigation Claims, collectively.

20 **2.32 Chapter 11 Cases**. This term will refer to and mean the Chapter 11 cases
commenced by the Debtors currently pending in the Bankruptcy Court at Case Nos. 2:07-
21 bk-01017-RJH, 2:07-bk-01018-RJH, 2:07-bk-01019-RJH and 2:08-bk-05785-RJH.

22 **2.33 Claim or Claims**. This term will refer to and mean “claim” as defined in
Bankruptcy Code §101(5).

23 **2.34 Class or Classes**. This term will refer to and mean each of the
24 classifications of Claims and Equity Interests as described in Article III of the Plan.

25 **2.35 Confirmation Date**. This term will refer to and mean the date on which the
Bankruptcy Court enters the Confirmation Order.

1 **2.36 Confirmation Hearing.** This term will refer to and mean the hearing
2 regarding confirmation of the Plan conducted pursuant to Bankruptcy Code § 1128, as
adjourned or continued from time to time.

3 **2.37 Confirmation Order.** This term will refer to and mean the order entered by
4 the Bankruptcy Court which confirms the Plan pursuant to Bankruptcy Code § 1129.

5 **2.38 Creditor or Creditors.** This term will refer to and mean “creditor” as
6 defined in Bankruptcy Code §101(10).

7 **2.39 Creditors Committee.** This term will refer to and mean the Official
8 Committee of Unsecured Creditors of the Debtors, which the United States Trustee
9 appoints or has appointed pursuant to Bankruptcy Code § 1102(a)(1).

10 **2.40 Debtors.** This term will refer to and mean together Dexter Distributing
11 Corporation, an Arizona corporation, New Castle Megastore Corp., an Arizona
12 corporation, 1113 Progress Drive, Medford, LLC, an Arizona limited liability company,
13 Castle Realty Corporation, an Arizona corporation, Real Estate Holding Corporation, an
14 Arizona corporation, and all of the debtors in the 2003 Cases, in all of their capacities,
15 including, but not limited to: (a) their ordinary business capacities as Arizona corporations
16 and Arizona limited liability company, respectively; and (b) their capacities as the
17 Debtors-In-Possession.

18 **2.41 Debtors’ Professionals.** This term will refer to and mean the law firm of
19 Stinson Morrison Hecker L.L.P. in its capacity as the Debtors’ bankruptcy counsel.

20 **2.42 Debtors’ Schedules.** This term will refer to the Debtors’ Schedules of
21 Assets and Liabilities that Debtors filed in the Chapter 11 Cases or the 2003 Cases.

22 **2.43 Disclosure Statement.** This term will refer to and mean the Disclosure
23 Statement prepared by the Debtors, ANMP, the Creditors Committee and Franks with
24 respect to the Plan, and approved by the Bankruptcy Court, including, but not limited to,
25 any modification(s) and additional disclosure(s) (if any) provided by the Debtors to
26 comply with Bankruptcy Code § 1127(c).

2.44 Disputed Claim. This term will refer to and mean every Claim which is not
an Allowed Claim.

2.45 Effective Date. This term will refer to and mean the earlier of the sixtieth
(60) day after the Confirmation Order has become a Final Order or December 31, 2008,
provided that all of the conditions set forth in Section 13.1 of this Plan have been satisfied.

2.46 Equity Interests. This term will refer to and mean all equity, stock, or
claims subordinated under Bankruptcy Code § 510(b) relating to the Debtors.

2.47 Estates’ Assets. This term will refer to and mean the property of the
Bankruptcy Estates as that term is defined in Bankruptcy Code § 541.

2.48 Excluded Assets. This term will refer to (i) the ANMP Collateral, (ii)
Retained Avoidance Actions, (iii) Retained Litigation Claims, and (iv) all other assets that
are not Acquired Assets.

1 **2.49 Final Order.** This term will refer to and mean an order of judgment of the
2 Bankruptcy Court which shall not have been reversed, stayed, modified, or amended and
3 the time to appeal from, or to seek review or rehearing of, shall have expired as to which
4 no appeal or petition for review or rehearing is pending, or if appealed from, shall have
been affirmed and no further hearing, appeal, or petition for review can be taken or
granted, or as to which no stay has been entered to affect the operative provisions of such
order of judgment.

5 **2.50 Franks.** This term will refer to Mark A. Franks, the president of New
6 Castle Megastore Corp. and a current equity holder in New Castle Megastore Corp.

7 **2.51 Franks Claim.** This term will refer to any and all liabilities, obligations,
8 claims, demands, causes of action, offsets, damages, costs, expenses or losses, including
attorneys' fees and costs, whether known or unknown, which Franks now has, may have
or will have against the Debtors.

9 **2.52 Leased Properties.** This term will refer to the six (6) real properties
10 identified on Schedule 9 that are leased by the Debtors, as lessee, from unaffiliated third
parties.

11 **2.53 Liquidating Agent.** This term will refer to and mean the entity or
12 individual, as appointed by the Bankruptcy Court pursuant to the Confirmation Order, to
be vested with the authority pursuant to this Plan and the Liquidating Trust, or such other
13 person who shall be appointed by the Bankruptcy Court.

14 **2.54 Liquidating Trust.** This term will refer to and mean the liquidating trust
that is created and governed by the Liquidating Trust Agreement.

15 **2.55 Liquidating Trust Agreement.** This term will refer to and mean the
16 Liquidating Trust Agreement that is attached as Schedule 10 to this Plan.

17 **2.56 Loan Documents.** This term will mean the loan documents between the
18 holders of the Permitted Liens and the Debtors that created, evidence and secure the
Permitted Liens.

19 **2.57 Modified Loan Documents.** This term will mean the Loan Documents as
modified or amended by this Plan.

20 **2.58 Newco.** This term will refer to an entity who pays the Purchase Price,
21 acquires the Acquired Assets and assumes the Assumed Liabilities. Prior to the Effective
22 date, Newco will be an entity that is 100% owned by Franks or such other entity as may
be approved by ANMP. Further information with respect to Newco is included in part 3
of Exhibit 5 to the Disclosure Statement.

23 **2.59 Permitted Lien or Liens.** This term will refer to the aggregate amount of
24 liens that currently encumber the ANMP Collateral, other than the liens of ANMP, that
are more specifically identified in Schedule 11 to this Plan.

25 **2.60 Permitted Liens Claim or Claims.** This term will refer to the holders of
26 the Permitted Liens that will be classified and paid under the Plan as the Plan provides for
Class 4 Claims.

1 **2.61 Person.** This term will refer to and mean “person” as defined in Bankruptcy
Code § 101(41).

2 **2.62 Petition Date.** This term will refer to and mean March 9, 2007, the date the
3 voluntary Chapter 11 petitions of the Debtors, except for Castle Realty Corporation, were
filed.

4 **2.63 Petition Date—Castle Realty Corporation.** This term will refer to and
5 mean May 19, 2008, the date that Castle Realty Corporation’s voluntary Chapter 11
petition was filed.

6 **2.64 Plan.** This term will refer to and mean the “Plan Of Reorganization
7 Proposed By Debtors, ANMP, the Official Committee of Unsecured Creditors and Mark
A. Franks dated August 15, 2008” and every modification thereof, if any, filed by the Plan
8 Proponents.

