

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re: 1016 WEST HOLLYWOOD, LLC, ¹ Debtors.	Chapter 11 Reorganization Case No. 14-02696 Hon. Jacqueline P. Cox
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In re: THE 800 BUILDING, LLC, ² Debtors.	Chapter 11 Reorganization Case No. 15-17314 Hon. Jacqueline P. Cox
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**JOINT PLAN OF REORGANIZATION OF
1016 WEST HOLLYWOOD, LLC AND THE 800 BUILDING, LLC
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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Dated: November 3, 2015

¹ Pursuant to 11 U.S.C. § 342(c)(1), the last four digits of the Debtors' federal tax identification number are: 1721. The location of the Debtors' place of business is 1016 West Hollywood Avenue, Chicago, Illinois 60660.

² Pursuant to 11 U.S.C. § 342(c)(1), the last four digits of the Debtors' federal tax identification number are: 2596. The location of the Debtors' place of business is 800 South 4th Street, Louisville, Kentucky 40202, and its address for notice purposes is 1016 West Hollywood Avenue, Chicago, Illinois 60660, Attn: Leon Petcov, Manager.

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**JOINT PLAN OF REORGANIZATION OF
1016 WEST HOLLYWOOD, LLC AND THE 800 BUILDING, LLC
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

1016 West Hollywood, LLC (the “*Hollywood Debtor*”) and The 800 Building, LLC (the “*800 Building Debtor*”), each as a Debtors and Debtors in possession (together, the “*Debtors*”), proposes the following joint plan of reorganization (the “*Plan*”) for the resolution of the outstanding claims against, and equity interests in, the Debtors pursuant to chapter 11 of the Bankruptcy Code. Capitalized terms used in the Plan and not otherwise defined herein shall have the meanings ascribed to such terms in Article I.B of the Plan.

Reference is made to the Disclosure Statement, for a discussion of the Debtors’ histories, business, results of operations, historical financial information, projections, future operations, and risk factors, as well as a summary and analysis of the Plan and certain related matters, including distributions to be made under this Plan. The Debtors are the proponents of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code.

ARTICLE I.

**RULES OF INTERPRETATION, COMPUTATION
OF TIME, GOVERNING LAW, AND DEFINED TERMS**

A. Rules of Interpretation, Computation of Time, and Governing Law

For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented in accordance with the terms of such document or exhibit; (d) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (e) unless otherwise stated, the words “herein,” “hereof” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

B. *Defined Terms*

The following terms shall have the following meanings when used in capitalized form herein:

1. “*1st Equity*” means 1st Equity Bank Northwest.
2. “*1st Equity Note Purchase Cash Payment*” means \$3,000,000.
3. “*1st Equity Note Purchase Promissory Note*” means a promissory note in the principal amount of 3.7 million, accruing interest at a rate determined monthly and calculated based on an annual rate equal to the greater of 4.5% or the Prime Rate plus 0.75% and payable each calendar quarter, maturing on June 1, 2017 and providing that payments on the promissory note totaling \$1.7 million, if received on or before June 1, 2017, shall constitute full and final satisfaction of the promissory note.
4. “*1st Equity Note*” means that certain Promissory Note dated September 2, 2009 issued by the Faina Loyfman Revocable Trust Agreement Dated August 30, 1999.
5. “*1st Equity Note and Mortgage*” means the 1st Equity Note and the 1st Equity Mortgage and all other documents evidencing such obligations, and any related guarantees.
6. “*1st Equity Mortgage*” the mortgage in favor of 1st Equity on the property commonly known as 70 Harbor Street, Glencoe, Illinois securing the 1st Equity Note.
7. “*1st Equity Restructuring Support Agreement*” means an agreement, substantially in the form attached to the Plan Supplement, by and among the Debtors, 1st Equity, and Leon and Helen Petcov, pursuant to which 1st Equity will agree to support the Plan in exchange for the 1st Equity Note Purchase Cash Payment and the 1st Equity Note Purchase Promissory Note, and other consideration, resolving 1st Equity’s claims against the Debtors and Leon and Helen Petcov.
8. “*800 Building Equity Interests*” means Equity Interests in the 800 Building Debtor.
9. “*800 Building Fine Homes Claim*” means any Claim of Fine Homes against the 800 Building Debtor.
10. “*800 Building IBC Lien*” means the first-priority security interest of International Bank of Chicago with respect to The 800 Building Tower and the proceeds therefrom.
11. “*800 Building IBC Lien Claim*” means any secured Claim of IBC against the 800 Building Debtor.
12. “*800 Building General Unsecured Claim*” means any General Unsecured Claim (other than the 800 Building Fine Homes Claims) against the 800 Building Debtor.

13. “*Accrued Professional Compensation*” means, at any given moment, all accrued, contingent and/or unpaid fees and expenses (including, without limitation, Allowed Professional Compensation) for legal, financial advisory, accounting, and other services and reimbursement of expenses that are awardable and Allowed under sections 328, 330(a) or 331 of the Bankruptcy Code or otherwise rendered allowable prior to the Confirmation Date by any Retained Professionals in the Chapter 11 Case that the Bankruptcy Court has not denied by a Final Order, to the extent that any such fees and expenses have not been previously paid, regardless of whether a fee application has been filed for any such amount. To the extent that the Bankruptcy Court or any higher court denies or reduces by a Final Order any amount of a Retained Professional’s fees or expenses, then those reduced or denied amounts shall no longer constitute Accrued Professional Compensation.

14. “*Administrative Claim*” means a Claim (other than the Adequate Protection Claims) that has been timely filed, pursuant to the deadline and procedure set forth in the Confirmation Order (except as otherwise provided by a separate order of the Bankruptcy Court), for costs and expenses of administration under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, but not limited to: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estate and operating the business of the Debtors; (b) Accrued Professional Compensation (to the extent Allowed by the Bankruptcy Court); and (c) all fees and charges assessed against the Estate under chapter 123 of title 28 United States Code, 28 U.S.C. §§ 1911 and 1930. Administrative Claims do not include Adequate Protection Claims, which are separately treated under the Plan.

15. “*Administrative Claim Bar Date*” means the last date for Entities to File applications or requests for payment of Administrative Claims, which date shall be (i) the date that is sixty (60) days after the Effective Date or (ii) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court.

16. “*Allowed*” means, with respect to Claims: (a) any Claim, proof of which is timely filed by the applicable Claims Bar Date or which, pursuant to the Bankruptcy Code or a Final Order is not required to be filed; (b) any Claim that is listed in the Schedules as of the Effective Date as neither contingent, unliquidated, or disputed, and for which no Proof of Claim has been timely filed; or (c) any Claim Allowed pursuant to the Plan; *provided, however*, that with respect to any Claim described in clause (a) above, such Claim shall be considered Allowed only if and to the extent that with respect to any Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim shall have been Allowed for distribution purposes only by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim has been timely filed, is not considered Allowed and shall be expunged without further action by the Debtors or the Reorganized Debtors and without any further notice to or action, order or approval of the Bankruptcy Court.

17. “*Amended and Restated Operating Agreements*” means the operating agreements of the Reorganized Debtors, substantially in the form included in the Plan Supplement.

18. “*Amended and Restated Certificates of Organization*” means the certificates of organization of the Reorganized Debtors, substantially in the form included in the Plan Supplement.

19. “*Applicable Claims Bar Date*” means (a) with respect to the Hollywood Debtor, March 27, 2015 pursuant to the Hollywood Applicable Claims Bar Date Order, (b) with respect to the 800 Building Debtor, (b) with respect to the 800 Building Debtor, September 15, 2015, or (c) such other period of limitation as may be specifically fixed by a further order of the Bankruptcy Court for the filing of Proofs of Claim by Entities other than Governmental Units.

20. “*Applicable Claims Bar Date Order*” means (a) with respect to the Hollywood Debtor, the Final Order of the Bankruptcy Court setting bar dates for filing Proofs of Claim with respect to the Hollywood Debtor [Hollywood Docket No. 101] and (b) with respect to the 800 Building Debtor, the Final Order of the Bankruptcy Court setting bar dates for filing Proofs of Claim with respect to the 800 Building Debtor [800 Building Docket No. 56], as such orders may be amended from time to time.

21. “*Avoidance Actions*” means any and all claims and causes of action which the Debtors, as Debtors in possession, the Estates, or other appropriate party in interest has asserted or may assert under sections 502, 510, 542, 544, 545, or 547 through 553 of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

22. “*Ballots*” means the ballots with respect to the Plan upon which certain Holders of Impaired Claims entitled to vote shall, among other things, indicate their acceptance or rejection of the Plan in accordance with the Plan and the procedures governing the solicitation process.

23. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

24. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Northern District of Illinois.

25. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Case, and the general, local and chambers rules of the Bankruptcy Court.

26. “*Brickyard Bank Judgment*” means that certain Judgment dated October 18, 2012 against Fine Homes LLC and Faina Loyfman, originally entered in favor of Brickyard Bank, assigned to the 800 Building Debtor, together with all underlying loan and security documents, pursuant to that certain Assignment of Loan Documents dated April 14, 2015 and recorded with the Cook County Recorder of Deeds as Document No. 1512556063, in the amount of \$446,122.00 as of the Petition Date and accruing interest thereafter at the statutory rate.

27. “*Business Day*” means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

28. “*Cash*” means the legal tender of the United States of America or the equivalent thereof.

29. “*Causes of Action*” means all actions, causes of action (including Avoidance Actions), Claims, liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims, or any other claims disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Case, including through the Effective Date.

30. “*Chapter 11 Cases*” means the Debtors’ cases pending in the Bankruptcy Court under chapter 11 of the Bankruptcy Code, captioned *In re 1016 West Hollywood, LLC*, Case No. 14-02696 and *In re The 800 Building, LLC*, Case No. 15-17314.

31. “*Claim*” means any claim against either or both of the Debtors as defined in section 101(5) of the Bankruptcy Code.

32. “*Claims Register*” means the official register of Claims maintained by the Clerk of the Court.

33. “*Class*” means a category of Holders of Claims or Interests as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code.

34. “*Clerk of the Court*” means clerk of the court duly appointed by the Bankruptcy Court, any deputy clerk, and any member of the staff of a judge of the Bankruptcy Court who has taken the oath of office to perform the duties of a deputy clerk (as the terms “clerk” and “clerk of the court” are defined by Local Bankruptcy Rules 1000-1(4) and (5)).

35. “*Confirmation*” means the entry of the Confirmation Order on the docket of the Chapter 11 Case, subject to all conditions specified in Article IX.A of the Plan having been: (a) satisfied; or (b) waived pursuant to Article IX.B of the Plan.

36. “*Confirmation Date*” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Case, within the meaning of Bankruptcy Rules 5003 and 9021.

37. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court on Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

38. “*Confirmation Order*” means the order confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

39. “*Consummation*” means the occurrence of the Effective Date.

40. “*Contract/Lease Schedule Date*” means the latest date by which the Debtors shall file their respective lists of Executory Contracts and Unexpired Leases to be assumed or rejected pursuant to the Plan, which date shall be no fewer than fourteen (14) days prior to the Voting Deadline.

41. “*Cure*” means the payment of Cash by the Debtors, or the distribution of other property (as the Debtors and the counterparty to the Executory Contract or Unexpired Lease may agree or the Bankruptcy Court may order), as necessary to (a) cure a monetary default by the Debtors in accordance with the terms of an Executory Contract or Unexpired Lease of the Debtors and (b) permit the Debtors to assume such Executory Contract or Unexpired Lease under sections 365 and 1123 of the Bankruptcy Code.