9 **2.65 Plan Documents.** This term will refer to this Plan, the Disclosure
10 Statement, the ANMP Leases, the Assumption and Payment Agreement, the Liquidating
Trust, the Modified Loan Documents, and any other related documents.

11 **2.66 Plan Proponents.** This term will refer to the Debtors, ANMP, the Creditors
Committee and Franks.

12 **2.67 Post-Confirmation Litigation.** This term will refer to and mean the
13 prosecution of any of the Causes of Action transferred to the Liquidation Trust by the
Liquidating Agent on behalf of the Liquidating Trust.

14 **2.68 Priority Tax Claims.** This term will refer to the priority tax claims that
15 will be classified and paid under the Plan as the Plan provides for Class 2 Claims.

16 **2.69 Priority Non Tax Claim.** This term will refer to and mean every
17 Unsecured Claim or portion thereof which is not an Administrative Claim, and which is
entitled to priority under the applicable provision(s) of Bankruptcy Code §507 and that
will be classified and paid under the Plan as the Plan provides for Class 1 Claims.

18 **2.70 Professional Fees.** This term will refer to and mean any of the interim and
19 final professional fees and expenses charged by the Debtors’ Professionals.

20 **2.71 Pro Rata.** This term will refer to and mean the proportion that an Allowed
Claim in a particular Class bears to the total amount of all Allowed Claims in that Class.

21 **2.72 Purchase Price.** This term will refer to the purchase price in the amount of
22 Eight Hundred Thousand and No/100 Dollars (\$800,000.00) on the Effective Date, plus
One Million Seven Hundred Thousand and No/100 Dollars (\$1,700,000.00) paid over five
23 (5) years, plus the assumption of the Assumed Liabilities that is due from Newco to
24 Debtors for the acquisition of the Acquired Assets as more fully set forth in Section 5.2 of
this Plan.

25 **2.73 Rejected Executory Contract or Contracts.** This term will refer to and
26 mean every unexpired lease and other contract which is not an Assumed Executory
Contract.

1 **2.74 Retained Avoidance Actions.** All statutory causes of actions preserved for
2 the Debtors' Estates under §§ 506, 510, 542, 543, 544, 547, 548, 549, 550 and 1123(b) of
3 the Bankruptcy Code, except for the Assumed Avoidance Actions. Failure to list a
4 Retained Avoidance Action in the Plan or the Disclosure Statement does not constitute a
5 waiver or release by the Debtors or the Liquidating Agent of such Retained Avoidance
6 Action.

7 **2.75 Retained Litigation Claims.** This term will refer to and mean all rights,
8 claims, torts, liens, liabilities, obligations, actions, causes of action, avoiding powers,
9 proceedings, debts, contracts, judgments, offsets, damages and demands whatsoever in
10 law or in equity, whether known or unknown, contingent or otherwise, including, without
11 limitations, any legal malpractice claims or breach of fiduciary duty claims, that the
12 Debtors and their Estates may have against any Person. Retained Litigation Claims shall
13 not include the Acquired Avoidance Actions nor Acquired Litigation Claims. Failure to
14 list a Retained Litigation Claim in the Plan or the Disclosure Statement does not constitute
15 a waiver or release by the Debtors or the Liquidating Agent of such Retained Litigation
16 Claim.

17 **2.76 Rules of Construction.** Wherever from the context it appears appropriate,
18 each term stated in either the singular or the plural shall include the singular and the
19 plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the
20 masculine, the feminine, and the neuter. The words "herein," "hereof," "hereto,"
21 "hereunder," and others of similar import refer to the Plan as a whole and not to any
22 particular section, subsection, or clause contained in the Plan. Unless otherwise specified,
23 all section, schedule, or exhibit references in the Plan are to the respective section in,
24 schedule to, or exhibit to the Plan. The headings in the Plan are for convenience of
25 reference only and shall not limit or otherwise affect the provisions of the Plan. The
26 Rules of Construction contained in § 102 of the Bankruptcy Code shall apply to the
construction of the Plan.

2.77 Secured Claim. This term will refer to and mean every Claim or portion
thereof which is secured by a lien, security interest, or assignment encumbering property
(including all types of real property, personal property, and cash collateral) in which the
Debtors have an interest, to the extent of the validity, perfection, and enforceability of the
claimed lien, security interest, or assignment and the value of the interest of the Creditor
holding the Secured Claim against the property.

2.78 Secured Creditor. This term will refer to and mean every Creditor who
holds a Secured Claim against the Debtors.

2.79 Secured Tax Claim. This term will refer to and mean every Claim of any
state or local governmental unit which is secured by property of the Estates by operation
of applicable non-bankruptcy laws, including, but not limited to, every such Claim for
unpaid real property taxes, unpaid personal property taxes, or unpaid sales taxes or leasing
taxes, and further including, but not limited to, any and all pre-petition date secured tax
claims and the post-effective date secured tax claims.

2.80 Unassumed Administrative Claim. This term will refer to and mean a
Claim, other than an Assumed Administrative Claim, for any cost or expense of
administration of the Chapter 11 Cases allowed under §§ 503(b), 507(b) or 546(c)(2) of
the Bankruptcy Code and entitled to priority under § 507(a)(1) of the Bankruptcy Code,

1 including but not limited to: (a) all actual and necessary post-petition expenses of
2 maintaining and preserving the Estates; (b) all actual and necessary post-petition expenses
3 of operating the Debtors; (c) all fees and costs approved by the Bankruptcy Court pursuant
4 to interim and final allowances in accordance with Bankruptcy Code §§ 330, 331, and
5 503(b); and (e) all fees and charges assessed against the Estates under Chapter 123 of
6 Title 28, United States Code.

7 **2.81 Unassumed Unexpired Real Property Leases.** This term will refer to the
8 unexpired real property leases on the Leased Properties that are more specifically
9 identified in Schedule 12 to this Plan that are being rejected by the Debtors pursuant to
10 this Plan.

11 **2.82 Unassumed Unsecured Claim or Claims.** This term will refer to and
12 mean every general unsecured Claim or portion thereof, regardless of the priority of such
13 Claim, which is not an Assumed or Unassumed Administrative Claim, Permitted Liens
14 Claim, ANMP Claim, Priority Tax Claim, Priority Non Tax Claim, Secured Claim,
15 Secured Tax Claim, or Assumed Unsecured Claim.

16 **2.83 Unassumed Unsecured Creditor.** This term will refer to and mean every
17 Creditor which holds an Unsecured Claim in this Bankruptcy Case.

18 **2.84 Valuation Hearing.** This term will refer to the valuation proceeding, if
19 necessary, prior to or at the Confirmation Hearing as more fully set forth in Article IV of
20 this Plan.

21 **ARTICLE III**

22 **CLASSIFICATION OF CLAIMS**

23 **3.1 General.** Pursuant to this Plan and in accordance with § 1123(a)(1) of the
24 Bankruptcy Code, all Claims and Equity Interests (except Administrative Claims) are
25 placed in the Classes described below. A Claim or Equity Interest is classified in a
26 particular Class only to the extent that the Claim or Equity Interest qualifies within the
description of that Class and is classified in other Classes only to the extent that any
remainder of the Claim or Equity Interest qualifies within the description of such other
Classes. A Claim is also classified in a particular Class only to the extent that such Claim
has not been paid, released, or otherwise satisfied prior to the Effective Date. As of the
Confirmation Hearing, any Class of Claims which does not contain any Creditor's Claim
will be deemed deleted automatically from the Plan; and any Class of Claims which does
not contain an Allowed Claim (or a Claim temporarily or provisionally allowed by the
Bankruptcy Court for voting purposes) will be deemed deleted automatically from the
Plan with respect to the voting on confirmation of the Plan.