42. “*Debtors*” means 1016 West Hollywood, LLC as a Debtor in its Chapter 11 Case and The 800 Building, LLC as a Debtor in its Chapter 11 Case.

43. “*Debtors in Possession*” means 1016 West Hollywood, LLC as a Debtor in possession in its Chapter 11 Case and The 800 Building, LLC as a Debtor in its Chapter 11 Case.

44. “*Debtors’ Affiliates*” means Leon and Helen Petcov; Commercial Management, LLC; 2006 Heyburn Building LLC; 800 Cawthon, LLC; Leon Enterprises, LLC; and 900-7th Street, LLC.

45. “*Disclosure Statement*” means the *Disclosure Statement for the Joint Plan of Reorganization of 1016 West Hollywood, LLC and The 800 Building, LLC Pursuant to Chapter 11 of the Bankruptcy Code*, as amended, supplemented or modified from time to time, including all exhibits, schedules, and supplements thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, Bankruptcy Rules, and any other applicable law.

46. “*Disputed Claim*” means, with respect to any Claim, any Claim that is not yet Allowed.

47. “*Distribution Record Date*” means the date for determining which Holders of Claims are eligible to receive distributions hereunder and shall be the Voting Deadline or such other date as designated in an order of the Bankruptcy Court.

48. “*Effective Date*” means the day that is the first Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions specified in Article VIII.A of the Plan have been: (i) satisfied; or (ii) waived pursuant to Article VIII.B of the Plan.

49. “*Entity*” has the meaning set forth at section 101(15) of the Bankruptcy Code.

50. “*Equity Interest*” means any issued or unissued membership interests, or other instrument evidencing an ownership interest in a Debtor, whether or not transferable, and any option, warrant, or right, contractual or otherwise, to acquire any such interest in a Debtor that existed immediately prior to the Effective Date.

51. “*Equity Sponsor*” means Leon and Helen Petcov.
52. “*Estate*” means the estate created for each of the Debtors in these Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.
53. “*Exculpated Parties*” means, collectively, the Reorganized Debtors and the Released Parties.
54. “*Exculpation*” means the exculpation provision set forth in Article IX.G of the Plan.
55. “*Executory Contract*” means a contract to which one of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.
56. “*Exit Financing*” means that loan agreement entered into by the Hollywood Debtor and the Exit Financing Lender secured by a first priority lien on substantially all of the Hollywood Debtor’s property.
57. “*Exit Financing Lender*” means such lender as chosen by the Debtors or the Reorganized Debtors in its reasonable business judgment.
58. “*Final Order*” means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, as entered on the docket in the Chapter 11 Cases or the docket of any court of competent jurisdiction, that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order shall not cause such order to not be a Final Order.
59. “*Fine Homes Claim Resolution Reserve*” means a Cash reserve of up to \$1,053,000.00, *minus* a set-off for the value of any Claims of either of the Debtors against Fine Homes, LLC contributed to the reserve, including, without limitation, the Brickyard Bank Judgement and 1st Equity Note and Mortgage.
60. “*GAAP*” means generally accepted accounting principles.
61. “*General Unsecured Claim*” means any general unsecured Claim, against the Debtors including, without limitation, (a) Claims arising from the rejection of Unexpired Leases and Executory Contracts to which one of the Debtors is a party and (b) Claims arising from any litigation or other court, administrative, or regulatory proceeding, including, without limitation, damages, or judgments entered against, or settlement amounts owing by the Debtors related thereto.

62. “*Governmental Bar Date*” means (a) with respect to the Hollywood Debtor, March 27, 2015, pursuant to the Applicable Claims Bar Date Order entered by the Bankruptcy Court, (b) with respect to the 800 Building Debtor, November 12, 2015, pursuant to the Applicable Claims Bar Date Order entered by the Bankruptcy Court, or (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for the filing of Proofs of Claim by Governmental Units.

63. “*Governmental Unit*” has the meaning set forth in section 101(27) of the Bankruptcy Code.

64. “*Guarantee Judgment*” means that judgment in favor of 1st Equity and against Leon and Helen Petcov in the amount of \$6,345,107.75 on their guarantees of the 1st Equity Note and Mortgage, entered by the Circuit Court of Cook County, Illinois in a case captioned *1st Equity Bank Northwest v. Helen Petcov and Leon Petcov*, Case No. 14 L 008068.

65. “*Holder*” means an Entity holding a Claim against or an Interest in one of the Debtors.

66. “*Hollywood Chicago Water Department Claims*” means the Claims of the City of Chicago, Department of Water Management against the Hollywood Debtor.

67. “*Hollywood Equity Interests*” means Equity Interests in the Hollywood Debtor.

68. “*Hollywood First Lien IBC Claims*” means all claims arising under or in connection with the Hollywood First Lien IBC Loan Documents, including, without limitation, all Adequate Protection Claims.

69. “*Hollywood First Lien IBC Loan Documents*” means those certain loan agreements and other documents, as amended, supplemented, or otherwise modified, evidencing, securing, and guarantying a loan by and between the Hollywood Debtor and the Senior Secured Party identified by the Senior Secured Party as Loan No. 37567 and secured by a first-priority mortgage on the Property and a first-priority lien on substantially all of the property of the 800 Building Debtor.

70. “*Hollywood Fourth Priority Lien Claim*” means any Claim, including, without limitation, the Claims of 1st Equity Bank Northwest, consisting of a security interest, such as mortgage or other lien against property of the Hollywood Debtor’s Estate, that secures the obligations of an Entity other than the Debtors, on account of which the Debtors are not obligated to make any payment or are not otherwise indebted beyond such Claim Holder’s security interest in the property of the Estates.

71. “*Hollywood General Unsecured Claim*” means any General Unsecured Claim (other than Hollywood Chicago Water Department Claims) against the Hollywood Debtor.

72. “*Hollywood Property*” means the real estate and improvements thereon commonly known at 1016 West Hollywood Avenue, Chicago, Illinois.

73. “*Hollywood Second Lien IBC Claims*” means all claims arising under or in connection with the Hollywood Second Lien IBC Loan Documents, including, without limitation, all Adequate Protection Claims.

74. “*Hollywood Second Lien IBC Loan Documents*” means those certain loan agreements and other documents, as amended, supplemented, or otherwise modified, evidencing, securing, and guarantying a loan by and between the Hollywood Debtor and the Senior Secured Party identified by the Senior Secured Party as Loan No. 72974001 and secured by a second-priority mortgage on the Property and a first-priority lien on substantially all of the property of the 800 Building Debtor.

75. “*Hollywood Third Priority Lien Claim*” means any Claim, including, without limitation, the Claims of Fine Homes, LLC, consisting of a security interest, such as mortgage or other lien against property of the Hollywood Estate.

76. “*IBC A Note*” means a promissory note in the principal amount of \$8,148,500, bearing simple interest fixed at a rate of 4.5 percent *per annum*, issued by the IBC A Note Obligors and guaranteed by Leon Petcov, on the Effective Date to International Bank of Chicago, with payments of principal and interest amortized over 25 years payable monthly and the balance of the principal due in full on the date that is 36 calendar months after the Effective Date.

77. “*IBC A Note Obligors*” means (a) 2006 Heyburn Building LLC, (b) 800 Cawthon LLC, (c) Leon Enterprises LLC, and (d) 900-7th Street Properties LLC.

78. “*Impaired*” means any impaired Claim or Interest in an Impaired Class within the meaning of section 1124 of the Bankruptcy Code.

79. “*Impaired Class*” means an impaired Class within the meaning of section 1124 of the Bankruptcy Code.

80. “*Indemnification Obligation*” means the Debtors’ obligation under an Executory Contract assumed in the Chapter 11 Cases or otherwise to indemnify directors, officers, employees, or agents of the Debtors who served in such capacity at any time, with respect to or based upon any act or omission taken or omitted in any of such capacities, or for or on behalf of the Debtors, pursuant to and to the maximum extent provided by the Debtors’ certificate of organization, certificate of formation, operating agreement, similar corporate documents, and applicable law, as in effect as of the Effective Date.

81. “*Indemnified Parties*” means the current and former directors, officers, managers, employees, attorneys, other professionals, and agents of the Debtors.

82. “*Initial Distribution Date*” means the date that is as soon as practicable after the Effective Date when distributions under the Plan shall commence.

83. “*Insider*” has the meaning set forth in section 101(31) of the Bankruptcy Code.

84. “*Local Bankruptcy Rules*” means the Local Bankruptcy Rules promulgated by the District Court for the Northern District of Illinois and by the Bankruptcy Court pursuant to Rule 83 of the Federal Rules of Civil Procedure and Bankruptcy Rule 9029, as applicable to all cases and proceedings in the Northern District of Illinois governed by the Bankruptcy Code.

85. “*New 800 Building Equity*” means the newly issued equity interests in the reorganized 800 Building Debtor to be issued on the Effective Date under the Plan.

86. “*New Equity*” means the New 800 Building Equity and the New Hollywood Equity.

87. “*New Equity Contribution*” means \$200,000 in Cash, plus any and all Claims or Causes of Action Leon and Helen Petcov may have against Fine Homes, LLC.

88. “*New Hollywood Equity*” means the newly issued equity interests in the reorganized Hollywood Debtor to be issued on the Effective Date under the Plan.

89. “*Note Purchase Agreement*” means a purchase agreement, substantially in the form attached to the Plan Supplement, by and among the reorganized 800 Building Debtor and 1st Equity, pursuant to which the reorganized 800 Building Debtor will acquire the 1st Equity Note and Mortgage pursuant to the Restructuring Support Agreement.

90. “*Other Priority Claim*” means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or Claims entitled to administrative expense priority pursuant to section 507(a)(8) of the Bankruptcy Code.

91. “*Other Secured Claim*” means any secured Claim against the Debtors not specifically described in the Plan, *provided, however*, that Other Secured Claims shall not include Hollywood First Lien IBC Claims, Hollywood Second Lien IBC Claims, the Hollywood Third Priority Lien Claims, or the Hollywood Fourth Priority Lien Claims.

92. “*Periodic Distribution Date*” means the first day of the month immediately following the month in which a Claim becomes Allowed, when distributions shall be made to Holders of any such then-Allowed Claims.

93. “*Person*” has the meaning set forth in section 101(41) of the Bankruptcy Code.

94. “*Petition Date*” means (a) with respect to the Hollywood Debtor, January 29, 2014 and (b) with respect to the 800 Building Debtor, May 15, 2015, the dates on which the Debtors commenced, their respective Chapter 11 Cases.

95. “*Plan*” means the *Joint Plan of Reorganization of 1016 West Hollywood, LLC and The 800 Building, LLC Pursuant to Chapter 11 of the Bankruptcy Code* dated March 25, 2015, as amended, supplemented or modified from time to time in accordance with its terms, including, without limitation, by the Plan Supplement, which is incorporated in the Plan by reference.

96. “*Plan Supplement*” means the compilation of documents and forms of documents, schedules and exhibits to be filed on the Plan Supplement Filing Date, as amended, modified or supplemented from time to time in accordance with the terms of the Plan and the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, comprising, without limitation, the following documents: (a) the Amended and Restated Certificate of Organizations; and (b) the Amended and Restated Operating Agreements.