27 **3.2 Classification.**

28 **3.2.1 Unclassified: Assumed Administrative Claims.** The Assumed
29 Administrative Claims will be all of the Debtors' Professionals Allowed
30 Administrative Claims.

31 **3.2.2 Unclassified: Unassumed Administrative Claims.** The Unassumed
32 Administrative Claims will be all of other Administrative Claims.

1 **3.2.3 Class 1: Priority Non Tax Claims.** The Class 1 Claims will be all
2 Claims that are entitled to priority under §§ 507(a)(4), (a)(5) and (a)(7) of the
3 Bankruptcy Code. **Impaired.**

4 **3.2.4 Class 2: Priority Tax Claims.** The Class 2 Claims will be all
5 Claims which are entitled to priority under §§507(a)(8) and (c) of the Bankruptcy
6 Code. **Impaired.**

7 **3.2.5 Class 3: ANMP Claim.** The Class 3 Claims will be all Claims
8 which comprise the ANMP Claim. **Impaired.**

9 **3.2.6 Class 4: Permitted Liens Claims.** The Class 4 Claims will be all
10 Claims which comprise the Permitted Liens Claims. Each holder of a Permitted Liens
11 Claim in Class 4 is considered to be in its own separate subclass within Class 4, and
12 each subclass is deemed to be a separate Class for purposes of the Plan. **Impaired.**

13 **3.2.7 Class 5: Miscellaneous Secured Claims.** The Class 5 Claims will
14 be all Secured Claims and Secured Tax Claims which are not otherwise classified
15 herein. Each holder of a Secured Claim in Class 5 is considered to be in its own
16 separate subclass within Class 5, and each subclass is deemed to be a separate Class
17 for purposes of the Plan. **Impaired.**

18 **3.2.8 Class 6: Assumed Unsecured Claim.** The Class 6 Claims will be
19 all Claims which are Assumed Unsecured Claims whose liabilities are assumed by
20 Newco pursuant to the Plan. **Impaired.**

21 **3.2.9 Class 7: Unassumed Unsecured Claims.** The Class 7 Claims will
22 be all Claims which are Unassumed Unsecured Claims whose liabilities are not
23 assumed by Newco pursuant to the Plan. **Impaired.**

24 **3.2.10 Class 8: Equity Interests.** The Class 8 Claims will consist of the
25 Equity Interests in the Debtors. **Impaired.** For purposes of this Plan, the Equity
26 Interests are deemed to have rejected the Plan.

ARTICLE IV

VALUATION OF ANMP COLLATERAL

27 **4.1 Valuation Hearing.** Unless the Bankruptcy Court holds a Valuation
28 Hearing prior to Confirmation, the ANMP Collateral Gross Value shall be determined at
29 the Confirmation Hearing.

30 **4.2 Partial Transfer of ANMP Collateral to Liquidation Trust.** If, at the
31 conclusion of the Valuation Hearing, the Bankruptcy Court determines that the ANMP
32 Collateral Gross Value exceeds the aggregate of the ANMP Claim and the Permitted
33 Liens Claims, ANMP shall receive a partial transfer of the ANMP Collateral in an amount
34 that satisfies in full the ANMP Claim. In that event, the ANMP Claim shall accrue interest
35 through the Effective Date, and ANMP will have the right to designate which of the
36 ANMP Collateral will be transferred in satisfaction of the ANMP Claim. The remaining
37 ANMP Collateral interest shall be transferred to the Liquidating Trust free and clear of the
38 ANMP Claim.

1 **ARTICLE V**

2 **MEANS FOR EXECUTION OF THE PLAN**

3 The means for execution of the Plan are and will be as follows:

4 **5.1 Sale of Acquired Assets.** On the Effective Date, all of the Debtors' right
5 title and interest in the Acquired Assets shall be sold and transferred to Newco free and
6 clear of all liens, claims, encumbrances and interests pursuant to 11 U.S.C. § 363(f) in
7 consideration for the Purchase Price.

8 **5.2 Purchase Price.** The Purchase Price shall be paid to Debtors by Newco as
9 follows: (1) \$800,000 shall be paid in cash, certified funds or wire transfer on the
10 Effective Date, or as soon thereafter as practical, to the bank account(s) designated by the
11 Debtors or the Liquidating Agent; (2) the remaining \$1,700,000 shall be paid in cash,
12 certified funds or wire transfer to the bank account(s) designated by the Liquidating Agent
13 in five (5) equal installments of \$340,000, with the first (1st) installment due on the first
14 (1st) day of the month following the one (1) year anniversary of the Effective Date and
15 continuing thereafter for four (4) years, and the last installment due on the first (1st) day
16 of the month following the five (5) year anniversary of the Effective Date.

17 **5.3 Assumed Liabilities.** As part of the Purchase Price, on the Effective Date,
18 Newco shall assume the Assumed Liabilities.

19 **5.4 Leaseback of the Real Properties.** On the Effective Date, ANMP or, to
20 the extent that certain of the ANMP Collateral has been transferred to Liquidating Trust
21 pursuant to Section 4.2 of this Plan, ANMP and the Liquidating Trust shall enter into the
22 ANMP Leases with Newco. Under the ANMP Leases, ANMP, or ANMP and the
23 Liquidating Trust, shall lease to Newco the ANMP Collateral not to exceed ten percent
24 (10%) capitalization rate at the ANMP Collateral Gross Value but reduced on a pro-rata
25 basis to actual square footage used by Newco.

26 **5.5 Termination of Voting Trust.** On the Effective Date, the voting trust
established in the 2004 Plan will be terminated.

5.6 Transfer of Excluded Assets and Creation of Liquidating Trust. On the
Effective Date or as soon thereafter as practicable: (i) all of the Purchase Price; (ii) all
Excluded Assets, including but not limited to the Retained Litigation Claims and the
Retained Avoidance Actions; and (iv) any and all other assets, rights and property of the
Estates not transferred to Newco, shall be transferred and assigned to the Liquidating
Trust for the benefit of all remaining unpaid Allowed Claims. In accordance with section
1123(b) of the Bankruptcy Code, the Liquidating Agent shall become vested with, in its
capacity as the representative of the Debtors' Estates under section 1123(b)(3)(B) of the
Bankruptcy Code, and may enforce, sue on, settle or compromise (or decline to do any of
the foregoing) any of the Retained Litigation Claims and Retained Avoidance Actions.

Pursuant to the Liquidating Trust, the Liquidating Agent will, among other things,
collect, administer and distribute in accordance with the terms of the Plan and the
Liquidating Trust: (1) the Purchase Price, (2) the proceeds from the Retained Litigation
Claims and the Retained Avoidance Actions, and (3) the proceeds related to the sale or
transfer of Excluded Assets. The terms of the Liquidating Trust will be controlled by the

1 Liquidating Trust Agreement. The Liquidating Trust shall be the successor to the
2 Debtors. Whenever the Plan requires or permits notice to any of the Debtors after the
3 Effective Date, such notice shall be effective only when given to the Liquidating Agent
and the Liquidating Agent shall have the right to take all actions that the Debtors would
have had the right to take if they had not been reorganized on the Effective Date.