97. “*Plan Supplement Filing Date*” means the date is fourteen (14) days prior to the Voting Deadline.

98. “*Prepetition Credit Agreements*” means, collectively, the Hollywood First Lien IBC Loan Documents and the Hollywood Second Lien IBC Loan Documents.

99. “*Prime Rate*” means the U.S. prime rate as published in the *Wall Street Journal*.

100. “*Priority Tax Claim*” means any Claim of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

101. “*Proof of Claim*” means a proof of claim filed against the Debtors in the Chapter 11 Case.

102. “*Pro Rata*” means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

103. “*Record Date*” means 5:00 p.m. Central Time on September 30, 2015.

104. “*Reinstated*” means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim, so as to leave such Claim Unimpaired or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of a Claim to demand or receive accelerated payment of such Claim after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim as such maturity existed before such default; (iii) compensating the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim (other than a Debtors or an Insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder.

105. “*Released Parties*” means, collectively, the Debtors, the Debtors’ Affiliates, the Debtors’ current managers, members, employees, agents, attorneys, and other professionals or representatives when acting in such capacities.

106. “*Releasing Parties*” means each Holder of a Claim or Equity Interest in such capacity.

107. “*Reorganized Debtors*” means the Debtors, or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

108. “*Replacement Mortgage*” means a first-lien mortgage on the Hollywood Property, which first-line mortgage shall secure repayment of the Replacement Note and shall also cross-collateralize the IBC A Note.

109. “*Replacement Note*” means a promissory note in the principal amount of \$5,250,000, bearing simple interest fixed at a rate of 4.5 percent *per annum*, issued by the Reorganized Debtors on the Effective Date to the Holders of the consolidated Hollywood First Lien IBC Claims and Hollywood Second Lien IBC Claims, with payments of principal and interest amortized over 25 years payable monthly and the balance of the principal due in full on the date that is 18 calendar months after the Effective Date.

110. “*Retained Professional*” means any Entity: (a) employed in these Chapter 11 Cases pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code; or (b) for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

111. “*Schedules*” mean, collectively, the amended schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs first filed by the Hollywood Debtor on February 24, 2014 and by the 800 Building Debtor on June 1, 2015, pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been subsequently amended, modified, or supplemented from time to time.

112. “*Senior Secured Party*” means International Bank of Chicago, as lender pursuant to the Prepetition Credit Agreements.

113. “*Tort Claim*” means any Claim that has not been settled, compromised, or otherwise resolved that: (a) arises out of allegations of personal injury, wrongful death, property damage, products liability, or similar legal theories of recovery; or (b) arises under any federal, state, or local statute, rule, regulation, or ordinance governing, regulating, or relating to protection of human health, safety, or the environment.

114. “*Unexpired Lease*” means a lease to which the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

115. “*Unimpaired*” means any unimpaired Claim or Interest in an Unimpaired Class within the meaning of section 1124 of the Bankruptcy Code.

116. “*Unimpaired Class*” means an unimpaired Class within the meaning of section 1124 of the Bankruptcy Code.

117. “*United States Trustee*” means the United States Trustee for the Northern District of Illinois.

118. “*Voting Classes*” means, collectively, Classes 3, 4, 5, 6, 7, 8, 9, and 10.

119. “*Voting Deadline*” means [DATE], or such other the date and time set by an order of the Bankruptcy Court pursuant to Bankruptcy Rule 3017(c).

ARTICLE II.

ADMINISTRATIVE CLAIMS, DIP FACILITY CLAIMS, PRIORITY TAX CLAIMS AND UNITED STATES TRUSTEE STATUTORY FEE

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims, and United States Trustee Statutory Fees have not been classified and thus are excluded from the Classes of Claims and Equity Interests set forth in Article III of the Plan.

A. *Administrative Claims*

Subject to the provisions of sections 328, 330(a), and 331 of the Bankruptcy Code, except to the extent that a Holder of an Allowed Administrative Claim and the Debtors agree to less favorable treatment to such Holder, each Holder of an Allowed Administrative Claim will be paid the full unpaid amount of such Allowed Administrative Claim in Cash: (a) on the Effective Date or as soon as reasonably practicable thereafter or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter; (b) if an Administrative Claim is Allowed after the Effective Date, on the date such Administrative Claim is Allowed or as soon as reasonably practicable thereafter or, if not then due, when such Allowed Administrative Claim is due; (c) at such time and upon such terms as may be agreed upon by such Holder and the Debtors or the Reorganized Debtors, as the case may be; or (d) at such time and upon such terms as set forth in an order of the Bankruptcy Court; provided that, Allowed Administrative Claims that arise in the ordinary course of the Debtors’ or Reorganized Debtors’ business shall be paid in full in Cash in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions; provided, further, that Allowed Administrative Claims do not include Claims filed after the applicable deadline set forth in the Confirmation Order (except as otherwise provided by a separate order of the Bankruptcy Court).

B. *Priority Tax Claims*

Each Holder of an Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive, as soon as reasonably practicable after the Effective Date, on account of such Claim: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (2) Cash in an amount agreed to by the applicable Debtors or Reorganized Debtors, as applicable, and such Holder; *provided, however*, that such parties may further agree for the payment of such Allowed Priority Tax Claim at a later date; or (3) at the option of the Debtors, Cash in an aggregate amount of such Allowed Priority Claim payable in installment payments over a period not more than five years after the Petition Date, pursuant to section 1129(a)(9)(C)

of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on or before the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and such Holder, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

C. United States Trustee Statutory Fees

The Debtors shall pay all United States Trustee quarterly fees under 28 U.S.C. § 1930(a)(6), plus interest due and payable under 31 U.S.C. § 3717 on all disbursements, including Plan payments and disbursements in and outside the ordinary course of the Debtors' business, until the entry of a Final Order, dismissal of the Chapter 11 Case or conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code.

ARTICLE III.

**CLASSIFICATION AND TREATMENT
OF CLASSIFIED CLAIMS AND INTERESTS**

A. Summary

This Plan constitutes a joint chapter 11 plan of reorganization for the Debtors. Except for the Claims addressed in Article II above (or as otherwise set forth herein), all Claims against and Interests in the Debtors are placed in Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, Priority Tax Claims, and the United States Trustee Statutory Fees as described in Article II.

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including, without limitation, voting, Confirmation, and distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Interest to be classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or an Interest is in a particular Class only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

1. Summary of Classification and Treatment of Classified Claims and Interests

<u>Class</u>	<u>Claim/Equity Interest</u>	<u>Status</u>	<u>Voting Rights</u>
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	800 Building IBC Lien Claims	Impaired	Entitled to Vote
4	Hollywood First Lien IBC Claims	Impaired	Entitled to Vote
5	Hollywood Second Lien IBC Claims	Impaired	Entitled to Vote
6	Hollywood Third Priority Lien Claims	Impaired	Entitled to Vote
7	Hollywood Fourth Priority Lien Claims	Impaired	Entitled to Vote
8	800 Building Fine Homes Claims	Impaired	Entitled to Vote
9	Hollywood Chicago Water Department Claims	Impaired	Entitled to Vote
10	800 Building General Unsecured Claims	Impaired	Entitled to Vote
11	Hollywood General Unsecured Claims	Impaired	Entitled to Vote
12	800 Building Equity Interests	Impaired	Entitled to Vote
13	Hollywood Equity Interests	Impaired	Deemed to Reject

B. *Classification and Treatment of Claims and Interests*

1. Class 1 – Other Priority Claims

- (a) *Classification:* Class 1 consists of Other Priority Claims against either of the Debtors.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim against the Debtors agrees to less favorable treatment for such Holder, in exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Other Priority Claim against the Debtors, each Holder of such Allowed Other Priority Claim shall be paid in full in Cash on or as reasonably practicable after (i) the Effective Date, (ii) the date on which such Other Priority Claim against the Debtors becomes an Allowed Other Priority Claim, or (iii) such other date as may be ordered by the Bankruptcy Court.
- (c) *Voting:* Class 1 is Unimpaired, and the Holders of Class 1 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

- (a) *Classification:* Class 2 consists of Other Secured Claims against either of the Debtors.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment for such Holder, in exchange for full and final satisfaction, settlement, release, and discharge of each Other Secured Claim, Holders of Allowed Other Secured Claims shall receive one of the following treatments, in the sole discretion of the Debtors, in full and final satisfaction of such Allowed Other Secured

Claims: (i) the Debtors or the Reorganized Debtors shall pay such Allowed Other Secured Claims in full in Cash including the payment of any interest required to be paid under section 506(b) of the Bankruptcy Code; (ii) the Debtors or the Reorganized Debtors shall deliver the collateral securing any such Allowed Other Secured Claim; or (iii) the Debtors or the Reorganized Debtors shall otherwise treat any Allowed Other Secured Claim in any other manner such that the Claim shall be rendered Unimpaired.

- (c) *Voting:* Class 2 is Unimpaired, and the Holders of Class 2 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 2 Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 – 800 Building IBC Lien Claims

- (a) *Classification:* Class 3 consists of the IBC's secured Claims against the 800 Building Debtor.
- (b) *Treatment:*
- (i) Except to the extent that a Holder of an Allowed 800 Building IBC Lien Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each and every Allowed 800 Building IBC Lien Claim, including, without limitation, any Claim of breach, default, event of default, or cross-default against any Debtor Affiliate based on a Claim arising under any loan secured by the 800 Building IBC Lien, the Holder of such Claim shall receive a *Pro Rata* share of an interest in the IBC A Note on account of such Holder's 800 Building IBC Lien Claim.
- (ii) The IBC A Note shall be collateralized by substantially all of the assets of the IBC A Note Obligors and cross-collateralized with the Replacement Note, which shall be secured by a first-lien mortgage on the Hollywood Property (as defined in Article I.B, the "**Replacement Mortgage**").
- (c) *Voting:* Class 4 is Impaired, and Holders of Class 4 Claims are entitled to vote to accept or reject the Plan.

4. Class 4 – Hollywood First Lien IBC Claims

- (a) *Classification:* Class 4 consists of the Hollywood First Lien IBC Claims against the Hollywood Debtor.
- (b) *Treatment:*
 - (i) Except to the extent that a Holder of an Allowed Hollywood First Lien IBC Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each and every Allowed Hollywood First Lien IBC Claim, including, without limitation, any Claim of breach, default, event of default, or cross-default against any Debtors Affiliate based on a Claim arising under the Hollywood First Lien IBC Loan Documents shall be consolidated with the Allowed Hollywood Second Lien IBC Claims, and on the Effective Date, a Holder of such consolidated Claims shall receive such Holder's *Pro Rata* share of an interest in the Replacement Note on account of such Holder's Allowed Hollywood First Lien IBC Claim and such Holder's Allowed Hollywood Second Lien IBC Claim; *provided, however,* that the foregoing Plan treatment is to be understood as a single, consolidated treatment of both the Allowed Hollywood First Lien IBC Claims and the Allowed Hollywood Second Lien IBC Claims, and not a separate treatment or basis for recovery.
 - (ii) The Replacement Note shall be secured by the Replacement Mortgage.
 - (iii) Upon payment in full of the Replacement Note, the Replacement Mortgage shall be released.
- (c) *Voting:* Class 4 is Impaired, and Holders of Class 4 Claims are entitled to vote to accept or reject the Plan.