4 The Liquidating Trust will provide that Holders of Allowed Claims, if any, entitled
5 to distributions from the Liquidating Trust will receive payment in the following priority:
6 First, Allowed Administrative Claims; second, Allowed Class 1 Claims; third, Allowed
Class 2 Claims; fourth, Allowed Class 7 Claims.

7 The Liquidating Trust is intended to qualify as a “grantor trust” for federal income
8 tax purposes and the Liquidating Agent shall operate and maintain the Liquidating Trust
9 in compliance with the guidelines for liquidating trusts as set forth in Internal Revenue
10 Service Revenue Procedure 94-45, 1994-2 C.B. 684, and Treasury Regulation Section
1.671-4(a) and all subsequent guidelines regarding liquidating trusts issued by the Internal
Revenue Service.

11 For United States federal and applicable state income tax purposes, the transfer of
12 the assets to the Liquidating Trust pursuant to and in accordance with the Plan shall be
13 reported as a disposition of the assets directly to and for the benefit of the beneficiaries
14 immediately followed by a contribution of the assets by the beneficiaries to the
Liquidating Trust for the benefit of the beneficiaries. The beneficiaries will be treated as
the grantors and deemed owners of the Liquidating Trust.

15 To the full extent permitted by law, all rights under (i) Section 363(h) of the
16 Bankruptcy Code and (ii) Section 365 of the Bankruptcy Code (including without
17 limitation Section 365(f) thereof) are preserved for the benefit of the Estates and their
creditors, and may be exercised by the Liquidating Agent with the approval of the
Bankruptcy Court.

18 As soon as practicable after the Effective Date, the Liquidating Agent may, if
19 reasonably deemed necessary by the Liquidating Agent, make a good faith valuation of
20 the trust assets. Such valuation shall be made available from time to time to the extent
21 relevant as reasonably determined by the Liquidating Agent and shall be used consistently
22 by all parties (including the Debtors, the Liquidating Agent and the beneficiaries) for all
purposes, including federal and applicable state income tax purposes. Notwithstanding the
foregoing, any such valuation shall not be binding upon the Liquidating Agent with
respect to liquidation of assets or any other action taken pursuant to the Plan.

23 Upon the distribution of all assets vested in the Liquidating Trust and the
24 preparation and filing of any tax returns required by the Liquidating Trust, the Liquidating
25 Trust shall be terminated and the Liquidating Agent shall have no further responsibilities
or duties.

1 **5.7 Funding on the Effective Date.** All payments under the Plan which are
2 due on the Effective Date pursuant to the terms of the Plan will be funded from the
3 Purchase Price, and/or any proceeds of the (i) Excluded Assets,
4 (ii) Litigation Claims and Avoidance Actions that are not Acquired Assets.

5 **5.8 Payments Effective on Tender.** Whenever the Plan requires a payment to
6 be made, such payment will be deemed made and effective upon tender thereof by the
7 Debtors or the Liquidating Agent to the Creditor to whom payment is due. Such tender
8 will be effective when and if made in Cash. If any Creditor refuses a tender, the amount
9 tendered and refused will be held by the Debtors or the Liquidating Agent for the benefit
10 of that Creditor pending final adjudication of the dispute. However, when and if the
11 dispute is finally adjudicated and the Creditor receives the funds previously tendered and
12 refused, the Creditor will be obliged to apply the funds in accordance with the Plan as of
13 the date of the tender; and while a dispute is pending and after adjudication thereof, the
14 Creditor will not have the right to claim interest or other charges or to exercise any other
15 right which would be enforceable by the Creditor if the Debtors or the Liquidating Agent
16 failed to pay the tendered payment.

17 **5.9 Operative Documents.** The Plan Proponents may prepare any and all
18 documents, including, but not limited to, modification documents, which are necessary or
19 appropriate to execute the Plan. If there is any dispute regarding the reasonableness or
20 propriety of any such documents after reasonable and good faith efforts by the Plan
21 Proponents to negotiate and obtain approval of the documents by the other affected
22 Person(s), any such dispute will be presented to the Bankruptcy Court for determination at
23 or in conjunction with the Confirmation Hearing.

24 **5.10 Termination of Management Board.** On the Effective Date, the
25 Management Board established pursuant to the 2004 Plan shall terminate and its members
26 shall be discharged.

ARTICLE VI

TREATMENT OF UNCLASSIFIED CLAIMS

1 **6.1 General.** As provided in Section 1123(a)(1) of the Bankruptcy Code,
2 neither Assumed Administrative Claims nor Unassumed Administrative Claims are
3 classified for purposes of voting on, or receiving distributions under, the Plan. Holders of
4 such Claims are not entitled to vote on the Plan. All such Claims are instead treated in
5 accordance with the requirements set forth in section 1129(a)(9)(A) of the Bankruptcy
6 Code.

7 **6.2 Treatment of Assumed Administrative Claims.** Each Allowed Assumed
8 Administrative Claim shall be assumed by Newco and paid according to the Assumption
9 and Payment Agreement between the holder of the Assumed Administrative Claim and
10 Newco.

11 **6.3 Treatment of Unassumed Administrative Claims.** Unless otherwise
12 agreed by the Debtors and the holder of an Unassumed Administrative Claim, each
13 Allowed Unassumed Administrative Claim, shall be paid by the Liquidating Agent

1 pursuant to the terms of the Liquidating Trust in full in Cash upon the later to occur of (a)
2 the Effective Date, or as soon thereafter as practicable; or (b) the tenth (10th) Business Day
after such claim is Allowed, or as soon thereafter as practicable.

3 ARTICLE VII

4 TREATMENT OF CLAIMS AND EQUITY INTERESTS

5 **7.1 Treatment of Class 1: (Priority Non Tax Claims).** Class 1 Claims will
6 be all Allowed Claims that are entitled to priority under §§ 507(a)(3), (a)(5) and (a)(7) of
7 the Bankruptcy Code. To the extent that the Priority Non Tax Claims have not already
been paid, Class 1 Claims will be paid by the Liquidating Agent pursuant to the
Liquidating Trust.

8 **7.2 Treatment of Class 2 (Priority Tax Claims).** Class 2 Claims will be all
9 Allowed Claims entitled to priority under § 507(a)(8) of the Bankruptcy Code. To the
10 extent that the Priority Tax Claims have not already been paid, Class 2 Claims will be
paid by the Liquidating Agent pursuant to the Liquidating Trust.

11 **7.3 Treatment of Class 3 (ANMP Claim).** The holder of an Allowed Class 3
12 Claim shall receive on or before the Effective Date, a transfer of the ANMP Collateral
subject to (i) ANMP Permitted Liens and (ii) the ANMP Leases in favor of Newco an
13 amount equal to the ANMP Collateral Equity Value. To the extent that the ANMP
Collateral Equity Value is not sufficient to satisfy the ANMP Claim, ANMP shall receive
14 a 50% equity interest in Newco and retain all of its rights to proceed against Taylor
Coleman under the guarantee provisions of Paragraph 3 of the Order Confirming Mr.
15 Coleman's Chapter 13 Plan, dated January 18, 2007 (Docket #1134). In consideration for
this exchange, Newco will be obligated to repurchase 1/60 of ANMP's original 50%
16 equity position in Newco monthly, commencing on the first day of the month following
the Effective Date, for a monthly payment equal to the difference between the debt service
17 on the Permitted Liens and the lease payments on the ANMP Collateral as set forth in
Paragraph 5.4. Except as set forth herein, Newco, the Liquidating Agent and the
Liquidating Trust shall not have any liability for ANMP's Claim.

18 **7.4 Treatment of Class 4 (Permitted Liens Claims).** The holder of an
19 Allowed Class 4 Claim will retain its lien on the ANMP Collateral and will be paid
according to the terms of the Modified Loan Documents. The terms of the Modified Loan
20 Documents, including the interest rates stated therein, shall remain in full force and effect
and will not be modified or otherwise amended by this Plan except that the Loan
21 Documents shall be amended to (i) authorize and allow the substitution of the
performance of ANMP for that of the Debtors and (ii) the maturity date under the
22 Modified Loan Documents shall be the longer of the current maturity date or for an
additional five (5) years from April 1, 2009. From and after the transfer of the ANMP
23 Collateral to ANMP, ANMP will be solely responsible for the repayment of the Allowed
Class 4 Claims.

24 **7.5 Treatment of Class 5 (Miscellaneous Secured Claims).** The holder of an
25 Allowed Class 5 Claim will retain its lien on the collateral securing the Class 5 Claim, and
will be paid in Cash following the liquidation of the collateral securing such Claim the
26 lesser of (1) the proceeds resulting from the liquidation of the collateral securing such
Claim, or (2) the amount of the holder's Allowed Class 5 Claim. Alternatively, the

1 Debtors may elect, at any time on or before the Confirmation Date, to satisfy a Class 5
2 Claim by abandoning the collateral securing such Claim to the holder of such Claim.

3 **7.6 Treatment of Class 6 (Assumed Unsecured Claim).** Allowed Class 6
4 Claim will be assumed by Newco, and therefore, will receive no payments under the Plan.

5 **7.7 Treatment of Class 7 (Unassumed Unsecured Claims).** Allowed Class 7
6 Claims will be paid pursuant to the terms of the Liquidating Trust.

7 **7.8 Treatment of Class 8 (Equity Interests).** All Equity Interests shall be
8 cancelled and terminated as of the Effective Date. The holders of Allowed Equity
9 Interests shall not receive or retain any property under the Plan. Class 8 is impaired by the
10 Plan and is deemed to have rejected the Plan.

11 **ARTICLE VIII**

12 **TREATMENT OF EXECUTORY CONTRACTS**

13 **8.1 Assumption of Assumed Unexpired Real Property Leases.** On the
14 Effective Date, Newco shall hereby assume all Assumed Unexpired Real Property Leases
15 that are identified on Schedule 7 to this Plan pursuant to 11 U.S.C. § 365.

16 **8.2 Rejection of Unassumed Unexpired Real Property Leases.** On the
17 Effective Date, Debtors shall hereby reject all of the Unassumed Unexpired Real Property
18 Leases that are identified on Schedule 12 to this Plan pursuant to 11 U.S.C. § 365.

19 **8.3 Assumption of Assumed Executory Contracts.** On the Effective Date,
20 Newco shall hereby assume all Executory Contracts that are identified on Schedule 5 to
21 this Plan pursuant to 11 U.S.C. § 365.

22 **8.4 Rejection of Rejected Executory Contracts.** On the Effective Date,
23 Debtors shall hereby reject all Rejected Executory Contracts pursuant to 11 U.S.C. § 365.

24 **8.5 Cure Amounts.** Any cure amount associated with each Assumed
25 Unexpired Real Property Lease and Assumed Executory Contract will be satisfied by
26 Newco, pursuant to section 365(b)(1) of the Bankruptcy Code, at the option of Newco (i)
by payment of the cure amount in cash within a reasonable time after the Effective Date,
(ii) by such other terms as are agreed to by the parties, or (iii) in the event of a dispute
over a cure amount, within twenty (20) days of a Final Order resolving the cure amount;
provided, however, that if the cure amount determined by Final Order is unacceptable to
Newco, then Newco shall have ten (10) days from the date of the Final Order to reject the
Assumed Unexpired Real Property Lease or Assumed Executory Contract pursuant to a
written motion filed with the Bankruptcy Court, and such Assumed Unexpired Real
Property Lease or Assumed Executory Contract shall be deemed to never have been
assumed.

8.6 Rejection Claims Bar Date. Every Claim asserted by a Creditor arising
from the rejection of an Unassumed Unexpired Real Property Lease or Rejected
Executory Contract must be filed with the Bankruptcy Court no later than the first
Business Day which is twenty (20) days after the Confirmation Date. Every such Claim
which is timely filed, as and when it becomes an Allowed Claim, will be treated under

1 Class 7 of the Plan. Every such Claim which is not timely filed by the deadline stated
2 above will be forever barred and discharged and the Creditor holding the Claim will not
3 receive or be entitled to any distribution under the Plan on account of such Claim.

4 **ARTICLE IX**

5 **DISCHARGE**

6 **9.1 Discharge of Claims and Termination of Equity Interests.** Except as
7 otherwise provided herein or in the Confirmation Order, the rights afforded in this Plan
8 and the payments and distributions to be made hereunder shall discharge and release all
9 existing debts and Claims, and terminate all Equity Interests, of any kind, nature or
10 description whatsoever against or in the Debtors, the Liquidating Trust or any of their
11 assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy
12 Code. Except as provided in this Plan, upon the Effective Date, all Claims against and
13 Equity Interests in the Debtors, regardless of whether or not (i) a proof of Claim or Equity
Interest has been filed or is or was deemed filed, (ii) such Claim or Equity Interest was
listed on any of the Debtors' Schedules, (iii) such Claim or Equity Interest was Allowed,
or (iv) the holder of such Claim or Equity Interest has voted to accept or reject this Plan,
shall be, and shall be deemed to be, discharged, released and terminated, and all holders of
Claims and Equity Interests shall be precluded and enjoined from asserting against the
Debtors, Newco, the Liquidating Trust, or any of their assets or properties, any other or
further Claim or Equity Interest based upon any act or omission, transaction, or other
activity of any kind or nature that occurred prior to the Effective Date, whether or not
such holder has filed a proof of Claim or proof of Equity Interest.

14 **9.2 Discharge of Debtors.** Except as otherwise provided herein or in the
15 Confirmation Order, upon the Effective Date, and in consideration of the distributions to
16 be made hereunder, each holder (as well as any trustees and agents on behalf of each
17 holder) of a Claim or Equity Interest and any affiliate of such holder, regardless of
18 whether or not (i) a proof of Claim or Equity Interest has been filed, (ii) such Claim or
19 Equity Interest was Allowed, or (iii) the holder of such Claim or Equity Interest has voted
20 to accept or reject this Plan, shall be deemed to have forever waived, released and
discharged the Debtors, Newco, and the Liquidating Trust, to the fullest extent permitted
by section 1141 of the Bankruptcy Code, of and from any and all Claims, Equity Interests,
rights and liabilities that arose prior to the Effective Date. Upon the Effective Date, all
such Persons shall be forever precluded and enjoined, pursuant to section 524 of the
Bankruptcy Code, from prosecuting or asserting any such discharged Claim against
Newco or terminated Equity Interest in Newco.