5. Class 5 – Hollywood Second Lien IBC Claims

- (a) *Classification:* Class 5 consists of the Hollywood Second Lien IBC Claims against the Hollywood Debtor.
- (b) *Treatment:*
 - (i) As described above with respect to Allowed Class 4 Hollywood First Lien IBC Claims, and except to the extent that a Holder of an Allowed Hollywood Second Lien IBC Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each and every Allowed Hollywood Second Lien IBC Claim, including, without limitation, any Claim of breach, default, event of default, or cross-

default against any Debtors Affiliate based on a Claim arising under the Hollywood Second Lien IBC Loan Documents shall be consolidated with the Allowed Hollywood First Lien IBC Claims, and on the Effective Date, a Holder of such consolidated Claims shall receive such Holder's *Pro Rata* share of an interest in the Replacement Note on account of such Holder's Allowed Hollywood First Lien IBC Claim and such Holder's Allowed Hollywood Second Lien IBC Claim; *provided, however*, that the foregoing Plan treatment is to be understood as a single, consolidated treatment of both the Allowed Hollywood First Lien IBC Claims and the Allowed Hollywood Second Lien IBC Claims, and not a separate treatment or basis for recovery.

- (ii) As described above with respect to Allowed Class 4 Hollywood First Lien IBC Claims, the Replacement Note shall be secured by the Replacement Mortgage.
- (iii) As described above with respect to Allowed Class 4 Hollywood First Lien IBC Claims, upon payment in full of the Replacement Note, the Replacement Mortgage shall be released.

(c) *Voting:* Class 5 is Impaired, and Holders of Class 6 Claims are entitled to vote to accept or reject the Plan.

6. Class 6 – Hollywood Third Priority Lien Claims

- (a) *Classification:* Class 6 consists of the Hollywood Third Priority Lien Claims against the Hollywood Debtor.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Hollywood Third Priority Lien Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each and every Allowed Hollywood Third Priority Lien Claim, Holder of such Hollywood Third Priority Lien Claims shall receive such Holder's *Pro Rata* share of the Fine Homes Claim Resolution Reserve.
- (c) *Voting:* Class 6 is Impaired, and Holders of Class 6 Claims are entitled to vote to accept or reject the Plan.

7. Class 7 – Hollywood Fourth Priority Lien Claims

- (a) *Classification:* Class 7 consists of the Hollywood Fourth Priority Lien Claims against the Hollywood Debtor.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Hollywood Fourth Priority Lien Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each and every Allowed Hollywood Fourth Priority Lien Claim, the

lien of each such Holder of an Allowed Hollywood Fourth Priority Lien Claim shall receive its *Pro Rata* share of the 1st Equity Note Purchase Cash Payment and the 1st Equity Note Purchase Promissory Note.

- (c) *Voting:* Class 7 is Impaired, and Holders of Class 7 Claims are entitled to vote to accept or reject the Plan.

8. Class 8 – 800 Building Fine Homes Claims

- (a) *Classification:* Class 8 consists of 800 Building Fine Homes Claims against the 800 Building Debtor.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed 800 Building Fine Homes Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for each and every Allowed 800 Building Fine Homes Claim, Holder of such Allowed 800 Building Fine Homes Claim shall receive such Holder's *Pro Rata* share of the Fine Homes Claim Resolution Reserve, after allowing offsets for claims of the Debtors against Fine Homes.
- (c) *Voting:* Class 8 is Impaired, and the Holders of Class 8 Claims are entitled to vote on the Plan.

9. Class 9 – Hollywood Chicago Water Department Claims

- (a) *Classification:* Class 9 consists of Hollywood Chicago Water Department Claims against the Hollywood Debtor.
- (b) *Treatment:* In exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Chicago Water Department Claim, except to the extent that a Holder of an Allowed Chicago Water Department Claim and the Debtors agree to less favorable treatment to such Holder, each Holder of an Allowed Chicago Water Department Claim will receive, beginning on the Initial Distribution Date, 60 monthly cash payments equal in the aggregate to the value as of the Effective Date of the Allowed Chicago Water Department Claim.
- (c) *Voting:* Class 9 is Impaired, and the Holders of Class 8 Claims are entitled to vote on the Plan.

10. Class 10 – 800 Building General Unsecured Claims

- (a) *Classification:* Class 10 consists of General Unsecured Claims against the 800 Building Debtor.
- (b) *Treatment:* In exchange for full and final satisfaction, settlement, release, and discharge of each Allowed 800 Building General Unsecured Claim, except to the extent that a Holder of an Allowed 800 Building General

Unsecured Claim and the 800 Building Debtor agree to less favorable treatment to such Holder, each Holder of an Allowed 800 Building General Unsecured Claim will receive (i) beginning on the Initial Distribution Date, 12 monthly cash payments equal in the aggregate to the value as of the Effective Date of such Allowed General 800 Building Unsecured Claim; (ii) if a 800 Building General Unsecured Claim is Allowed after the Effective Date, on the date such 800 Building General Unsecured Claim is Allowed or as soon as reasonably practicable thereafter; (iii) at such time and upon such terms as may be agreed upon by such Holder and the 800 Building Debtor or the Reorganized 800 Building Debtor, as the case may be; or (iv) at such time and upon such terms as set forth in an order of the Bankruptcy Court.

- (c) *Voting:* Class 10 is Impaired and the Holders of Class 10 Claims are entitled to vote on the Plan.

11. Class 11 – Hollywood General Unsecured Claims

- (a) *Classification:* Class 11 consists of General Unsecured Claims against the Hollywood Debtor.
- (b) *Treatment:* In exchange for full and final satisfaction, settlement, release, and discharge of each Allowed Hollywood General Unsecured Claim, except to the extent that a Holder of an Allowed Hollywood General Unsecured Claim and the Hollywood Debtor agree to less favorable treatment to such Holder, each Holder of an Allowed Hollywood General Unsecured Claim will receive (i) beginning on the Initial Distribution Date, 12 monthly cash payments equal in the aggregate to the value as of the Effective Date of such Allowed Hollywood General Unsecured Claim; (ii) if a Hollywood General Unsecured Claim is Allowed after the Effective Date, on the date such Hollywood General Unsecured Claim is Allowed or as soon as reasonably practicable thereafter; (iii) at such time and upon such terms as may be agreed upon by such Holder and the Hollywood Debtor or the Reorganized Hollywood Debtor, as the case may be; or (iv) at such time and upon such terms as set forth in an order of the Bankruptcy Court.
- (c) *Voting:* Class 11 is Impaired and the Holders of Class 10 Claims are entitled to vote on the Plan.

12. Class 12 – 800 Building Equity Interests

- (a) *Classification:* Class 12 consists of 800 Building Equity Interests in the 800 Building Debtor.
- (b) *Treatment:* In exchange for full and final satisfaction, settlement, release, and discharge of each Allowed 800 Building Equity Interest, except to the extent that a Holder of an Allowed 800 Building Equity Interest and the

Debtors agree to less favorable treatment to such Holder, each Holder of an Allowed 800 Building Equity Interest will receive such Holder's *Pro Rata* share of (i) \$200,000, which amount shall immediately be contributed to the reorganized Hollywood Debtor as part of the New Equity Contribution, and (ii) the New 800 Building Equity Interests.

- (c) *Voting:* Class 12 is Impaired, and the Holders of Class 12 800 Building Equity Interests are entitled to vote on the Plan.

13. Class 13 – Hollywood Equity Interests

- (a) *Classification:* Class 13 consists of Equity Interests in the Hollywood Debtor.
- (b) *Treatment:* Holders of Equity Interests in the Hollywood Debtor shall not receive any distribution on account of such Hollywood Equity Interests. On the Effective Date, all Equity Interests in the Hollywood Debtor shall be discharged, cancelled, released, and extinguished.
- (c) *Voting:* Class 13 is Impaired, and because Holders of Class 13 Hollywood Equity Interests are not entitled to receive or retain any property under the Plan, Holders of Class 13 Hollywood Equity Interests are conclusively deemed to have rejected the Plan pursuant to 1126(g) of the Bankruptcy Code. Therefore, Holders of Equity Interests in the Hollywood Debtor are not entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims*

Except as otherwise provided herein, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claims, including, without limitation, all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims.

D. *Acceptance or Rejection of the Plan*

1. Acceptance by Unimpaired Classes and Unclassified Claims

Pursuant to section 1126(f) of the Bankruptcy Code, each Unimpaired Class of Claims is presumed to have accepted the Plan and, therefore, votes to accept or reject this Plan will not be solicited from such Classes. To the extent that a Holder of an Administrative Claim, a Priority Tax Claim or a Non-Tax Priority Claim does not file a timely and proper objection to the Plan in accordance with the requirements set forth herein, such Holder may be deemed to have accepted the treatment as set forth in Article II of the Plan.

2. Presumed Acceptance of Plan

Classes 1 and 2 are Unimpaired under the Plan, and are, therefore, presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

3. Acceptance by Impaired Classes

In accordance with section 1126(c) of the Bankruptcy Code and except as provided under sections 1126(e) and (g) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if the Plan is accepted by the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject the Plan.

4. Cramdown

If any Impaired Class of Claims or Interests entitled to vote shall not accept the Plan by the requisite majorities provided in sections 1126(c) or 1126(d) of the Bankruptcy Code, as applicable, the Debtors reserves the right to (i) amend the Plan, or (ii) to undertake to have the Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code, or (iii) both amend this Plan and seek Confirmation of any amended plan pursuant to section 1129(b) of the Bankruptcy Code.

5. Voting Classes

Each Holder of an Allowed Claim or Interest in each of Classes 3, 4, 5, 6, 7, 8, 9, 10, and 11 shall be entitled to vote to accept or reject the Plan.

6. Non-Voting Classes

Class 12 Hollywood Equity Interests shall receive no distribution under the Plan on account of their Equity Interests and are, therefore, presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

7. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Interests, or any Class thereof, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

E. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Acceptance of the Plan by Class 3, 4, 5, 6, 7, 8, 9, or 10 will satisfy section 1129(a)(10) of the Bankruptcy Code. The Debtors will seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any rejecting class of Claims or Equity Interests.

F. Elimination of Vacant Classes

Any Class of Claims that is not occupied as of the date of commencement of the Confirmation Hearing by the Holder of an Allowed Claim or a Claim temporarily Allowed under Bankruptcy Rule 3018 (*i.e.*, no Ballots are cast in a Class entitled to vote on the Plan) shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptances or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

ARTICLE IV.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. *General Settlement of Claims*

As discussed further in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlements of all Claims and Equity Interests and controversies resolved pursuant to the Plan. Distributions made to Holders of Allowed Claims in any Class are intended to be final.

B. *Continuation of the Business*

Upon confirmation of this Plan, the Reorganized Debtors will continue their legal existence pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity except for those expressly required pursuant to the Plan.

C. *Approval of the 1st Equity Restructuring Support Agreement*

Confirmation of the Plan will constitute authorization for the Reorganized Debtors to enter into the 1st Equity Restructuring Support Agreement, which will include the following material terms:

1. On the Effective Date, the reorganized 800 Building Debtor and 1st Equity will enter into the Note Purchase Agreement, pursuant to which the reorganized 800 Building Debtor will purchase the 1st Equity Note and Mortgage for consideration consisting of: (a) the \$3 million 1st Equity Note Purchase Cash Payment; and (b) the \$3.7 million 1st Equity Note Purchase Promissory Note. The 1st Equity Note Purchase Promissory Note will be guaranteed by Leon and Helen Petcov, will mature on June 1, 2017, and will provide that payments on such 1st Equity Note Purchase Promissory Note totaling \$1.7 million, if made to 1st Equity on or before June 1, 2017, shall constitute full and final satisfaction of such 1st Equity Note Purchase Promissory Note.