21 **9.3 Exculpations.** Neither the Debtors, the Liquidating Agent, Franks, ANMP,
22 the Creditors Committee nor any of their respective members, officers, directors,
23 employees, agents, attorneys, financial advisors or professionals shall have or incur any
24 liability to any holder of any Claim or Equity Interest for any act or omission arising out
25 of or in connection with the Chapter 11 Cases, the administration of assets of the Debtors'
26 Estates, the confirmation of this Plan, the consummation of this Plan, or the administration
of this Plan or property to be distributed under the Plan, except for willful misconduct or
gross negligence. The Debtors, Liquidating Agent, Franks, ANMP, the Creditors
Committee and each of their respective members, officers, directors, employees, agents,
attorneys, financial advisors and professionals shall be deemed to have acted in good faith
with regard to the solicitation of acceptances or rejections of this Plan and shall be entitled

1 to the protections afforded by section 1125(e) of the Bankruptcy Code. Entry of the
2 Confirmation Order shall act as a comprehensive release of and injunction against the
3 bringing of any claim or cause of action with respect to any such liability. Such release
4 and injunction shall specifically include, but not be limited to, any claims with respect to
5 rights under any prior unconfirmed plan of reorganization or agreements relating thereto
6 and any claims with respect to Claims or Equity Interests, or transfers thereof.
7 Notwithstanding the foregoing, nothing in this paragraph shall work a release of claims
8 against Vernon Schweigert, Judith Van Rossum, or Biltmore Associates, and Debtors'
9 claims against them shall be transferred to the Liquidating Trust.

6 **9.4 Injunction Against Interference With Plan.** Upon the entry of the
7 Confirmation Order, all holders of Claims and Equity Interests and other parties in
8 interest, along with their respective present or former employees, agents, officers,
9 directors or principals, shall be enjoined from taking any actions to interfere with the
10 implementation or consummation of this Plan.

11 **ARTICLE X**

12 **RETENTION OF JURISDICTION**

11 Notwithstanding confirmation of the Plan, the Bankruptcy Court will retain
12 jurisdiction for the following purposes:

13 **10.1 In General.** The Bankruptcy Court will retain jurisdiction to determine the
14 allowance and payment of any Claim(s) upon any objection(s) thereto (or other
15 appropriate proceedings) by the Debtors, by the Liquidating Agent, or by any other party-
16 in-interest entitled to proceed in that manner. As part of such retained jurisdiction, the
17 Bankruptcy Court will continue to determine the allowance of Administrative Claims and
18 any request(s) for payment(s) thereof, including Administrative Claims for Professional
19 Fees.

17 **10.2 Plan Disputes and Enforcement.** The Bankruptcy Court will retain
18 jurisdiction to determine any dispute(s) which may arise regarding the interpretation of
19 any provision(s) of the Plan. The Court also will retain jurisdiction to enforce any
20 provisions of the Plan and any and all documents relating to the Plan. The Bankruptcy
21 Court will also retain jurisdiction to determine any dispute(s) which may arise regarding
22 any application to modify this Plan in accordance with section 1127 of the Bankruptcy
23 Code, to remedy any defect or omission or reconcile any inconsistency in this Plan, the
24 Disclosure Statement or any order of the Bankruptcy Court, including the Confirmation
25 Order, in such a manner as may be necessary to carry out the purposes and effects thereof.

22 **10.3 Further Orders.** The Bankruptcy Court will retain jurisdiction to facilitate
23 the performance of and under the Plan by entering any further necessary or appropriate
24 order(s) regarding enforcement of the Plan and any provision(s) thereof. In addition, the
25 Bankruptcy Court will retain jurisdiction to facilitate or implement the discharge of any
26 Claim or Equity Interest, or any portion thereof, pursuant to the Plan.

25 **10.4 Claims Against Estates.** The Bankruptcy Court will retain jurisdiction to
26 adjudicate all Claims to a security or ownership interest in any property of the Debtors'
Estates or in any proceeds thereof.

1 **10.5 Other Claims.** The Bankruptcy Court will retain jurisdiction to adjudicate
2 any cause(s) of action or other proceeding(s) presently pending or otherwise referenced
3 here or elsewhere in the Plan, including but not limited to, the adjudication of any and all
4 Litigation Claims, Avoidance Actions, and “core proceedings” under 28 U.S.C. §157(b)
5 which may be pertinent to the case, and which the Debtors may deem appropriate to
6 initiate and prosecute before the Court in aid of the reorganization of the Debtors. This
7 provision will not restrict the rights of the Debtors to proceed in any other court of
8 competent jurisdiction.

9 **10.6 Final Decree(s).** The Bankruptcy Court will retain jurisdiction to enter an
10 appropriate final decree(s) in the Bankruptcy Case.

11 **10.7 Appeals.** In the event of an appeal of the Confirmation Order or any other
12 kind of review or challenge to the Confirmation Order, and provided that no stay of the
13 effectiveness of the Confirmation Order has been entered, the Bankruptcy Court will
14 retain jurisdiction to implement and enforce the Confirmation Order and the Plan
15 according to their terms, including, but not limited to, jurisdiction to enter such orders
16 regarding the Plan or the performance thereof as may be necessary to effectuate the
17 reorganization of the Debtors. In addition, to enter, implement or enforce such orders as
18 may be appropriate in the event the Confirmation Order is for any reason stayed, reversed,
19 revoked, modified or vacated

20 **10.8 Assumed and Unassumed Unexpired Real Property Leases and**
21 **Executory Contracts.** The Bankruptcy Court will retain jurisdiction to determine any
22 and all motions regarding the assumption or rejection of either the Assumed and
23 Unassumed Unexpired Real Property Leases and any and all Claims arising therefrom.

24 **10.9 Assumed and Rejected Executory Contracts.** The Bankruptcy Court will
25 retain jurisdiction to determine any and all motions regarding assumption or rejection of
26 Assumed or Rejected Executory Contracts and any and all Claims arising therefrom.

10.10 Pending Matters. The Bankruptcy Court will retain jurisdiction to hear and
determine any motion, application, adversary proceeding, contested matter and other
litigated matter pending on the Confirmation Date

10.11 Distributions. The Bankruptcy Court will retain jurisdiction to ensure that
distributions to holders of Claims are accomplished as provided in this Plan and the
Liquidating Trust.

10.12 Tax Claims. The Bankruptcy Court will retain jurisdiction to hear and
determine matters concerning state, local and federal taxes in accordance with
sections 346, 505, and 1146 of the Bankruptcy Code (including any requested expedited
determination of tax under section 505(b) of the Bankruptcy Code).

10.13 Creditors Committee. The Creditors Committee, if any, will dissolve, and
its Professionals will be discharged upon the Effective Date

10.14 Liquidating Trust. The Bankruptcy Court will retain jurisdiction to
adjudicate any and all disputes between and among the Debtors, the Liquidating Agent,
Newco, Franks, any Creditor and/or Equity Interest with respect to any dispute under the
Liquidating Trust.

1 proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any
2 inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, and such
3 matters as may be necessary to carry out the purposes and effects of the Plan so long as
such proceedings do not materially adversely affect the treatment of holders of Claims or
Equity Interests under the Plan.

4 **12.2 Revocation or Withdrawal of the Plan.** The Plan Proponents reserve the
5 right to revoke or withdraw this Plan at any time prior to the Confirmation Date. If the
6 Plan is withdrawn or revoked, then the Plan shall be deemed null and void and nothing
7 contained herein shall be deemed to constitute a waiver of any Claims by or against the
8 Debtors or any other Person in any further proceedings involving the Debtors. In the
9 event this Plan is withdrawn or revoked, nothing set forth herein shall be deemed an
admission of any sort, and this Plan and any transaction contemplated thereby shall not be
admitted into evidence in any proceeding. Notwithstanding the foregoing, the Plan
Proponents agree that they will not withdraw or revoke the Plan, and will use their best
efforts to seek confirmation of the Plan, unless and until the Plan is rejected or
disapproved by the Bankruptcy Court.

10 **12.3 Binding Effect.** The Plan shall be binding upon, and shall inure to the
11 benefit of, the Debtors, the holders of all Claims and Equity Interests, and their respective
12 successors and assigns with respect to their respective Claims against the Estates' Assets
13 or Equity Interests in the Debtors. The Plan is binding on all Creditors and parties-in-
14 interest who do not (i) timely file an objection with the Bankruptcy Court, with a copy
served on the Debtors, (ii) comply with all requirements of the Bankruptcy Code and
15 Bankruptcy Rules regarding such objections, (iii) appear in person, together with
witnesses, unless otherwise ordered by the Court, at the Confirmation Hearing, and
16 (iv) comply with any scheduling order issued by the Court, including complying with any
briefing requirements and required disclosures of witnesses and exhibits.

17 **12.4 Extension of Payment Dates.** If any payment date falls due on any day
18 which is not a Business Day, then such payment date will be extended to the next
19 Business Day.

20 **12.5 Additional Assurances.** The Debtors, Newco, Creditors Committee,
21 ANMP and the Creditors holding Claims herein will execute such other and further
documents as are necessary to implement any of the provisions of the Plan.

22 **12.6 Confirmation by Non-Acceptance Method.** The Debtors hereby request,
23 if necessary, confirmation of the Plan pursuant to Bankruptcy Code §1129(b), 11 U.S.C.
24 §1129(b), with respect to any impaired Class of Claims or Equity Interests which does not
vote to accept the Plan.

25 **12.7 Vesting.** As of the Effective Date, all property of the Debtors and the
26 Estates will vest in either Newco or the Liquidating Trust, as provided in Article VI of this
Plan, free and clear of all Claims, liens, security interests, assignments, encumbrances,
charges, and other interests of Creditors (except those Creditors whose Claims have been
modified and restructured and survive as provided in the Plan.)

12.8 Captions. Section captions used in the Plan are for convenience only, and
will not affect the construction of the Plan.

1 **12.9 Prohibition Against Prepayment Penalties.** If Newco or Liquidating
2 Agent choose, in their sole and absolute discretion, to prepay any obligation on which
3 deferred payments are provided for under the Plan, Newco or Liquidating Agent will not
4 be liable or subject to the assessment of any prepayment penalty thereon unless otherwise
5 ordered by the Bankruptcy Court. Neither Newco nor Liquidating Agent will not have
6 any obligation to pay any such prepayment.

7 **12.10 No Attorneys' Fees and Interest.** Other than the fees for the Debtors'
8 Professionals, no attorneys' fees shall be paid by Debtors with respect to any Claim or
9 Equity Interest except as specified herein or as provided by the Confirmation Order or
10 other Final Order of the Bankruptcy Court. No interest shall accrue or be payable in
11 respect of any Claim or Equity Interest whether Disputed or otherwise.

12 **12.11 Payment of Statutory Fees.** All fees payable pursuant to Section 1930 of
13 Title 28 of the United States Code, as determined by the Bankruptcy Court at or in
14 conjunction with the Confirmation Hearing, will be paid on or before the Confirmation
15 Date.

16 **12.12 Successors and Assigns.** The rights and obligations of any Creditor or any
17 holder of an Equity Interest referred to in the Plan will be binding upon, and will inure to
18 the benefit of, the successors, assigns, heirs, devisees, executors, and personal
19 representatives of such Creditor or such holder of an Equity Interest.

20 **12.13 Severability and Reformation.** It is the Debtors' intention to comply fully
21 with the Bankruptcy Code and applicable non-bankruptcy law in proposing the Plan.
22 Therefore, if any provision(s) of the Plan is determined by the Bankruptcy Court to be
23 contrary to the Bankruptcy Code or applicable non-bankruptcy law, that provision(s) will
24 be deemed severed and automatically deleted from the Plan, if it cannot be reformed; or
25 the provision(s) or its interpretation will be deemed reformed to ensure compliance.
26 Pursuant to any ruling(s) by the Bankruptcy Court regarding the subject matter of this
Section, any such severance or reformation will be stated specifically in the Confirmation
Order, which then will control notwithstanding any contrary or inconsistent provision(s)
of the Plan.

12.14 Exemption from Transfer Taxes. Pursuant to section 1146(a) of the
Bankruptcy Code (i) the creation of any Lien or other security interest, or (ii) the making
or assignment of any lease or sublease, or (iii) the making or delivery of any deed or other
instrument of transfer under, in furtherance of, or in connection with, this Plan, including,
without limitation, any restructuring, disposition, liquidation, or dissolution, deeds, bills of
sale, or transfers of tangible property will not be subject to any stamp tax or other similar
tax. Unless the Bankruptcy Court orders otherwise, all sales, transfers and assignments of
owned and leased real and personal property, approved by the Bankruptcy Court on or
prior to the Effective Date shall be deemed to have been in furtherance of, or in
connection with, this Plan.

12.15 Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy
Rules are applicable, this Plan, the Plan Documents and any agreements, documents, and
instruments executed in connection therewith, shall be governed by, and construed and
enforced in accordance with the laws of the State of Arizona, without giving effect to the
principles of conflicts of law thereof, except as may otherwise be provided in such
agreements, documents, and instruments.

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ARTICLE XIV

CLAIMS BAR DATE AND OBJECTIONS TO CLAIMS

Claimants holding Claims (other than Administrative Claims and Professional Fees) against the Estates must submit proofs of Claim on or before the Bar Date, which was previously set as June 20, 2007, by the Bankruptcy Court for all Debtors other than Castle Realty Corporation. The Castle Realty Claims Bar date was _____, 2008.

Any objection to a Claim (other than Administrative Claims and Professional Fees) must be filed with the Bankruptcy Court and served upon the holder of such Claim pursuant to the Bankruptcy Code and the Bankruptcy Rules no later than ninety (90) days after the Effective Date of the Plan. The Liquidating Agent shall reserve funds sufficient to make distributions in accordance with the Plan on account of all Claims which are subject to objections until such objections are resolved by a Final Order.

ARTICLE XV

UNITED STATES TRUSTEE'S FEES

The Debtors, through the Liquidating Agent, shall pay all quarterly fees payable to the Office of the United States Trustee for the Debtors after Confirmation, consistent with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and 28 U.S.C. § 1930(a)(6).

DATED this 15th day of August, 2008.

DEXTER DISTRIBUTING CORPORATION

By: _____
Its President and Chief Executive Officer

NEW CASTLE MEGASTORE CORP.