2. Pursuant to the Note Purchase Agreement, on the Effective Date, and concurrent with the 1st Equity Note Purchase Cash Payment, 1st Equity will assign the 1st Equity Note and Mortgage to the reorganized 800 Building Debtor, and 1st Equity will receive a first-priority security interest in the 1st Equity Note and Mortgage as collateral for the 1st Equity Note Purchase Promissory Note. The reorganized 800 Building Debtor will not hypothecate the 1st Equity Note and Mortgage without the consent of 1st Equity.

3. No later than the Effective Date, Leon and Helen Petcov will cause two non-Debtor affiliates, 233 W. Chestnut Street LLC and 601 S. Third Street LLC to grant 1st Equity a first-priority lien on the parking lots that each such entity owns; *provided, however*, that 1st Equity will agree to subordinate such liens to a further financing of the entities properties; *provided, further*, that 1st Equity will be entitled to receive half of the proceeds of such financing as a payment against the balance of the 1st Equity Note Purchase Promissory Note.

4. No later than the Effective Date, Leon and Helen Petcov will pay all outstanding real property taxes on the Glencoe House. Leon and Helen Petcov will also establish a property tax and insurance escrow for the Glencoe House with 1st Equity, and will make regular payments into the escrow along with payment on the 1st Equity Note Purchase Promissory Note.

5. The reorganized 800 Building Debtor will diligently prosecute the 1st Equity Note and Mortgage, including any guarantees, any judgments obtained as of the Effective Date, and any supplemental proceedings with respect thereto. To the extent that a judgment is obtained on account of the 1st Equity Note or any guarantee thereof, citations will issue and will be prosecuted against the judgment debtor. Furthermore, the reorganized 800 Building Debtor will provide 1st Equity will notice on all such court and supplemental proceedings. With respect to any foreclosure proceeding on the Glencoe House, the reorganized 800 Building Debtor will engage a lawyer reasonably acceptable to 1st Equity, pursuant to a \$10,000 evergreen retainer, and will pay of such attorney's invoices within 60 days of the due date of such invoices.

6. If the reorganized 800 Building Debtor obtains title to the Glencoe House prior to repayment in full of the 1st Equity Note Purchase Promissory Note, 1st Equity will receive a first-priority mortgage on the Glencoe House as security for payment in full of the 1st Equity Note Purchase Promissory Note.

7. The reorganized 800 Building Debtor will not settle any claim related to the 1st Equity Note and Mortgage without: (a) the consent of 1st Equity, which consent will not be unreasonably withheld; and (b) payment in full of the 1st Equity Note Purchase Promissory Note.

8. Any Cash recovery on the 1st Equity Note and Mortgage will be tendered to 1st Equity and applied as a prepayment against the 1st Equity Note Purchase Promissory Note.

9. On the Effective Date, the reorganized 800 Building Debtor and Leon and Helen Petcov will deliver the following documents to an escrow, to be transmitted to 1st Equity upon an event of default under the Restructuring Support Agreement, the Note Purchase Agreement, or the 1st Equity Note Purchase Promissory Note, or the maturity without payment in full of the 1st Equity Note Purchase Promissory Note:

- (a) a quit claim deed to the Glencoe House, executed by Leon Petcov, Helen Petcov, and the 800 Building Debtor, to be recorded by 1st Equity in the event of a default, provided that the 800 Building Debtor has completed the foreclosure on the Glencoe House or the 800 Building or Leon and Helen Petcov have obtained title to the Glencoe House prior to such event

of default, and 1st Equity shall have discretion to accept or reject tender of such deed by escrow);

- (b) a re-assignment of the 1st Equity Note and Mortgage to 1st Equity, to be recorded by 1st Equity if the foreclosure with respect to the Glencoe House is still ongoing at the time of such default under the 1st Equity Note Purchase Promissory Note;
- (c) affidavits by each of Leon and Helen Petcov attesting to the enforceability of the 1st Equity Note Purchase Promissory Note and their guarantees in the event of such default; and
- (d) signed stipulations by each of Leon and Helen Petcov consenting to foreclosure relief with respect to the Glencoe House and agreeing to vacate the property within 45 days of such default.

10. On the Effective Date, the Guarantee Judgment will be transferred to the 800 Building Debtor and released, and any supplemental proceedings with respect thereto will be dismissed.

D. Purchase of 1st Equity Note and Mortgage

Pursuant to the terms of the 1st Equity Restructuring Support Agreement, on the Effective Date or as soon as reasonably practicable thereafter, the reorganized 800 Building Debtor will: (1) enter into and consummate the Note Purchase Agreement with 1st Equity; (2) fund 1st Equity Note Purchase Cash Payment to 1st Equity; (3) issue the 1st Equity Note Purchase Promissory Note; and (4) enter into a note pledge and security agreement with 1st Equity, pledging the 1st Equity Note and Mortgage as security for the 1st Equity Note Purchase Promissory Note.

E. Resolution of the Fine Homes Claims

On the Effective Date or as soon as reasonably practicable thereafter, and consistent with the claims resolution provisions of the Plan, the reorganized 800 Building Debtor shall commence such proceedings as may be necessary or prudent to resolve the various Claims between the Debtors and Fine Homes including, without limitation, Fine Homes claims against the Debtors, the Brickyard Bank Judgment, and the 1st Equity Note and Mortgage.

F. Restructuring Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (3) the filing of appropriate certificates

of incorporation, merger, or consolidation with the appropriate governmental authorities pursuant to applicable law; and (4) all other actions that the Reorganized Debtors determines are necessary or appropriate.

G. Exit Financing

Within 18 months following the Effective Date, the Hollywood Debtor will enter into the Exit Financing and draw an amount thereunder sufficient to pay the Replacement Note in full.

H. Corporate Existence

To the extent necessary to implement the Plan, and subject to any restructuring transactions as permitted under Article IV.B, the Reorganized Debtors shall continue to exist after the Effective Date as separate corporate entities, with all the powers of limited liability companies pursuant to the applicable law in the jurisdiction in which the Debtors are organized and pursuant to the certificates of organization and operating agreement in effect prior to the Effective Date, except to the extent such certificates of organization and operating agreements are amended by or in connection with the Plan or otherwise and, to the extent such documents are amended, such documents are deemed to be authorized pursuant hereto and without the need for any other approvals, authorizations, actions, or consents.

I. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided herein or in any agreement, instrument, or other document relating thereto, on or after the Effective Date, all property of the Debtors' Estate (including, without limitation, Causes of Action) and any property acquired during these Chapter 11 Cases or pursuant hereto shall vest in the respective Reorganized Debtors, free and clear of all liens, Claims, charges, or other encumbrances. Except as may be provided herein, on and after the Effective Date, the Reorganized Debtors may operate their business and may use, acquire, or dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

J. Management and Operations.

Each of the Reorganized Debtors shall be authorized to operate its business and to use, sell, lease or otherwise dispose of property free of any restrictions contained in the Bankruptcy Code or Bankruptcy Rules, but subject to the provisions of this Plan. On and after the Effective Date, unless expressly provided otherwise in the Plan, the Reorganized Debtors may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims or Causes of Actions without supervision or approval by the Bankruptcy Court, and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, except for those restrictions expressly required pursuant to the Plan.

K. New Equity Ownership of Reorganized Debtors.

On the Effective Date, the Equity Interests in the Debtors will be deemed canceled and extinguished. On the Effective Date, the Equity Sponsor shall be deemed to make the New Equity Contribution to the Hollywood Debtor and shall purchase all of the New Hollywood

Equity. Furthermore, on the Effective Date, the reorganized 800 Building Debtor will issue the New 800 Building Equity. As of the Effective Date, the Equity Sponsor shall hold 100% of the New Equity of the Reorganized Debtors.

L. Corporate Actions.

On the Effective Date, or as soon thereafter as is practicable, (a) each of the Debtors' articles of incorporation and bylaws shall be amended as necessary to comply with the provisions of section 1123(a)(6) of the Bankruptcy Code and otherwise in a manner not inconsistent with this Plan, and (b) the Debtors shall execute and deliver all documents, instruments and agreements that are necessary to implement this Plan.

M. Preference Actions.

The Debtors do not at this time anticipate bringing any preference actions pursuant to section 547 of the Bankruptcy Code post-Confirmation to recover preference payments. However, the Debtors reserve their rights to bring such actions within the statutory periods allowed. Nothing contained in the Plan shall waive Debtors' right to seek such recovery.

N. Cancellation of Instruments, Securities and Other Documentation.

Except to the extent otherwise provided under the Plan, on the Effective Date of this Plan and concurrently with the applicable Distributions to be made pursuant to this Plan, all agreements (other than assumed contracts and leases), credit agreements, prepetition loan documents, postpetition loan documents, Lien Claims and other evidence of Liens shall be deemed to be canceled and of no further force and effect, without any further action on the part of the Debtors. The Holders of or parties to such canceled instruments, agreements, securities and other documentation will have no remaining rights arising from or relating to such documents nor the cancellation thereof except the rights provided pursuant to this Plan; *provided, however*, no Distributions under this Plan shall be made to or on behalf of any Holder of an Allowed Claim evidenced by such canceled instruments or securities unless and until such instruments or securities are marked canceled by the Holders thereof and received by Debtors.

O. Funding of the New Equity Contribution

On the Effective Date, the Equity Sponsor will be deemed to fund the New Equity Contribution to the reorganized Hollywood Debtor by delivery of a check, wire transfer, or ACH payment from the 800 Building Debtor as a distribution on the 800 Building Equity Interests.

P. Sources of Cash for Plan Distributions

All Cash necessary for the Reorganized Debtors to make payments required pursuant to the Plan will be funded with Cash on hand and, with respect to the Replacement Note, the Exit Financing. Cash on hand will be derived from the vesting of the Debtors' assets in the Reorganized Debtors and the New Equity Contribution, as described in Articles IV.D and IV.G herein. Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtors.

From and after the Effective Date, the Reorganized Debtors, subject to any applicable limitations set forth in the Exit Financing, shall have the right and authority without further order of the Bankruptcy Court to raise additional capital and obtain additional financing as the manager of the Reorganized Debtors deems appropriate.

Q. Section 1145 Exemption

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of any securities pursuant to the Plan and any and all settlement agreements incorporated herein shall be exempt from, among other things, the registration requirements of Section 5 of the Securities Act to the maximum extent permitted thereunder and any other applicable law requiring registration by virtue of section 1145 of the Bankruptcy Code, prior to the offering, issuance, distribution, or sale of securities. In addition, except as otherwise provided in the Plan, to the maximum extent provided under section 1145 of the Bankruptcy Code, any and all New Common Stock contemplated by the Plan and any and all settlement agreements incorporated therein will be freely tradable by the recipients thereof, subject to: (1) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any rules and regulations of the Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (2) the restrictions, if any, on the transferability of such Securities and instruments; and (3) applicable regulatory approval.

R. Organizational Documents

The Reorganized Debtors shall enter into such agreements and amend its corporate governance documents to the extent necessary to implement the terms and conditions of the Plan. Without limiting the generality of the foregoing, as of the Effective Date, the Reorganized Debtors shall be governed by the Amended and Restated Certificate of Organization and the Amended and Restated Operating Agreement. From and after the Effective Date, the organizational documents of the Reorganized Debtors will comply with section 1123(a)(6) of the Bankruptcy Code for so long as it is applicable.

S. Effectuating Documents; Further Transactions

The Debtors or the Reorganized Debtors, as applicable, may take all actions to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan, including, without limitation, the distribution of the securities to be issued pursuant hereto in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions, or consents except for those expressly required pursuant hereto. The secretary and any assistant secretary of the Debtors shall be authorized to certify or attest to any of the foregoing actions.

Prior to, on, or after the Effective Date (as appropriate), all matters provided for pursuant to the Plan that would otherwise require approval of the shareholders, directors, or members of the Debtors shall be deemed to have been so approved and shall be in effect prior to, on, or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of

further action by the shareholders, directors, managers, or partners of the Debtors, or the need for any approvals, authorizations, actions, or consents.

T. Exemption from Certain Transfer Taxes and Recording Fees

Pursuant to section 1146(a) of the Bankruptcy Code, any transfer from the Debtors to the Reorganized Debtors or to any Entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors; (2) the creation, modification, consolidation, or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (3) the making, assignment, or recording of any lease or sublease; or (4) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

U. Preservation of Rights of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject to the releases set forth in Article X.E below, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Person may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against them. The Debtors or Reorganized Debtors, as applicable, expressly reserves all rights to prosecute any and all Causes of Action against any Person, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserves all Causes of Action, for later adjudication, and, therefore no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or the Effective Date.

Subject to the releases set forth in Article IX.E below, the Reorganized Debtors reserves and shall retain the Causes of Action notwithstanding the rejection or repudiation of any

Executory Contract or Unexpired Lease during the Chapter 11 Case or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtors may hold against any Entity shall vest in the Reorganized Debtors. The Reorganized Debtors, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases*

Subject to the provisions herein, each of the Debtors' Executory Contracts and Unexpired Leases shall be deemed assumed as of the Effective Date *except* any Executory Contract or Unexpired Lease (a) previously assumed or rejected by the Debtors during these Chapter 11 Cases, (b) identified on the Contract/Lease Schedule (which shall be filed with the Bankruptcy Court on the Contract/Lease Schedule Date) as an Executory Contract or Unexpired Lease designated for rejection, (c) which is the subject of a separate motion or notice to reject filed by the Debtors and pending as of the Confirmation Hearing.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute an order approving the assumptions or rejections of such Executory Contracts and Unexpired Leases as set forth in the Plan, all pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, all assumptions or rejections of such Executory Contracts and Unexpired Leases in the Plan are effective as of the Effective Date. Each such Executory Contract and Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order, and not assigned to a third party prior to the Effective Date, shall re-vest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms may have been modified by agreement of the parties or order of the Bankruptcy Court. Notwithstanding anything to the contrary in the Plan, the Debtors or Reorganized Debtors, as applicable, reserves the right to alter, amend, modify, or supplement the Executory Contracts and Unexpired Leases identified on the Contract/Lease Schedule in their discretion prior to the Effective Date on proper notice to the non-Debtors Entity party thereto.

B. *Cure of Defaults for Assumed Executory Contracts and Unexpired Leases*

Any provisions or terms of the Debtors' Executory Contracts or Unexpired Leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, solely by Cure or by an agreed-upon waiver of Cure on or as soon as reasonably practicable after the Effective Date.

The Debtors will file the Contract/Lease Schedule(s) with the Bankruptcy Court at least fourteen (14) days prior to the Confirmation Hearing. The Contract/Lease Schedule will include

(a) the name of the non-Debtors counterparty, (b) the legal description of the contract or lease to be assumed or rejected, and (c) in the case of assumption, the proposed Cure, if any. On or as soon as practicably thereafter, the Debtors will serve the Contract/Lease Schedule and notice of filing upon each non-Debtors counterparty listed thereon that will describe the procedures by which such parties may object to the proposed assumption or rejection of their respective Executory Contract or Unexpired Lease and explain how such disputes will be resolved by the Bankruptcy Court if the parties are not able to resolve a dispute consensually.

Objections, if any, to the proposed assumption and/or Cure or rejection by the Debtors of any Executory Contract or Unexpired Lease listed on the Contract/Lease Schedule, must be filed with the Bankruptcy Court and served so as to be actually received by the Debtors prior to the Confirmation Hearing on or before a date to be determined.

Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assumption or Cure will be deemed to have assented to such matters. Absent a further order of the Bankruptcy Court, any subsequent or additional requests for Cure, other payments, or assurances of future performance shall be disallowed automatically and forever barred from assertion and shall not be enforceable against the Reorganized Debtors, without the need for any objection by the Reorganized Debtors or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim for Cure shall be deemed fully satisfied, released and discharged, notwithstanding anything included in the Schedules or in any Proof of Claim to the contrary.

Nothing shall prevent the applicable Reorganized Debtors from paying any Cure despite the failure of the relevant counterparty to file such request for payment of such Cure. The Reorganized Debtors also may settle any Cure without further notice to or action, order, or approval of the Bankruptcy Court.

In the event of a dispute regarding (1) the amount of any payments to Cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (3) any other matter pertaining to assumption, then Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or Reorganized Debtors, and the counterparty to the Executory Contract or Unexpired Lease.

If an objection to Cure is sustained by the Bankruptcy Court, the Reorganized Debtors at its sole option, may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming it on proper notice to the non-Debtors Entity party thereto, which non-Debtors Entity parties shall then be entitled to file Proofs of Claim asserting Claims arising from the rejection thereof, if applicable, in accordance with the terms of the Plan and the Applicable Claims Bar Date Order entered by the Bankruptcy Court in these Chapter 11 Cases.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise, except any Executory Contract with a state or local franchise authority, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary,

including defaults of provisions restricting the change in control or ownership interest (or payments relating to such change in control) or composition or other bankruptcy related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to or upon the effective date of assumption.

Except as provided elsewhere in the Plan, any Proof of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

The Debtors or Reorganized Debtors, as applicable, reserve the right, either to reject or nullify, the assumption of any Executory Contract or Unexpired Lease no later than thirty (30) days after entry of any Final Order determining the Cure or any request for adequate assurance of future performance required to assume such Executory Contract or Unexpired Lease.

Except as otherwise set forth herein, assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise, shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest (or payments relating to such change in control) or composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to or upon the effective date of assumption. Except as provided elsewhere herein, any Proof of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.

C. Claims Based on Rejection of Executory Contracts and Unexpired Leases

Unless otherwise provided by an order of the Bankruptcy Court, any Proofs of Claim asserting Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases pursuant to the Plan or otherwise must be filed by Holders of such Claims in accordance with the terms of the Plan and the Applicable Claims Bar Date Order no later than thirty (30) days after the later of (1) the Effective Date or (2) the effective date of earlier rejection for such Holders to be entitled to receive distributions under the Plan on account of such Claims.

Absent a further order of the Bankruptcy Court, any Proofs of Claim arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Reorganized Debtors without the need for any objection by the Reorganized Debtors or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.

D. Contracts and Leases Entered Into After the Petition Date

Contracts and leases entered into after the Petition Date by the Debtors, including any Executory Contracts and Unexpired Leases assumed by the Debtors, will be performed by the Reorganized Debtors in the ordinary course of its business. Accordingly, such contracts and

leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

E. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement or Contract/Lease Schedule, as applicable, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or Reorganized Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

F. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any consensual request to extend the deadline for assuming or rejecting unexpired leases pursuant to section 365(d)(4) of the Bankruptcy Code.

ARTICLE VI.

PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant parties, the Reorganized Debtors shall make initial distributions under the Plan on account of Claims Allowed before the Effective Date on or as soon as practicable after the Initial Distribution Date; *provided, however*, that payments on account of Other General Unsecured Claims that become Allowed Claims on or before the Effective Date shall commence on the Effective Date.

B. Distributions on Account of Claims Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant parties, distributions under the Plan on account of a Disputed Claim that becomes an Allowed Claim after the Effective Date shall be made on the first Periodic Distribution Date after the Disputed Claim becomes an Allowed Claim.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to by the relevant parties no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order. In the event that there are Disputed Claims requiring

adjudication and resolution, the Reorganized Debtors shall establish appropriate reserves for potential payment of such Claims.

C. Timing and Calculation of Amounts to Be Distributed

Except as otherwise herein, on the Initial Distribution Date (or if a Claim is not an Allowed Claim on the Effective Date, on or as soon as reasonably after the date that such a Claim becomes an Allowed Claim), each Holder of an Allowed Claim against the Debtors shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. Distributions on account of General Unsecured Claims that become Allowed Claims before the Effective Date shall be paid on the Effective Date.

If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in the applicable class treatment or in Article VI herein. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

D. Delivery and Distributions and Undeliverable or Unclaimed Distributions

1. Record Date for Distributions

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those Holders of Claims listed on the Claims Register as of the close of business on the Distribution Record Date. If a Claim is transferred twenty (20) or fewer days before the Distribution Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical and, in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

2. Delivery of Distributions in General

Except as otherwise provided in the Plan, the Debtors or the Reorganized Debtors, as applicable shall make distributions to Holders of Allowed Claims at the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution or as listed on such Holder's Proof of Claim; *provided, however*, that the manner of such distributions shall be determined at the discretion of the Debtors or the Reorganized Debtors, as applicable; and, *provided further*, that the address for each Holder of an Allowed Claim shall be the address set forth in any Proof of Claim filed by that Holder.

3. Delivery of Distributions to Senior Secured Creditor Claims

The Senior Secured Party shall be deemed to be the Holder of all Hollywood First Lien IBC Claims, as applicable, for purposes of distributions to be made hereunder, and all distributions on account of such Hollywood First Lien IBC Claims shall be made to or on behalf of the Senior Secured Party. The Senior Secured Party shall hold or direct such distributions for

the benefit of the Holders of Allowed Hollywood First Lien IBC Claims, as applicable. As soon as practicable following compliance with the requirements set forth in Article VII of the Plan, the Senior Secured Party shall arrange to deliver or direct the delivery of such distributions to or on behalf of such Holders of Allowed Hollywood First Lien IBC Claims. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the Senior Secured Party shall not have any liability to any person with respect to distributions made or directed to be made by the Senior Secured Party.

4. Minimum Distributions

Notwithstanding anything herein to the contrary, the Reorganized Debtors shall not be required to make distributions or payments of less than \$10 (whether Cash or otherwise) and shall not be required to make partial distributions or payments of fractions of dollars. Whenever any payment or distribution of a fraction of a dollar or fractional share of New Common Stock under the Plan would otherwise be called for, the actual payment or distribution will reflect a rounding of such fraction to the nearest whole dollar or share of New Common Stock (up or down), with half dollars and half shares of New Common Stock or less being rounded down.

5. Undeliverable Distributions

(a) Holding of Certain Undeliverable Distributions

If any distribution to a Holder of an Allowed Claim made in accordance herewith is returned to the Reorganized Debtors as undeliverable, no further distributions shall be made to such Holder unless and until the Reorganized Debtors is notified in writing of such Holder's then current address, at which time all currently due missed distributions shall be made to such Holder on the next Periodic Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized Debtors, subject to Article VII.E.5 hereof, until such time as any such distributions become deliverable. Undeliverable distributions shall not be entitled to any additional interest, dividends, or other accruals of any kind on account of their distribution being undeliverable.