By: _____
Its President and Chief Executive Officer

1113 PROGRESS DRIVE, MEDFORD, LLC

By: _____
Its President and Chief Executive Officer

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CASTLE REALTY CORPORATION

STINSON MORRISON HECKER LLP

By: _____
Its President and Chief Executive Officer

By: /s/ Alan A. Meda (#009213)
C. Taylor Ashworth
Alan A. Meda
Christopher C. Simpson
1850 N. Central Avenue, Suite 2100
Phoenix, Arizona 85004

OFFICIAL UNSECURED CREDITORS COMMITTEE

TIFFANY & BOSCO

By: _____
Jim Harris, Chair of Official Unsecured Creditors'
Committee

By: /s/ Christopher R. Kaup
Christopher R. Kaup
Camelback Esplanade II
Third Floor
2525 East Camelback Road
Phoenix, Arizona 85016

AMERICAN NATIONAL MORTGAGE COMPANY

JABURG & WILK PC

By: _____
James Sell, on behalf of ANMP

By: /s/ Lawrence E. Wilk (#006510)
Lawrence E. Wilk
Jonathan P. Ibsen
3200 N. Central Ave., Suite 2000
Phoenix, Arizona 85012

LAW OFFICES OF MICHAEL W. CARMEL LTD

By: /s/ Michael W. Carmel (#007356)
Michael W. Carmel
80 East Columbus Avenue
Phoenix, Arizona 85012-2334

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SNELL & WILMER, LLP

By: _____
Mark Franks, individually

By: _____
Steven D. Jerome
One Arizona Center
400 E. Van Buren
Phoenix, Arizona 85004-2202

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Schedule 1
Debtors in 2003 Case

Debtor	Case No.	Store No.
Dexter Distributing Corporation	03-3546-PHX-RJH	-
Castle Megastore Corporation	03-3548-PHX-RJH	-
3270 Gateway Street, L.L.C.	03-4698-PHX-RJH	12
300 East Camelback, L.L.C.	03-4696-PHX-RJH	2
222 N. 44th Street, L.L.C.	03-4697-PHX-RJH	15
Real Estate Holding Corporation	03-4698-PHX-RJH	1
117/Dunlap, L.L.C.	03-4699-PHX-RJH	3
Silverdale Building, L.L.C.	03-4700-PHX-RJH	7
East Sprague Avenue, L.L.C.	03-4701-PHX-RHJ	8
1113 Progress Drive, Medford, L.L.C.	03-4702-PHX-RHJ	9
522 N. Columbia Center Blvd., L.L.C.	03-4703-PHX-RHJ	10
9815 S.W. Capitol Highway, L.L.C.	03-4704-PHX-RHJ	11
Deer Valley/26th Avenue, L.L.C.	03-4705-PHX-RHJ	14
1851 E. Fifth Ave., L.L.C.	03-4706-PHX-RHJ	-
5110 Central Avenue S.E., L.L.C.	03-4707-PHX-RHJ	5
8315 East Apache Trail, L.L.C.	03-4708-PHX-RHJ	4
6015 Tacoma Mall Blvd., L.L.C.	03-4709-PHX-RHJ	6
7102 W. Roosevelt, L.L.C.	03-4710-PHX-RHJ	-
613 East Fairview Ave., L.L.C.	03-5427-PHX-RHJ	13
Internet Fulfillment, L.L.C.	03-11513-PHX-RHJ	-
Adult Web Fulfillment, L.L.C.	03-11515-PHX-RHJ	-

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Schedule 2

ANMP Collateral

<u>Store Name</u>	<u>Store Address</u>	<u>Store Number</u>
Washington	5501 E. Washington Boulevard, Phoenix, AZ	1
Camelback	300 E. Camelback Ave., Phoenix, AZ	2
Dunlap	8802 N. Black Canyon Hwy, Phoenix, AZ	3
Apache Trail	8315 E. Apache Trail, Mesa, AZ	4
Tacoma	6015 E. Tacoma Mall Blvd., Tacoma WA	6
Silverdale	2789 N. Randall Way, Silverdale, WA	7
Spokane	11324 E. Sprague Avenue, Spokane, WA	8
Kennewick	522 N. Columbia Center Boulevard, Kennewick, WA	10
Portland	9815 SW Capital Hwy, Portland, OR	11
Deer Valley	2815 N. 26th Avenue, Phoenix, AZ	14
Anchorage	1851 E. Fifth Avenue, Anchorage, AK	16

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Schedule 3

ANMP Collateral Appraised Value

<u>Store Name</u>	<u>Date of Appraisal</u>	<u>Appraised Value (\$)</u>
Washington	6/9/2008	\$1,255,000
Camelback	9/6/2007	\$1,325,000
Dunlap	9/6/2007	\$2,155,000
Apache Trail	7/6/2008	\$1,560,000
Tacoma	9/14/2007	\$3,400,000
Silverdale	9/14/2007	\$2,200,000
Spokane	9/18/2007	\$1,400,000
Kennewick	9/17/2007	\$800,000
Portland	9/11/2007	\$2,100,000
Deer Valley	9/6/2007	\$3,225,000
Anchorage	9/19/2007	\$1,037,000
Aggregate Value		\$20,457,000

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Schedule 4
ANMP Leases
TO BE SUPPLIED

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Schedule 5
Assumed Executory Contracts
TO BE SUPPLIED

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Schedule 6

Assumed Liabilities

Newco shall assume the following liabilities of the Debtors:

1. The Franks Claim.
2. Debtor's current post-petition accounts payable not to exceed \$1.5 million as reflected on Schedule 6.A
3. The Allowed Administrative Claim of the Debtors' Professionals.

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Schedule 7
Assumed Unexpired Real Property Leases
TO BE SUPPLIED

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Schedule 8
Assumption and Payment Agreement
TO BE SUPPLIED

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Schedule 9

Leased Properties

<u>Store Name</u>	<u>Store Address</u>	<u>Store Number</u>
Albuquerque	5110 Central Avenue, Albuquerque, NM	5
Springfield	3270 Gateway Blvd., Springfield, OR	12
Van Buren	222 N. 44th Street, Phoenix, AZ	15
Seattle	206 Broadway, East Seattle, WA	17
Tukwila	405 Evans Black Dr., Tukwila, WA	18
Medford	1601 N. Riverside Ave., Medford, OR	9

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Schedule 10
Liquidating Trust Agreement
TO BE SUPPLIED

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Schedule 11

ANMP Permitted Liens

<u>Store Name</u>	<u>Lienholder</u>	<u>Priority Position</u>
Washington	Wachovia	1st
	Stillman Trust	2nd
Camelback	Mortgages Ltd.	St
	Mortgages Ltd.	2nd
Dunlap	Wachovia	1st
	Stillman Trust	2nd
Apache Trail	Wachovia	1st
	Stillman Trust	2nd
Tacoma	Olympic Coast	1st
Silverdale	Wachovia	1st
	AEA Bank	2nd
Spokane	Olympic Coast	1st
Kennewick	Wachovia	1st
	M&M&M	2nd
Portland	Olympic Coast	1st
	Helm Resources	2nd
Deer Valley	Friends Investor	1st
Anchorage	Cactus Commerce	1st

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Schedule 12
Unassumed Unexpired Real Property Leases
TO BE SUPPLIED