(b) Failure to Claim Undeliverable Distributions

No later than sixty (60) days after the Effective Date, the Reorganized Debtors shall File with the Bankruptcy Court a list of the Holders of undeliverable distributions. This list shall be maintained and updated periodically in the sole discretion of the Reorganized for as long as the Chapter 11 Case stays open. Any Holder of an Allowed Claim, irrespective of when a Claim becomes an Allowed Claim, that does not notify the Reorganized Debtors of such Holder's then current address in accordance herewith within ninety (90) days of the Effective Date, shall have its Claim for such undeliverable distribution discharged and shall be forever barred, estopped, and enjoined from asserting any such Claim against the Reorganized Debtors or their property.

In such cases, (i) any Cash held for distribution on account of Allowed Claims shall be redistributed to Holders of Allowed Claims in the applicable Class on the next Periodic Distribution Date and (ii) any Cash held for distribution to other creditors shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and become property of the Reorganized Debtors, free of any Claims of such Holder with respect thereto. Nothing contained

herein shall require the Debtors or the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

(c) Failure to Present Checks

Checks issued by the Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within one hundred eighty (180) days after the issuance of such check. In an effort to ensure that all Holders of Allowed Claims receive their allocated distributions, the Reorganized Debtors shall File with the Bankruptcy Court a list of the Holders of any un-negotiated checks no later than ninety (90) days after the issuance of such checks. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtors for as long as the Chapter 11 Case stays open. Requests for reissuance of any check shall be made directly to the Reorganized Debtors by the Holder of the relevant Allowed Claim with respect to which such check originally was issued.

Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such un-negotiated check within one hundred twenty (120) days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check discharged and be discharged and forever barred, estopped, and enjoined from asserting any such Claim against the Reorganized Debtors or its property. In such cases, any Cash held for payment on account of such Claims shall be property of the Reorganized Debtors, free of any Claims of such Holder with respect thereto. Nothing contained herein shall require the Debtors or the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

E. Compliance with Tax Requirements/Allocations

In connection with the Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms it believes are reasonable and appropriate. The Reorganized Debtors reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances. For tax purposes, distributions in full or partial satisfaction of Allowed Claims shall be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims.

F. Setoffs

The Debtors and the Reorganized Debtors may withhold (but not setoff except as set forth below) from the distributions called for hereunder on account of any Allowed Claim an amount equal to any Claims, Equity Interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim. In

the event that any such Claims, Equity Interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the Debtors or the Reorganized Debtors, as applicable, may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, setoff against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), the amount of any adjudicated or resolved Claims, Equity Interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claims, Equity Interests, rights and Causes of Action that the Debtors or the Reorganized Debtors may possess against any such Holder, except as specifically provided herein.

G. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Debtors, the Reorganized Debtors, or the Clerk of the Court, as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not the Debtors or Reorganized Debtors. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not the Debtors or the Reorganized Debtors on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the Reorganized Debtors, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

If the Debtors or Reorganized Debtors becomes aware of the payment by a third party, the Debtors or Reorganized Debtors, as applicable, will send a notice of wrongful payment to such party requesting return of any excess payments and advising the recipient of the provisions of the Plan requiring turnover of excess estate funds. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.

**PROCEDURES FOR RESOLVING
CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS**

A. *Resolution of Disputed Claims*

1. Allowance of Claims

After the Effective Date, the Reorganized Debtors shall have and shall retain any and all rights and defenses that the Debtors had with respect to any Claim, except with respect to any Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Case prior to the Effective Date (including, without limitation, the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a Final Order, including, without limitation, the Confirmation Order, in the Chapter 11 Case allowing such Claim. All settled claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

2. Prosecution of Objections to Claims

After the Confirmation Date but before the Effective Date, the Debtors, and after the Effective Date, the Reorganized Debtors, shall have the exclusive authority to file objections to Claims, settle, compromise, withdraw, or litigate to judgment objections to any and all Claims, regardless of whether such Claims are in a Class or otherwise. From and after the Effective Date, the Reorganized Debtors may settle or compromise any Disputed Claim without any further notice to or action, order, or approval of the Bankruptcy Court. The Reorganized Debtors shall have the sole authority to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval of the Bankruptcy Court. With respect to all Tort Claims, Each such Tort Claim shall remain a Disputed Claim unless and until it becomes an Allowed Claim.

3. Claims Estimation

After the Confirmation Date but before the Effective Date, the Debtors, and after the Effective Date, the Reorganized Debtors may, at any time, request that the Bankruptcy Court estimate (a) any Disputed Claim pursuant to applicable law and (b) any contingent or unliquidated Claim pursuant to applicable law, including, without limitation, section 502(c) of

the Bankruptcy Code, regardless of whether the Debtors or the Reorganized Debtors has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim, contingent Claim, or unliquidated Claim, including during the litigation concerning any objection to any Claim or during the pendency of any appeal relating to any such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register but that is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

4. Expungement or Adjustment to Claims Without Objection

Any Claim that has been paid, satisfied, or superseded may be expunged on the Claims Register by the Reorganized Debtors, and any Claim that has been amended may be adjusted thereon by the Reorganized Debtors, in both cases without a claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

B. *Disallowance of Claims*

All Claims of any Entity from which property is sought by the Debtors or the Reorganized Debtors under section 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors alleges is a transferee of a transfer that is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code shall be disallowed if (i) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turnover any property or monies under any of the aforementioned sections of the Bankruptcy Code and (ii) such Entity or transferee has failed to turnover such property by the date set forth in such agreement or Final Order.

EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE CLAIMS BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A BANKRUPTCY COURT ORDER.

C. *Amendments to Claim*

On or after the Effective Date, except as otherwise provided herein, a Claim may not be filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and, to the extent such prior authorization is not received, any such new or amended

Claim filed shall be deemed disallowed and expunged without any further notice to or action, order or approval of the Bankruptcy Court.

ARTICLE VIII.

CONDITIONS PRECEDENT TO EFFECTIVE DATE

A. *Conditions Precedent to Effective Date*

The following shall be satisfied or waived as conditions precedent to the Effective Date:

1. The Bankruptcy Court shall have approved the Disclosure Statement, in a manner acceptable to the Debtors, as containing adequate information with respect to the Plan within the meaning of section 1125 of the Bankruptcy Code.

2. The Plan and all Plan Supplement documents, including any amendments, modifications, or supplements thereto, shall be reasonably acceptable to the Debtors.

3. The Confirmation Order shall have been entered and become a Final Order in form and in substance reasonably satisfactory to the Debtors. The Confirmation Order shall provide that, among other things, the Debtors or the Reorganized Debtors, as appropriate, are authorized and directed to take all actions necessary or appropriate to consummate the Plan, including, without limitation, entering into, implementing, and consummating the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with or described in the Plan.

4. All documents and agreements necessary to implement the Plan shall have (a) been tendered for delivery and (b) been effected or executed. All conditions precedent to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements.

5. All actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws.

B. *Waiver of Conditions*

The Debtors or the Reorganized Debtors, as applicable, may waive any of the conditions to the Effective Date set forth above at any time, without any notice to parties in interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm the Plan. The failure of the Debtors or Reorganized Debtors, as applicable, to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

C. *Effect of Non Occurrence of Conditions to the Effective Date*

If the Effective Date does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any claims by or Claims against or Equity Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any Holders or any other Entity in any respect.

ARTICLE IX.

SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. *Compromise and Settlement*

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies subject to the Plan, including, without limitation, those relating to the contractual, legal, and subordination rights that a Holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest.

Accordingly, the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies—including, without limitation, Release by Holders of Claims or Equity Interests (both as defined below)—as well as a finding by the Bankruptcy Court that such compromise or settlement is: (1) in exchange for the good and valuable consideration provided for in the Plan; (2) a good-faith settlement and compromise of all such Claims, Interests, and controversies; (3) in the best interests of the Debtors, their Estates, and Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) made after adequate notice and opportunity for hearing; and (5) a bar to any Person or Entity from asserting any such Claims, Interests, and controversies against the Debtors, the Reorganized Debtors, or the other Released Parties.

In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against them and Causes of Action against other Entities.

B. *Subordinated Claims*

The allowance, classification, and treatment of all Allowed Claims and Equity Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors reserve the

right to seek to have the Bankruptcy Court re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

C. Discharge of Claims and Termination of Equity Interests

Pursuant to and to the fullest extent permitted by section 1141(d) of the Bankruptcy Code, and except with respect to a Claim that is reinstated by the Reorganized Debtors after the Effective Date or as otherwise specifically provided in the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge, effective as of the Effective Date, of all Claims, Equity Interests, and Causes of Action of any nature whatsoever (as used herein, the “*Discharge*”). This Discharge shall include any interest accrued on Claims or Equity Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Equity Interests in, the Debtors, the Reorganized Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Equity Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date. This Discharge shall also include any liability to the extent such Claims or Equity Interests relate to services performed by the employees of the Debtors prior to the Petition Date and arise from a termination of employment or a termination of any employee or retiree benefit program regardless of whether such termination occurred prior to or after the Effective Date. Finally, the Discharge shall include any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Interest based upon such Claim, debt, right, or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such Claim, debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan.

Except as otherwise provided herein, any default by the Debtors with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Case shall be deemed cured on the Effective Date with respect to the Debtors or any Debtors’ Affiliates. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Equity Interests subject to the Effective Date occurring.

D. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Article III hereof and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and its successors and assigns.

E. Debtors Release

For good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtors and implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, the Debtors, the Reorganized Debtors, and any Person seeking to exercise the rights of such parties or the Estate, shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever based on, relating to, or in any manner arising from: (1) the Chapter 11 Case; (2) the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan; (3) any default by the Debtors with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Case; or (4) the negotiation, formulation, or preparation of (A) the Plan, (B) the Plan Supplement, (C) the Disclosure Statement, or (D) related agreements, instruments, or other documents; *provided, however*, that the foregoing shall not include claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes criminal conduct, willful misconduct, or gross negligence.

Notwithstanding anything to the contrary herein, the foregoing “*Debtors Release*” shall not operate to waive or release any Causes of Action of the Debtors: (1) arising under any contract, instrument, agreement, release, or document delivered pursuant to the Plan; or (2) expressly set forth in and preserved by the Plan, the Plan Supplement or related documents.

F. Release by Holders of Claims or Equity Interests

For good and valuable consideration, including the service of the Released Parties in facilitating the expeditious reorganization of the Debtors and implementation of the restructuring contemplated by the Plan, effective as of the Effective Date, the Releasing Parties shall be deemed to forever release, waive, and discharge the Released Parties of any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever based on, relating to, or in any manner arising from: (1) the Chapter 11 Case; (2) the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan; (3) any default by the Debtors with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Case; or (4) the negotiation, formulation, or preparation of (A) the Plan, (B) the Plan Supplement, (C) the Disclosure Statement, or (D) related agreements, instruments, or other documents; *provided, however*, that the foregoing shall not include claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes criminal conduct, willful misconduct, or gross negligence.

Notwithstanding anything to the contrary herein, the foregoing “*Release by Holders of Claims or Equity Interests*” does not release any post-Effective Date obligations of any party under the Plan or any document, instrument, agreement executed to implement the Plan.

G. Exculpation

Upon and effective as of the Effective Date, the Debtors and its directors, officers, employees, attorneys, and other professional advisors and agents will be deemed to have solicited acceptances of this Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including section 1125(e) of the Bankruptcy Code.

Except with respect to any acts or omissions expressly set forth in and preserved by the Plan, the Plan Supplement or related documents, the Exculpated Parties shall neither have nor incur any liability to any Entity for any prepetition or postpetition act taken or omitted to be taken in good faith in connection with, or arising from or relating in any way to, the Chapter 11 Case, including, without limitation: (1) the operation of the Debtors' business during the pendency of these Chapter 11 Cases; (2) formulating, negotiating, preparing, disseminating, implementing, and/or effecting the Disclosure Statement and the Plan (including the Plan Supplement and any related contract, instrument, release, or other agreement or document created or entered into in connection therewith); (3) the solicitation of votes for the Plan and the pursuit of Confirmation and Consummation of the Plan; (4) the administration of the Plan and/or the property to be distributed under the Plan; (5) the offer and issuance of any securities under the Plan; and/or (6) any other prepetition or postpetition act taken or omitted to be taken in good faith in connection with or in contemplation of the restructuring of the Debtors. In all respects, each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her, or its respective duties under, pursuant to, or in connection with, the Plan.

Notwithstanding anything herein to the contrary, nothing in the foregoing "*Exculpation*" shall (1) exculpate any Person or Entity from any liability resulting from any act or omission constituting fraud, willful misconduct, gross negligence, criminal conduct, malpractice, misuse of confidential information that causes damages, or ultra vires acts as determined by a Final Order or (2) limit the liability of the professionals of the Exculpated Parties to their respective clients pursuant to the laws of the State of Illinois.

H. Injunction

The satisfaction, release, and discharge pursuant to this Article IX of the Plan shall also act as an injunction against any Person commencing or continuing any action, employment of process, or act to collect, offset, or recover any Claim, Cause of Action, breach, default, event of default, or cross-default satisfied, released, cured, or discharged under the Plan or the Confirmation Order against the Reorganized Debtors, any of the Released Parties, or any property of the Reorganized Debtors or any of the Released Parties, to the fullest extent authorized or provided by the Bankruptcy Code, including, without limitation, to the extent provided for or authorized by sections 524 and 1141 thereof.

I. No Release of Any Claims Held by the United States

Nothing in the Confirmation Order or the Plan shall effect a release of any Claim by the United States Government or any of its agencies or any state and local authority

whatsoever, including, without limitation, any Claim arising under the Internal Revenue Code, the environmental laws or any criminal laws of the United States or any state and local authority against the Released Parties, nor shall anything in the Confirmation Order or the Plan enjoin the United States or any state or local authority from bringing any Claim, suit, action, or other proceedings against the Released Parties for any liability whatever, including any Claim, suit, or action arising under the Internal Revenue Code, the environmental laws, or any criminal laws of the United States or any state or local authority, nor shall anything in the Confirmation Order or the Plan exculpate any party from any liability to the United States Government or any of its agencies or any state and local authority whatsoever, including any liabilities arising under the Internal Revenue Code, the environmental laws, or any criminal laws of the United States or any state and local authority against the Released Parties.

ARTICLE X.

ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE EXPENSE CLAIMS

A. *Administrative Claims*

All requests for payment of an Administrative Claim that accrued on or before the Effective Date that were not otherwise paid in the ordinary course of business must be filed with the Bankruptcy Court and served on the Reorganized Debtors no later than the Administrative Claim Bar Date. A notice setting forth the Administrative Claim Bar Date will be filed on the Bankruptcy Court's docket and served on all creditors and other parties in interest. Further notice of the Administrative Claim Bar Date will be provided as may be directed by the Bankruptcy Court. No request for payment of an Administrative Claim need be filed with respect to an Administrative Claim previously Allowed by Final Order.

The Reorganized Debtors, in its sole and absolute discretion, may settle Administrative Claims in the ordinary course of its business without further Bankruptcy Court approval. The Reorganized Debtors may also choose to object to any Administrative Claim no later than ninety (90) days from the Administrative Claim Bar Date, subject to extensions by the Bankruptcy Court or on motion of a party in interest approved by the Bankruptcy Court.

Unless the Debtors or the Reorganized Debtors (or other party with standing) object to a timely-filed and properly served Administrative Claim, such Administrative Claim will be deemed allowed in the amount requested. In the event that the Debtors or the Reorganized Debtors object to an Administrative Claim, the parties may confer to try to reach a settlement and, failing that, the Bankruptcy Court will determine whether such Administrative Claim should be allowed and, if so, in what amount.

Any requests for payment of Administrative Claims that are not properly filed and served by the Administrative Claim Bar Date shall not appear on the Claims Register maintained by the Clerk of the Court and shall be disallowed automatically without the need for any objection from the Debtors or the Reorganized Debtors or any action by the Bankruptcy Court.

B. Professional Claims

1. Final Fee Applications. All final requests for Professional Compensation and Reimbursement Claims shall be filed no later than sixty (60) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Professional Compensation and Reimbursement Claims shall be determined by the Bankruptcy Court.

2. Post-Effective Date Fees and Expenses. Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Reorganized Debtors shall pay in Cash the reasonable legal fees and expenses incurred by the Reorganized Debtors after the Effective Date in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court. Upon the Effective Date, any requirement that Retained Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Retained Professional in the ordinary course of business without any further notice to or action, order or approval of the Bankruptcy Court.

3. Substantial Contribution Compensation and Expenses. Except as otherwise specifically provided in the Plan, any Entity that requests compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Case pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code must File an application and serve such application on counsel for the Debtors or Reorganized Debtors, as applicable, and as otherwise required by the Bankruptcy Court, the Bankruptcy Code, and the Bankruptcy Rules.

ARTICLE XI.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Case and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured, or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Equity Interests;

2. Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Retained Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. Resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which the Debtors is a party or with respect to which the Debtors may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including Cure or Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or

Unexpired Lease that is assumed; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. Ensure that distributions to Holders of Allowed Claims and Equity Interests are accomplished pursuant to the provisions of the Plan;

5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving the Debtors that may be pending on the Effective Date;

6. Adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

8. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

9. Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

11. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with enforcement of the Plan;

12. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

13. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid;

14. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

16. Enter an order or final decree concluding or closing the Chapter 11 Case;

17. Adjudicate any and all disputes arising from or relating to distributions under the Plan;

18. Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. Determine requests for the payment of Claims and Equity Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

20. Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan;

21. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

22. Hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

23. Enforce all orders previously entered by the Bankruptcy Court; and

24. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII.

MODIFICATION, REVOCATION, AND WITHDRAWAL OF THE PLAN

A. Modification of Plan

Subject to the limitations contained in the Plan: (1) the Debtors reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code; and (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission, or reconcile any inconsistency, in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation of Plan

Subject to the conditions to the Effective Date, the Debtors reserves the right to revoke or withdraw the Plan prior to the entry of the Confirmation Order and to file subsequent plans of reorganization. If the Debtors revokes or withdraws the Plan, or if entry of the Confirmation Order or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan, assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant hereto shall be deemed null and void; and (3) nothing contained in the Plan shall: (x) constitute a waiver or release of any claims by or against, or any Equity Interests in, the Debtors or any other Entity; (y) prejudice in any manner the rights of the Debtors or any other Entity; or (z) constitute an admission of any sort by the Debtors or any other Entity.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Equity Interests (irrespective of whether Holders of such Claims or Equity Interests are deemed to have accepted the Plan), all Entities that are parties to, or are subject to, the settlements, compromises, releases, discharges, and injunctions described in the Plan or herein, each Entity acquiring property under the Plan and any and all non-Debtors parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or Reorganized Debtors, as applicable, and all Holders of Claims or Equity Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order. Neither the filing of the Plan, any statement or provision contained herein, nor the taking of any action by the Debtors or any other Entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) the Debtors with respect to the Holders of Claims or Equity Interests or other Entity; or (2) any Holder of a Claim or an Equity Interest or other Entity prior to the Effective Date.

D. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to herein shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Entity.

E. Service of Documents

Any pleading, notice or other document required by the Plan to be served on or delivered to the Debtors shall be sent by overnight mail to:

Debtors	Counsel to Debtors
1016 West Hollywood, LLC and The 800 Building, LLC 1016 West Hollywood Avenue Chicago, Illinois 60660 Attn: Leon Petcov, Manager	Locke Lord LLP 111 South Wacker Drive Chicago, Illinois 60606 Attn: David Fischer and Phillip Nelson
Counsel to the Senior Secured Party	United States Trustee
Michael Lee Tinaglia, Ltd. 444 North Northwest Highway, Suite 350 Park Ridge, Illinois 60068 Attn: Michael L. Tinaglia and J. Molly Wretzky	Office of the United States Trustee for the Northern District of Illinois 219 South Dearborn Street, Room 873 Chicago, Illinois 60604 Attn: Kathryn M. Gleason

After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have filed renewed requests for service.

In accordance with Bankruptcy Rules 2002 and 3020(c), within ten (10) Business Days of the date of entry of the Confirmation Order, the Debtors shall serve a notice of Confirmation by United States mail, first class postage prepaid, by hand, or by overnight mail or courier service to all parties served with notice of the Confirmation Hearing; *provided, however*, that no notice or service of any kind shall be required to be mailed or made upon any Entity to whom the Debtors served the notice of the Confirmation Hearing, but received such notice returned marked “undeliverable as addressed,” “moved, left no forwarding address” or “forwarding order expired,” or similar reason, unless the Debtors have been informed in writing by such Entity, or is otherwise aware, of that Entity’s new address.

To supplement the notice described in the preceding sentence, the Debtors may also publish notice of the Confirmation Order in the *Chicago Tribune*. Mailing and publication of the notice of the Confirmation Order in the time and manner set forth in the this paragraph shall be good and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c), and no further notice is necessary.

F. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Case pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

G. Entire Agreement

On the Effective Date, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

H. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Illinois, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate governance matters; *provided, however*, that corporate governance matters relating to Debtors or Reorganized Debtors, as applicable, shall be governed by the laws of the state of incorporation of the Debtors or Reorganized Debtors, as applicable.

I. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. Except as otherwise provided in the Plan, such exhibits and documents included in the Plan Supplement shall be filed with the Bankruptcy Court on or before the Plan Supplement Filing Date or the Solicitation Date, as applicable. After the exhibits and documents are filed, copies of such exhibits and documents shall have been available upon written request to the Debtors' counsel at the address above or the Bankruptcy Court's website at ecf.ilnb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

J. Nonseverability of Plan Provisions Upon Confirmation

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected,

impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the consent of the Debtors or the Reorganized Debtors, as applicable; and (3) nonseverable and mutually dependent.

K. Closing of Chapter 11 Case

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Case, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Case.

L. Conflicts

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

M. Section 1125(e) Good Faith Compliance

The Debtors and the Reorganized Debtors, and each of their respective Representatives, shall be deemed to have acted in “good faith” under section 1125(e) of the Bankruptcy Code.

N. No Stay of Confirmation Order

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rule 3020(e) and 7062.

O. Waiver or Estoppel

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement or papers filed with the Bankruptcy Court prior to the Confirmation Date.

Respectfully submitted, as of the date first set forth above,

1016 West Hollywood, LLC

By: /s/Leon Petcov

Name: Leon Petcov,

Title: Managing Member

The 800 Building, LLC

By: /s/Leon Petcov

Name: Leon Petcov,

Title: Managing Member